2002

ANNUAL REPORT

VINCI

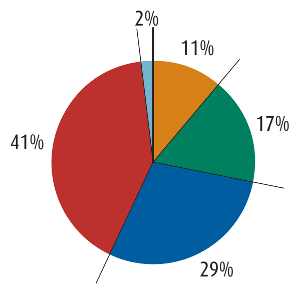
Key figures

127,000 EMPLOYEES, THROUGH 2,500 LOCAL BUSINESSES

- **100,000 projects a year in over 80 countries**
- **€17.6 billion in net sales**
- **€1,067 million in operating income**
- **€478 million in net income**
- **€5 billion in market capitalisation**
- **The VINCI share is included in the CAC 40, Euronext 100, DJ Euro Stoxx and Next Prime indexes**

Net sales by business line*

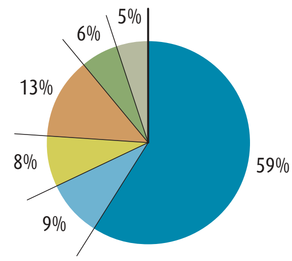
in millions of euros



Concessions and services	1,851
Energy	3,024
Roads	5,146
Construction	7,252
Miscellaneous	281
Total	**17,554**

Net sales by geographic area

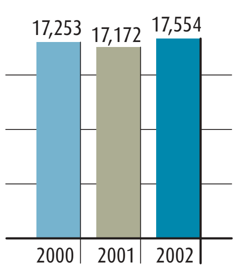
in millions of euros



France	10,318
Germany	1,507
UK	1,404
Rest of Europe	2,360
North America	1,006
Rest of the world	959
Total	**17,554**

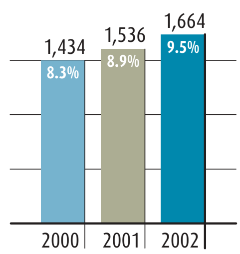
Net sales

in millions of euros



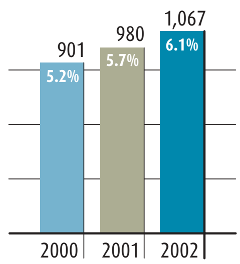
Gross operating surplus

in millions of euros and as a percentage of net sales



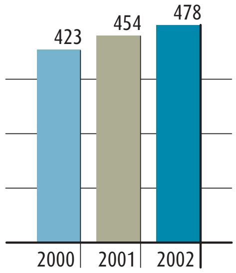
Operating income

in millions of euros and as a percentage of net sales



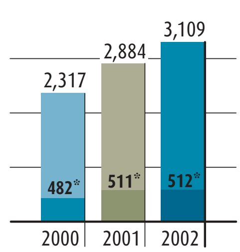
Net income

in millions of euros



Shareholders' equity and minority interest

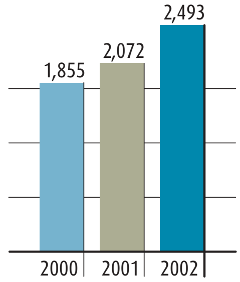
in millions of euros



* Minority interest

Net debt

in millions of euros



Data for 2000 and 2001 are pro forma

* After eliminating inter-company transactions

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

VINCI Concessions

With more than a century's experience in outsourced infrastructure management, VINCI Concessions has unrivalled know-how in project design, turnkey construction, financing and operation. VINCI Concessions manages road and motorway infrastructure, car parks, airports and special structures such as the Stade de France stadium near Paris.

VINCI Energies

Number one in France* and one of the leading players in Europe in energy and information technology, VINCI Energies operates in four segments: electricity network infrastructure, interior works for industry, interior works for commercial customers and communications.

Eurovia

Number one in France for the production of road aggregate**, Eurovia is Europe's market leader for roadworks and materials recycling. The company operates in three complementary segments: roadworks, materials production and the environment (recycling, safety, sound protection, etc.).

VINCI Construction

Building, civil engineering, hydraulics and facilities management are VINCI Construction's core businesses. Its wide range of expertise and exceptional geographic coverage, especially in Europe, make VINCI Construction the industry benchmark worldwide.

* Source: *Moniteur* magazine, November 2002 (basis: net sales 2001)
** Source: Internal study

Group management

EXECUTIVE COMMITTEE

The Executive Committee is responsible for managing VINCI.

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 Eurovia

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.

David Azéma
Chief Executive Officer, VINCI Concessions

Daniel Berrebi
Co-Chief Operating Officer, Eurovia France

Bruno Dupety
Chairman and CEO, Freyssinet

Denis Grand
Chairman and CEO, VINCI Park

Robert Hosselet
Chairman and CEO, GTM Construction

Jean-Yves Le Brouster
Chief Operating Officer, VINCI Energies

Patrick Lebrun
Executive Vice-President, VINCI Energies

Jean-Louis Marchand
Co-Chief Operating Officer, Eurovia

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

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

Daniel Roffet
Executive Vice-President, Eurovia International

Jean Rossi
Chairman, Sogea Construction

John Stanion
Chairman, VINCI PLC

Henri Stouff
Chairman and CEO, VINCI Construction Grands Projets

Philippe Touyarot
Chief Operating Officer, VINCI Energies

Hervé Tricot
Managing Director, CFE

Guy Vacher
Executive Vice-President, Eurovia France

Editorial

VINCI's financial statements for 2002 reflect the policies that we have applied consistently over the last several years.

In 2002, all our businesses reported record profit levels. This further increase in profitability, in a sluggish economic climate, confirms our ability to achieve lasting success. VINCI is a strong company with a vision that is ambitious, independent and sustainable, and an approach that is consistent and pragmatic. The company's financial statements confirm the validity of our strategic choices, founded on the following key principles: a selective approach to new business, risk management, the determination to consolidate leadership positions that maximise the full range of our skills and markets, and the development of recurrent business with high value added. Our performance proves the effectiveness of our management system, based on an entrepreneurial culture, autonomous operations and a network organisation. This system gives VINCI exceptional vitality and responsiveness in markets that are both local and global.

Our strategy and management model, which are applied by 2,500 companies and 127,000 employees, have made us the world leader in concessions, construction and related services. We have set new profitability standards in our industry and have demonstrated that the construction business can enjoy sustainable development and growth, regardless of the economic environment.

Based on our current momentum, supported by sound fundamentals and driven by new synergy between businesses, we anticipate fresh growth in profits, which should accelerate as we acquire new sources of growth. The interest we own in Autoroutes du Sud de la France (ASF), which is destined ultimately to evolve, illustrates VINCI's determination to acquire a significant position in major transport infrastructure concessions. This will be achieved by maximising our expertise in design, construction and operation of infrastructure on behalf of public-sector authorities in a market that is driven in the long term by public-private partnerships.

Antoine Zacharias
Chairman and CEO

Highlights in 2002

■ January

Norwest Holst acquired London-based Crispin & Borst, a company specialising in building maintenance and interior works.
Still in the UK, Norwest Holst was a member of the consortium that won the final civil engineering contract on the Channel Tunnel Rail Link (CTRL), making VINCI Construction the main contractor.

■ February

The number of employees participating in the group savings scheme reached almost 40,000. Employees thus became VINCI's leading shareholder group with about 9% of the company's capital stock.

■ April

• On 3 April, VINCI was included in the CAC 40, the Paris Bourse index.

• VINCI acquired a 17% interest in Autoroutes du Sud de la France, and launched a €500 million issue of bonds convertible into and/or exchangeable for new and/or existing shares (OCEANE bonds) to finance the investment.

• VINCI was rated BBB+ by Standard & Poor's and Baa1 by Moody's.

■ January

The Rhône-Alpes regional management of Sogea Construction and Sogea Maroc signed the first twinning charter on 18 January committing to working together in an active partnership. A second twinning charter was signed on 7 June between Sogea Sud-Ouest and Warbud, the Polish subsidiary of VINCI Construction.

■ March

• On 21 March, VINCI signed an agreement with the European Federation of Building and Woodworkers and the European Federation of Construction Managers on the creation of a European group council.

• VINCI launched its corporate university, the "Académie VINCI", with a view to bringing all the company's training initiatives into one organisation. The university offers induction seminars for recently recruited managers, management forums for high potential managers and conferences known as "Entretiens de VINCI" for senior executives (pictured here is Nicole Notat, a French union leader, during her speech).

■ May

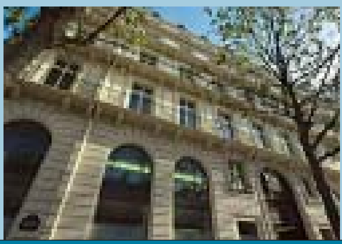
The "Fondation d'entreprise VINCI pour la Cité" was founded on 11 May. The mission of this corporate foundation is to finance citizens' initiatives and actions in favour of creating jobs for the disadvantaged.

■ January

Sogea Construction ran four pilot projects to test various selective waste sorting scenarios and develop tools to give an accurate assessment of the nature, quantity and cost of waste treatment.

■ February

Launch of Picada, the European research programme on building facade pollution coordinated by GTM Construction. Research centres and industrial companies are working together to develop a range of transparent facade coatings with self-cleaning and pollution removal properties.



■ April

VINCI was included in the ASPI Eurozone index based on its good corporate governance and environmental performance.

■ May

GTM Terrassement launched its "Conduite douce" operation. Based on the analysis of fuel consumption of earthworks vehicles and GPS observation of their movements, the operation aims to save fuel by training operatives to adapt their driving techniques and by improving on-site tracks.

■ June/July

• Payment of the €1.70 dividend (excluding tax credit).

• VINCI issued €600 million of bonds, followed in November by additional bonds amounting to €250 million.

• A consortium including VINCI Construction Grands Projets signed a major contract with Egypt's Ministry of Water Resources and Irrigation to build the Naga Hammadi dam on the Nile.

■ October

VINCI won three significant contracts.

• As part of the Toll Collect consortium, Cofiroute was selected to equip 12,000 km of the German motorway network with an automated toll collection system for heavy goods vehicles.

• SSZ, Eurovia's Czech subsidiary, was awarded the contract to build the Trmice-Knicice section of the D8 motorway linking Prague to Dresden in Germany.

• As a consortium member, VINCI Energies subsidiary Tunzini won the air conditioning and fluid distribution contract for the Laser Megajoule site in France (CEA-Cesta).

■ December

VINCI Energies acquired an 80% interest in Spark Iberica, a Spanish company specialising in transformer substations, telephony for fixed and mobile telephone network operators, and the installation of related equipment.

■ August

During the holiday departure period, Cofiroute offered its customers a range of free activities at the rest areas on its motorway network.
The "Sens'actions" programme, in common with all the others organised throughout the year, aimed to promote well-being and calm on the motorway.

■ September

• VINCI Park carried out an extensive internal communication campaign known as "VINCI Park et Vous" to encourage all employees to participate actively in the quality improvement and customer service project.

• Launch of Vigiroute®, the Eurovia project aimed at reducing employee exposure to traffic risks.
The project is part of an overall occupational accident prevention programme. The project's target is to achieve a 30% reduction in the number of road accidents involving Eurovia employees within three years.

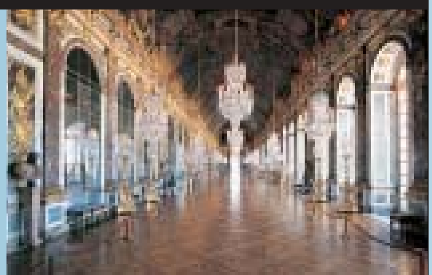
■ December

Having recorded no occupational accidents for three consecutive years, Sogea Construction subsidiary Gauthier was awarded France's national federation of public works safety prize for the category of companies with fewer than 50 employees.

■ August

Eurovia's research teams introduced Ecolvia, the first dense cold bituminous concrete with solvent-free emulsion. The product, to be used for road surface maintenance, has been successfully tested on a site in the Côtes-d'Armor region of France

■ December



• VINCI signed a framework agreement with the Versailles museum authority to manage the restoration of the Hall of Mirrors at the Château de Versailles.
This is one of the largest sponsorship projects ever undertaken in France: €10 million over five years. It is also the most innovative, with VINCI companies carrying out most of the renovation work in a partnership approach whereby they will provide their skills under the supervision of France's official historic monuments architects.

• A total of 16 VINCI companies – of which five from VINCI Construction, three from VINCI Energies and eight from Eurovia – were present at the Pollutec international exhibition of environmental equipment, technology and services held in Lyons, France.

A European company with operations

World leader in concessions, construction and related services, VINCI has developed an exceptionally dense network of 2,500 local businesses. While its roots are in Europe, where it generates almost 90% of net sales, VINCI has traditionally been present in Africa and operates on a selective basis in North America and the rest of the world, participating in major projects or providing specialist skills.

FRANCE

Cofiroute, France's leading private-sector motorway concession operator*, manages a toll-road network of nearly 900 kilometres in western France and exports its know-how worldwide. With a 66% interest in Cofiroute and 17% of ASF, VINCI is the oldest private-sector** motorway concession operator in France.

VINCI Energies is French market leader in energy and information technologies. Its aim is to integrate these technologies in high service content offerings that bring OEMs closer to end-users and meet the numerous and changing needs of customers.

Eurovia, the leader in France in roadworks materials, is present at every stage of the materials manufacturing process, with over 207 quarries, 95 binder plants, 400 coating stations and 90 recycling units. As a complementary activity to roadworks, materials manufacturing generates around €1 billion in annual net sales.

* By number of kilometres operated ** Source: Association des sociétés françaises d'autoroutes

NORTH AMERICA

A leader in roadworks in North America, Eurovia has strong positions in Canada, the Carolinas and Florida. Subsidiary Hubbard signed a significant contract in Florida in 2002 to refurbish a section of Interstate 4.

VINCI Park, market leader in car park management in Quebec, manages 42,000 parking spaces in over 100 car parks in Quebec, Montreal and Ottawa. VINCI Park is present in 12 countries and operates over 775,000 parking spaces. It is the leading operator in Europe* and the world's largest operator of car parks under concession*.

* Source: Internal study, July 2002

SOUTH AMERICA

VINCI Airports operates 22 airports in Mexico, including those of Monterrey and Cancun, and is present in over 100 airports worldwide through WFS and SEN, its airport services subsidiaries.

In Chile, VINCI Concessions operates a 165-kilometre section of the Chillan-Collipulli motorway under an 18-year concession contract. The motorway was built by VINCI Construction Grands Projets and inaugurated in July 2002.

worldwide

EUROPE

VINCI Construction has developed significant positions in the buoyant German facilities management market, downstream from its traditional design-build business. Its subsidiary, SKE, offers comprehensive maintenance services to several US Army bases.

VINCI is a leading player in the UK construction market through subsidiary Norwest Holst, which specialises in private finance initiatives, roadworks subsidiary Ringway, and VINCI Park. VINCI Construction is also lead contractor for the high speed Channel Tunnel Rail Link.

Eurovia has a strong foothold in central and eastern Europe through subsidiaries in Germany, Albania, Lithuania, Poland, Slovakia and the Czech Republic. The company is present in both roadworks and materials manufacturing. At the end of 2002, Eurovia signed a €117 million contract to build the Trmice-Knicice section of the D8 motorway that connects Prague to Dresden.

VINCI Energies is present in Austria through subsidiary TMS, a specialist in automated manufacturing processes for the automotive industry. Also present in Germany through Controlmatic, and in Sweden through Emil Lundgren, VINCI Energies has a strong position in the Netherlands through subsidiary Starren.

ASIA

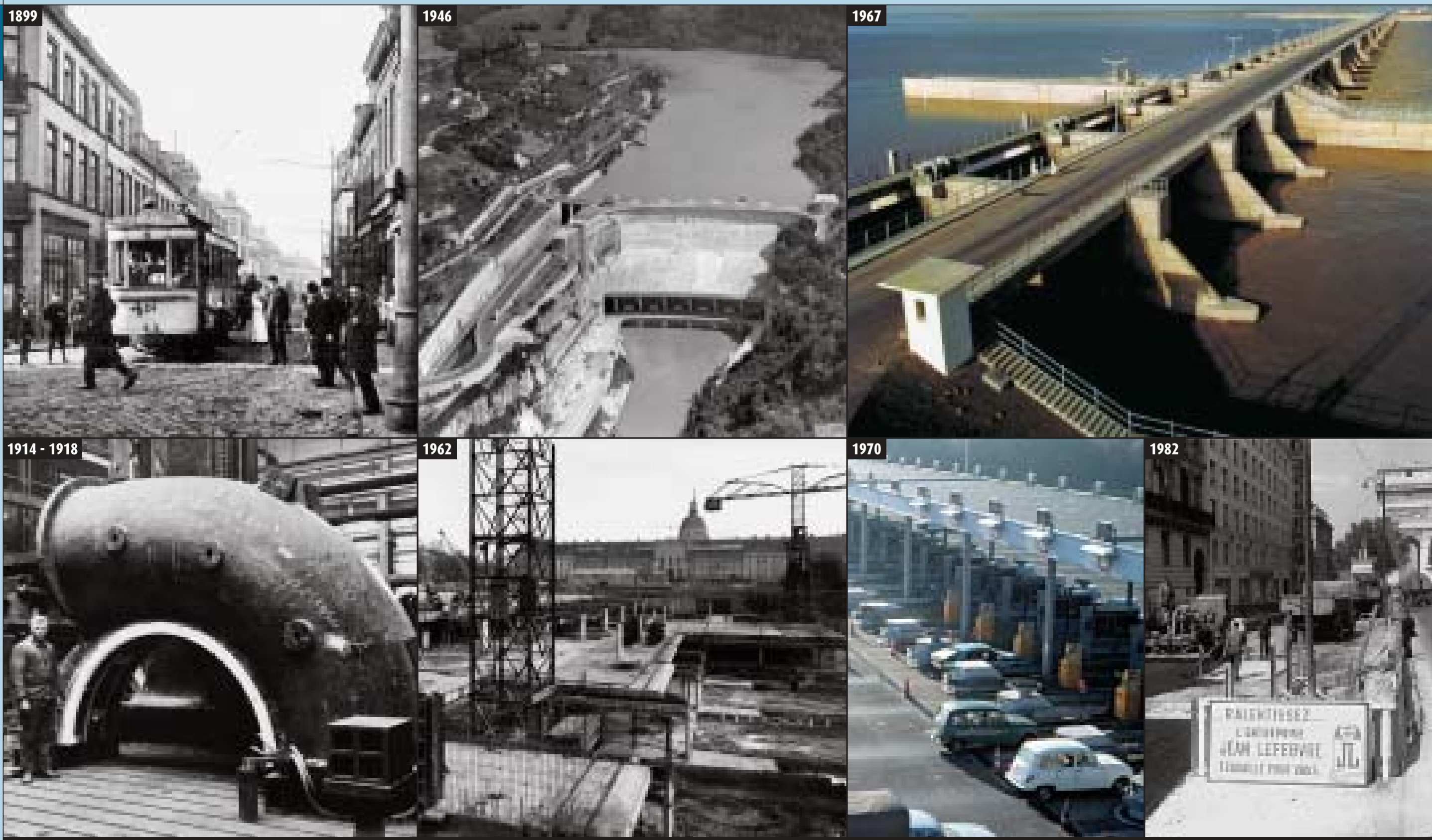
World leader in specialised civil engineering*, Freyssinet has been operating in Asia for over 50 years, providing its exclusive expertise in pre-stressed concrete, structure consolidation and repair, ground reinforcement and geotechnical analysis. The company also has an unrivalled commercial presence in the region.

* By net sales, workforce size and number of facilities (2001 figures)

AFRICA

With a 70-year history in Africa, VINCI Construction Filiales Internationales operates in 26 countries through subsidiary Sogea-Satom. The company focuses principally on roadworks and hydraulic engineering.

VINCI milestones



1891

Foundation of GTM (Grands Travaux de Marseille), which was awarded a contract to build the sewage network in Marseilles.

1899

Alexandre Giros and Louis Loucheur founded Girolou, which soon became a leader in the construction of power plants and networks, and won its first concession contract to operate the Lille-Roubaix-Tourcoing tram route.

1908

Girolou created SGE (Société Générale d'Entreprises).

1914-1918

SGE and GTM were directly involved in the war effort and in the post-war reconstruction. SGE built the Truyères dam in central France.

1920

Campenon Bernard was founded by Edme Campenon and André Bernard.

1928

Eugène Freyssinet patented the pre-stressing process, then joined Campenon Bernard. The company's success was fuelled by this revolutionary process, which was first used on a large scale to salvage the Le Havre Maritime train station in 1934.

1946

The nationalisation of electricity in France led SGE to move towards construction and civil engineering. During the 30 years of growth that followed the war, SGE became the leader in France in civil engineering and added the Génissiat dam on the Rhone river to its list of achievements.

1962

GTM built the Invalides car park in Paris after winning France's first tender to design, build and operate an underground parking facility under a concession contract.

1966

Compagnie Générale d'Electricité took over SGE. Compagnie Générale des Eaux created UEER, a holding company with several electrical engineering businesses (including Mors et Jean-Bouchon, Fournié-Grospaud and Garczynski Traploir), which became GTIE in 1984.

1967

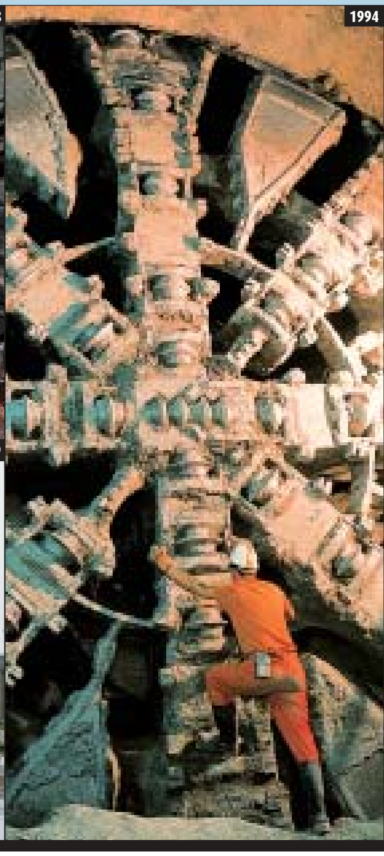
Dumez achieved strong international growth and built dams in Pakistan and South Africa.

1970

SGE, GTM and Entreprise Jean Lefebvre created Cofiroute to finance, build and operate the A10 (Paris-Orléans) and A11 (Paris-Le Mans) motorways in France.

1982

SGE merged with Sainrapt et Brice, a company specialising in pre-stressed concrete, with strong positions in export markets.
GTM merged with Entrepose.
Entreprise Jean Lefebvre merged with Salviam and Reveto. Cochery joined the SGE group.



1984

Saint-Gobain, the new majority shareholder, restructured SGE, which became a holding company with three core businesses: building and civil engineering with Sogea; roadworks with Bourdin-Chaussé and Cochery; electrical engineering, heating, ventilation and air conditioning with Saunier Duval Electricité, Tunzini and Wanner Isofi.

1988

After being privatised, Saint-Gobain sold its controlling interest in SGE to Compagnie Générale des Eaux, which brought Campenon Bernard and subsidiaries Freyssinet and Viafrance into the group. Campenon Bernard launched the construction of the Storebaelt tunnels in Denmark, a project remarkable for its scope and complexity.

1989

SGE took control of British construction and civil engineering company, Norwest Holst. Dumez delivered the Yamassoukro basilica in Côte d'Ivoire and took control of Belgian company CFE.

1990

Dumez merged with Lyonnaise des Eaux, and GTM joined the newly formed group.

1994

Inauguration of the Channel Tunnel, constructed principally by Dumez and SGE.

1997

Compagnie Générale des Eaux transferred its electrical engineering companies GTIE and Santerne to SGE and sold construction company CBC to the group. SGE transferred its household waste treatment, water distribution and property development businesses to Compagnie Générale des Eaux, which reduced its interest in SGE from 85% to 51%. SGE reorganised its activities around four core businesses (concessions, energy, roads and construction) and delivered the Stade de France, which – as a consortium member – it operates under a concession contract.

1998

The Vasco da Gama bridge in Lisbon was completed by the SGE-led Lusoponte consortium, which now manages it under a concession contract.

1999

SGE launched a successful takeover bid on Sogeparc, French market leader in car park concessions.

2000

May: SGE became VINCI, three months after Compagnie Générale des Eaux (which had changed its name to Vivendi) reduced its interest from 51% to 17%. **July: a friendly takeover bid** was launched on GTM. The VINCI-GTM merger in December created the world's industry leader.

2001

The VINCI-GTM merger was completed. VINCI consolidated its leadership in all its core businesses. VINCI Park, the world leader in car park concessions, was created.

2002

VINCI was included in the CAC 40 in April and acquired 17% of ASF (Autoroutes du Sud de la France).

Recent developments and strategy

VINCI's inclusion in the CAC 40 in 2002 was an endorsement of the strategy of the past five years: establishing the segments related to building, roads and electrical engineering in a position of sustainable profitability, and developing business activities that promote visibility and growth in income through concessions.

Key figures

	Net sales in millions of euros	Operating income in millions of euros	Operating income as % of net sales	Net income in millions of euros	Workforce
1998	8,012	111	1.4	92	64,451
1999	9,057	211	2.3	146	70,699
2000 (pro forma)	17,253	901	5.2	423	122,070
2001 (pro forma)	17,172	980	5.7	454	129,499
2002	**17,554**	**1,067**	**6.1**	**478**	**127,380**

The merger with GTM in 2000 made VINCI the world leader in concessions, construction and related services. Since then, the company has pursued controlled growth through a very 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 materials 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 should lead to continued improvement in this area:
– Productivity gains are now a key focus at all sites following the implementation of more rigorous 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 will maintain its 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 will also contribute to growth in income. It is likely that VINCI Energies,

which operates in an industry that is still consolidating, will benefit more particulary from this policy. In addition, the company has a clear competitive advantage based on its size and unique management model.

A three-part strategy for transport infrastructure concessions

The transport infrastructure concessions sector has high growth potential. Governments are no longer in a position – or do not want – to finance infrastructure themselves, and are calling more and more frequently on the private sector. VINCI will therefore 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 will achieve this by developing alliances with the operators of contiguous networks. Although VINCI is already one of the world's leading players in this sector, a merger with ASF would give VINCI an unrivalled 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. The mature concessions are bringing in income today, but the projects currently in development will have to bring it in tomorrow. By constantly analysing its assets, VINCI will 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 SR 91 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 invent mobility-related services for the future. These services will 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.

Corporate governance

On gaining its independence in 2000, VINCI started setting its corporate governance principles in place. In 2002, the company put greater emphasis on this aspect of corporate life in order to guarantee shareholders even greater transparency, as well as regular verification of its accounts and the way the business is run.

BOARD OF DIRECTORS

Antoine Zacharias
Chairman and CEO
of VINCI

Dominique Bazy
Chairman and CEO
of UBS Holding France

François David*
Chairman and CEO
of Coface

Guy Dejouany
Honorary President
of Vivendi Universal

Alain Dinin
Chairman
of the Executive Board
of Nexity

Patrick Faure
Chairman
of Renault Sport and
Deputy General Manager
of Renault

Dominique Ferrero
CEO of Crédit Lyonnais

Bernard Huvelin
Co-chief Operating
Officer of VINCI

Serge Michel
Chairman and CEO
of Soficot

Alain Minc
Chairman of AM
Conseil and of Société
des Lecteurs du *Monde*.

Henri Proglio
Chairman
of the Management Board
of Vivendi Environnement

Henri Saint Olive
Chairman and CEO
of Banque Saint Olive

Yves-Thibault de Silguy
Executive Vice-President
of Suez in charge
of International Affairs
and Institutional Relations

Willy Stricker
Chairman and CEO
of CDC Ixis Private Equity

Denis Vernoux
VINCI employee and
Chairman of FCP VINCI
Actionnariat and VINCI
Levier France

During 2002, Mr Schneebeli did not seek the renewal of his term of office; Mr Jaclot, Mr Messier and Mr Tolot resigned from their directorships; Mr Brongniart resigned from his directorship on 1 April 2003.

* Appointment proposed at the next Shareholders Meeting

The VINCI Board of Directors is made up of 15 members. None of the appointments needs to be submitted for approval to the next Shareholders Meeting (in compliance with Article L. 225-24 of the French Code of Commerce). There are no non-voting members.
The term of office is six years. The number of directors over 70 years of age can not be more than one-third of the total number of directors in office. Each director must hold at least 250 VINCI shares which, on the basis of the share price on 31 January 2003, represents a minimum investment of €14,500.
The Board of Directors examined the situation of directors in respect to the independence criteria defined in the Bouton Report. Two of the directors are senior executives of VINCI (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 for Suez, and Mr Proglio for Vivendi Environnement), and one represents VINCI employee shareholders participating in the group savings schemes (Mr Vernoux). The seven other directors are independent business leaders who have no ties with VINCI.
VINCI is developing internal rules covering the operation of the Board of Directors. They will define, inter alia, its assessment methods. The Board of Directors debates all major issues concerning the life of the company, particularly strategic decisions. It met six times in 2002, and averaged 78% attendance. In particular, during 2002, the Board of Directors:
– Approved the financial statements for 2001 and the interim statements for 2002, and examined financial projections for the full year each time the budget was adjusted;

– Discussed the main acquisition proposals, including the acquisition of a 17% interest in Autoroutes du Sud de la France, as well as divestments;
– Approved the issue of bonds convertible into and/or exchangeable for new and/or existing shares (OCEANE bonds) and a bond issue to finance these transactions;
– Examined the legal reorganisation of the concessions business line;
– Approved the new capital increase for employees as part of the group savings schemes and the creation of new stock option plans;
– Approved the share buy-back programme;
– Approved the cancellation of 3.6% of the capital stock.

The directors' annual fees were set at a total of €500,000 by the Shareholders Meeting. This sum is divided up as follows: €20,000 to each director, €40,000 to the chairman of each committee of the Board of Directors, and €80,000 for the chairman of the Board of Directors.

THE THREE COMMITTEES OF THE BOARD OF DIRECTORS

The Audit Committee

The Audit Committee is chaired by Dominique Bazy and includes Henri Saint Olive (François Jaclot, who was previously a member of the committee, resigned on 17 September 2002). The Audit Committee's role is to ensure the accuracy and fairness of the parent company and consolidated financial statements, and the quality of financial information. The committee met twice in 2002. Its principal missions, assigned to it by the Board of Directors, are as follows:

In respect of the financial statements

– To examine the annual and interim financial statements before they are presented to the Board;
– To ensure that the accounting methods and principles are appropriate and consistent, and guard against any deviation from those practices;
– To monitor the quality of information provided to shareholders.

In respect of the external audit of the company

– To assess proposals on the appointment of statutory auditors and their remuneration;
– To examine with the statutory auditors their action plans, conclusions and recommendations, as well as the actions taken as a result.

In respect of the internal audit of the company

– To examine with the internal auditors the company's control systems;
– To examine with these managers their internal audit action plans, conclusions and recommendations, as well as the actions taken as a result.

In respect of risks

– To review the company's principal financial risks on a regular basis.

The Investment Committee

The Investment Committee, which was created in October 2000, is chaired by Dominique Ferrero and includes Willy Stricker and Yves-Thibault de Silguy. It is responsible for examining, before submission to the Board, any external growth or divestment proposals likely to have a significant impact on VINCI's business, results or market value. It met once in 2002.

The Remuneration Committee

Chaired by Serge Michel, this committee includes Patrick Faure and Alain Minc. It is responsible for making recommendations to the Board on the remuneration of VINCI's executive directors and senior executives, including the allocation of stock subscription and stock purchase options. The committee met six times in 2002, of which twice in the presence of an independent consultant who was asked to give his opinion on the remuneration of senior executives. For the executive directors, he proposed that the variable component of the remuneration be calculated on the basis of both consolidated net income and the market performance of the VINCI share.

Business lines

NET SALES: €1,851 million

OPERATING INCOME: €567 million

Managed by a company of which VINCI is the majority shareholder, the Stade de France was totally sold-out for a great many sports and cultural events in 2002, proving the relevance of outsourced management for major public infrastructure

Concessions

NET INCOME: €170 million | WORKFORCE: 21,100

Profile

VINCI Concessions has been operating in outsourced infrastructure management for over a century, providing its public and private customers with integrated solutions that enable them to meet their equipment and related services needs, in particular in the field of transport. Drawing on its expertise across the entire process of outsourced management of public services – project selection, assembly, construction and operation – VINCI Concessions assumes part of the risks related to these complex operations by minimising them for the concession-awarding authority, customers and partners. Its capacity in this area comes from being part of a construction company with the skills, management culture, expertise, geographical presence, portfolio of contracts and financial base necessary to make a success of such projects.

In addition to managing the Stade de France, VINCI Concessions operates through four subsidiaries – Cofiroute, VINCI Park, VINCI Airports and VINCI Infrastructures – in three segments:

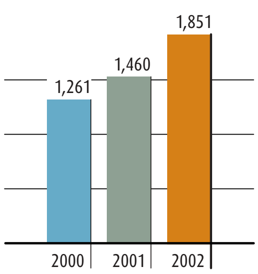
- Road and motorway infrastructure, with 1,300 km of toll roads under concession management, including Cofiroute's 900 km intercity network, the 16.9% equity position in ASF and six major bridges. There are also 200 km of motorway and two major structures under construction or to be constructed: the Rion-Antirion bridge in Greece and the A86 tunnels;
- Car parks, with over 775,000 on-street or car park spaces managed, making VINCI the world leader in car park concession management and number one operator in Europe;
- Airports, where VINCI operates in two segments: concession management of 26 airports (directly or through joint-venture companies) and airport services (ramp, passenger and cargo handling services), in which VINCI has become the third largest operator worldwide*.

VINCI has an unparalleled portfolio of diversified, long-term contracts. These are the source of recurring cash flow, which gives good visibility to the company's earnings through time.

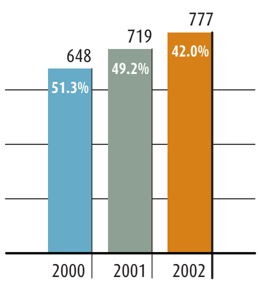
* Source: KPMG Corporate Finance study, spring 2002

CONCESSIONS KEY FIGURES

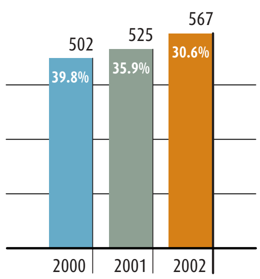
Net sales
in millions of euros



Gross operating surplus
in millions of euros and as a percentage of net sales



Operating income(1)
in millions of euros and as a percentage of net sales



Data for 2000 and 2001 are pro forma

(1) After Cofiroute's special concession amortisation

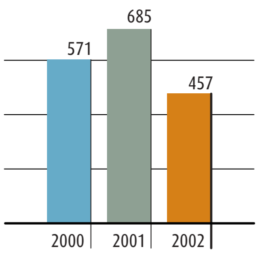
MAIN VINCI CONCESSIONS

Structure	Subsidiary or joint venture	Country	% held	Consolidation method[1]	Residual term of contract (in years) from 31 Dec. 2002
Road and motorway infrastructure					
Intercity network (900 km)	Cofiroute	France	65.3	FC	28
A86 tunnels[2]	Cofiroute	France	65.3	FC	70[3]
ASF network (2,329 km)	ASF	France	16.9	MI	30
Escota network (459 km)	ASF	France	16.9	MI	24
Chillan-Collipulli (165 km)	Autopista del Bosque	Chile	83.0	FC	18
Fredericton-Moncton (200 km)	MRDC/VCCI	Canada	12.5	MI	26
Don Muang (20 km)	DMTC	Thailand	4.5	MI	12
Newport (10 km)[2]	Morgan-VINCI Ltd	UK	50.0	PC	40
Rion-Antirion bridge[2]	Gefyra	Greece	53.0	FC	37
Confederation bridge	SCDI/VCCI	Canada	49.9	PC	30
Severn River crossings	SRC	UK	35.0	EM	14
Tagus River crossings	Lusoponte	Portugal	30.7	EM	28
Prado-Carénage tunnel	SMTPC	France	31.3	EM	23
Puymorens tunnel	ASF	France	16.9	MI	35
Car parks					
Car parks	VINCI Park	France and other countries	100.0	FC	30[4]
Airports					
Southern Mexico (9 airports)	ITA[5]	Mexico	24.5	EM	47
Northern and central Mexico (13 airports)	SETA[6]	Mexico	37.5	EM	48
Cambodia (2 airports)	SCA	Cambodia	70.0	PC	23
Beijing	ADPM[7]	China	34.0	EM	47
Liège	ADPM[8]	Belgium	34.0	EM	37
Stade de France	Stade de France Consortium	France	66.7	PC	22

(1) FC: full consolidation; PC: proportionate consolidation;
EM: equity method; MI: unconsolidated minority interest
(2) Under construction
(3) From date of tunnels going into full service
(4) On average
(5) "Strategic partner" of 9 Mexican airports, with 15% of the capital stock of ASUR, the concession company
(6) "Strategic partners" of 13 Mexican airports, with 15% of capital stock of GACN, the concession company
(7) "Strategic partner" of Beijing airport, with 10% of capital stock
(8) "Strategic partner" of the Liège airport, with 25% of capital

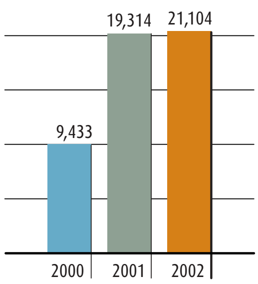
Capital expenditure[2]

in millions of euros



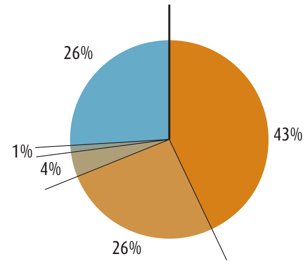
(2) Including capital expenditure on concession infrastructure

Average workforce



Net sales by business segment

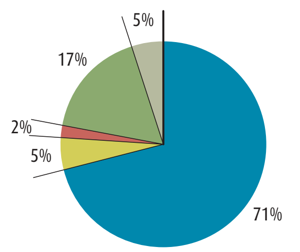
in millions of euros



Cofiroute	787
VINCI Park	484
Infrastructure concessions	76
Airport management	18
Airport services	486
Total	**1,851**

Net sales by geographic area

in millions of euros



France	1,316
UK	96
Rest of Europe	44
North America	314
Rest of the world	81
Total	**1,851**

Business report

Road and motorway infrastructure

Through subsidiaries Cofiroute and VINCI Infrastructures, VINCI manages a major network of motorways and several road and motorway structures under concession. The company strengthened its position in this segment by becoming the second largest shareholder, after the French government, in Autoroutes du Sud de la France (ASF).

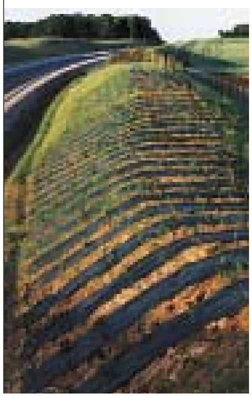
Cofiroute

Cofiroute operates 900 km of motorways in western France, representing 12% of the country's total network under concession, and records an average of 273,450 transactions a day. Net sales excluding taxes rose 6.2% in 2002 to €787 million due to the combined impact of growth in traffic (2.3% on like-for-like network), a 1.9% increase in tolls from 4 March and the opening of two new sections (21 km on the A85 and 31 km on the A28) since 2001. As part of a construction programme involving a further total of 200 km, Cofiroute started work on the 42.5 km section of the A28 between Tours and Montabon at the end of the year. In addition, a third lane has been brought into service on the A10 between Meung and Blois in the Paris-bound direction.

On the A86, an underground toll road west of Paris, work on the eastern tunnel, which was started at the end of 2000 in Rueil Malmaison, progressed to a distance of 3.4 km by the end of 2002. Civil engineering work on the surface continued, with minimum impact on nearby residents and local traffic. The

Less building, more scenery

Cofiroute called on one of the Stade de France creators, Michel Regembal, to define an architectural line that would blend the A86 better into its surroundings.



As the motorway runs through an area of forests, parks and historic monuments, the goal is to minimise surface building in order to enhance the scenery. Michel Regembal has also worked on the interior architecture of the tunnels.

The information centre gathers, processes and broadcasts news about road conditions 365 days a year

European Investment Bank granted Cofiroute loans totalling €400 million for this project and made €125 million during 2002. The Conseil d'Etat, France's highest administrative court, approved the terms and conditions applied when awarding the concession to Cofiroute and rejected the final appeals filed by several towns and associations in the western suburbs of Paris. Outside France, Cofiroute won a significant contract in Germany as part of the Toll Collect consortium, which includes Daimler Chrysler Services and Deutsche Telekom. Under the terms of the contract, the country's 12,000 km motorway network is to be equipped with a toll system without toll booths for heavy goods vehicles of 12 tonnes or more. An on-board mechanism, combining GSM and GPS technology, will calculate the toll due. The system is scheduled to go into service on 31 August 2003, and the 12-year contract is expected to generate €6.5 billion in revenue for the consortium.

In the United States, after acquiring the privately owned franchise for the 10 km Express Lanes, the Orange County Transportation Authority awarded Cofiroute the operating contract. The Express Lanes, with a fully automated toll system, run down the median strip of a frequently congested motorway.

FRANCE'S MOTORWAY NETWORK

Cofiroute network

ASF network

Following the natural curves of the terrain, the A28 blends into its surroundings instead of marring it with straight lines

Safety awareness day

On 24 October 2002, Cofiroute mobilised its 2,000 employees for a day of road safety awareness building. At seven of the network's motorway rest areas, senior management along with operations and administrative personnel invited drivers to participate in a variety of activities aimed at highlighting the consequences of behaviour behind the wheel: roll-over car and impact tests (the importance of wearing front and rear seatbelts), skid simulator (adapting driving to wet conditions), simulator of distance between vehicles (complying with speed limits and safe distances) and massages (the need for regular breaks during a long journey). Some 15,000 copies of a booklet describing the main causes of accidents and appropriate practical advice were distributed during the road safety day.

Autoroutes du Sud de la France

The French government put 49% of the capital stock of Autoroutes du Sud de la France (ASF) on the market at the end of March 2002, giving VINCI the opportunity to acquire an 17% interest in the country's leading motorway concession company. ASF operates a 2,800 km network south of a line between Le Mans, Lyons and Menton, representing over one-third of the national motorway network. As ASF's leading private shareholder, VINCI intends participating in the company's expansion, in particular in countries outside France, by contributing its know-how and network. In a more general sense, the transaction confirms VINCI's determination to significantly strengthen its position in concessions by combining its skills in the design, construction and operation of infrastructure for the benefit of national development projects in a business environment increasingly driven by public-private partnerships.

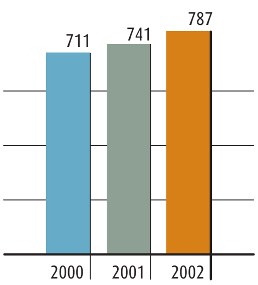
VINCI Infrastructures

VINCI Infrastructures has direct equity positions in major road transport infrastructure such as the Prado-Carénage tunnel in Marseilles, and the Confederation bridge and Fredericton-Moncton motorway in Canada.

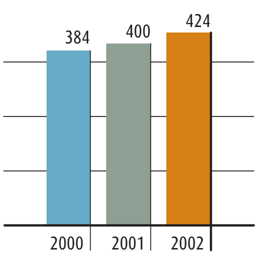
The company's portfolio was increased in 2002 with the signature on 29 March of a 40-year concession contract for motorway development at Newport, near Cardiff, Wales. Under the terms of the Private Finance Initiative (PFI) contract, VINCI

COFIROUTE KEY FIGURES (100%)

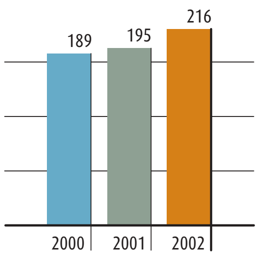
Net sales (excl. taxes)
in millions of euros



Operating income*
in millions of euros



Net income
in millions of euros



*After special concession amortisation

Some 24 million vehicles annually cross in both directions the Severn Estuary between England and Wales

is in charge of construction work (through VINCI Construction Grands Projets) and operating the 9.3 km of bypass motorway and infrastructure. Shadow tolls will be paid to VINCI on the basis of the number of users counted at various points on the motorway.
Elsewhere, VINCI increased its interest in Lusoponte, the company that operates the Vasco da Gama and 25 April bridges in Lisbon, from 25% to 30.7%. It also strengthened its interest in Société Marseillaise du Tunnel du Prado-Carénage through the acquisition of subordinated convertible bonds.
In the UK, where VINCI is participating in the operation of two bridges across the Severn estuary between England and Wales, Severn River Crossing PLC carried out a comprehensive financial restructuring programme in preparation for the introduction of VAT on tolls. The aim of the programme was to ensure that the expected reduction in revenue excluding taxes had no adverse impact on investors' positions. In Chile, following completion of the final construction work (Los Angeles bypass), the Chillan-Collipulli motorway went into full service on 17 July. The 165 km Chilean link in the Pan-American Highway is now operated under concession by VINCI, with a residual term of 18 years. In Greece, work on VINCI's 40-year concession contract to build and operate the Rion-Antirion bridge in the Gulf of Corinth progressed on schedule. The bridge is due to be opened to traffic at the end of 2004. In line with its development strategy, which is to focus on Europe and North America, VINCI Infrastructures withdrew from two projects in South Korea.

Banderero

The Chillan-Collipulli motorway was built without causing any traffic hold-ups. To ensure the safety of people working on the site and of drivers, VINCI created a special body of *bandereros* to control traffic. As a result, the number of road accidents was reduced to 40% below the national average. *Banderero* is now a recognised qualification in Chile, with a vocational certificate awarded by the country's safety authority.

VINCI **Park** manages over 775,000 on-street or parking facility spaces in 12 countries

Car parks

World leader in car park management under concession and number one in Europe, VINCI Park manages over 775,000 on-street or parking facility spaces in 12 countries. In France, 140 million hourly customers make 400,000 transactions a day for an average parking time of two hours. In addition, VINCI Park manages a customer base of 60,000 subscribers, growing at a rate of 4.5% a year. Some 20,000 of these have long-term rental contracts.

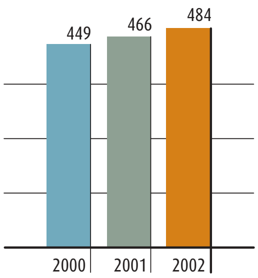
VINCI Park's sales increased in France in spite of adverse market conditions at home and abroad. Drawing on the reputation and positive image of the VINCI Park brand, VINCI continued to expand the service and quality policy defined in the VINCI Park Charter. The charter guarantees top quality safety, cleanliness, lighting, signs and information. The drive to broaden the existing customer base, combined with a targeted external growth policy, kept profitability at a satisfactory level, with operating income very close to what it was in 2001.

France

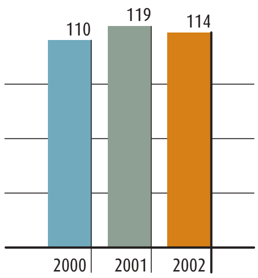
Three external phenomena had a strong impact on revenue: the introduction of the euro had an adverse effect during the period when both the old and new currencies were in circulation; the presidential elections, which are traditionally followed by an

VINCI PARK KEY FIGURES

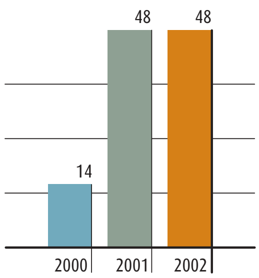
Net sales
in millions of euros



Operating income
in millions of euros



Net income
in millions of euros



Data for 2000 and 2001 are pro forma

amnesty on offences including parking fines, caused a drop in revenue from on-street car parks; and the introduction in Paris of an increasing number of bus lanes disrupted private car owners' habits and reduced the hourly usage rate of parking facilities. However, significant efforts to make car parks more attractive and capture new customers, in particular through the sale of subscriptions, accelerated the revenue turnaround at the end of the year following the first-half decline.

A range of free services. VINCI Park provides a range of free services, including the loan of minor fault repair kits, umbrellas, grocery carts and shopping bags; a "guardian angel" to accompany drivers back to their vehicle; and free parking for customers on their birthday. In addition, a very successful free bicycle loan service is operated from car parks where the layout permits.

Consolidating its position in urban car park concessions, VINCI Park was awarded a concession contract for a further 10 years for the Madeleine-Tronchet car park in Paris, and one for three parks in Nîmes, associated with extension work and a contract for on-street car park management. One of the major events of the year was the La Défense development authority's award to VINCI Park of a five-year renewal of its outsourced management contract for 24,000 car park spaces in the business district. Under the terms of the contract, which is Europe's biggest in terms of the number of spaces, VINCI will invest €22 million in the

Solar-powered parking meters

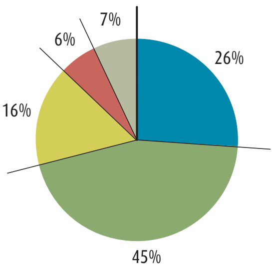
During 2002, VINCI Park replaced 1,500 of its 10,000 parking meters in France by solar-powered equipment. Apart from using renewable energy, the new equipment has two advantages: it is not affected by power failures and involves no trench digging. In the long term, VINCI Park is expected to replace all its meters in this way.

VINCI Park pioneers Moneo electronic purse

Following pilot testing at one of its car parks in Tours, VINCI Park, a Moneo partner, adapted 600 of its parking meters in the Paris suburb of Boulogne-Billancourt to accept payment by electronic purse. Several similar projects are expected in adjacent suburbs during 2003. Moneo is designed to facilitate the payment of small sums of money. It is therefore particularly useful for preventing theft from on-street parking meters.

Breakdown of VINCI Park net sales by geographic area

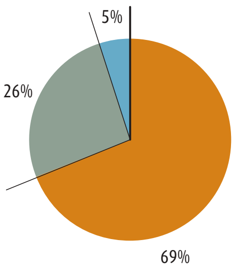
in millions of euros



Paris	125
Rest of France	220
UK	76
Rest of Europe	28
Rest of the world	35
Total	**484**

Breakdown of VINCI Park net sales by type of contract

in millions of euros



Concession	333
Service provision	128
Full ownership	23
Total	**484**

A free repair kit and numerous other services are offered to VINCI Park customers

modernisation of the car parks and the development of services. VINCI Park acquired full ownership of the Turbigo-Saint Denis car park in Paris (500 spaces) and the Mail Gaillardon park in Melun (300 spaces). VINCI also strengthened its market coverage by increasing its financial interest in the lead company of Park Heulin, which manages four parks under concession and a fifth that it owns in Paris, and by acquiring SPS (5,900 spaces). Through these transactions, VINCI Park extended its operations to five new cities in the French provinces.

International business

In the UK, VINCI Park boosted sales significantly by acquiring the car park concession management companies of the Cardiff and Dundee hospitals, totalling 5,200 spaces, and by winning management contracts in Liverpool (5,000 spaces) and Leicester (1,500 spaces) where VINCI had no previous operations. The renegotiation and renewal of several big contracts strengthened VINCI Park UK's earning capacity for the future. In addition, VINCI Park UK signed a new three-year contract with the Driver and Vehicle Licensing Agency to check tax discs in an area representing a potential of 100,000 vehicles, compared with 30,000 previously. The new contract may be extended to five years. Business was also buoyant in Belgium, Switzerland (with the opening of a new car park in the centre of Lausanne), Spain and Chile, where new service contracts strengthened VINCI's position.

Airport management and services

VINCI Airports was created in 2001 to manage and develop VINCI's airport management and services business, making 2002 the new entity's first full year of operation.
Business suffered strongly from the events of 11 September 2001, which affected air traffic, in particular between North America and Europe. An upturn started in the final quarter, which brought sales back up to almost the same level as in 2000.

Platform concessions

In Mexico, Groupe Centre-Nord (GACN) manages 13 airports, including Monterrey and Acapulco, in the central and northern regions. Its business was affected by three factors: the opening of the new Culiacan and Mazatlan terminals; the signature of price agreements with Canaero (Aeromexico and Mexicana), which represent 85% of airport business, and with the Seat services operator; and an agreement with the Mexican government to apply the tax amortisation rules included in the law on infrastructure concessions. GACN closed the year with

Within the framework of the privatisation of Mexican airport infrastructure, VINCI

traffic down by almost 6% compared with 2001. Groupe Sud-Est (ASUR) manages nine airports, including Cancun, that generate the majority of their business from tourism. For ASUR, the decline in traffic was limited to 2% compared with 2001. In Cambodia, VINCI Airports operates the international airports of Phnom Penh and Siem Reap, which serves the historic site of Angkor. A new VIP terminal was opened at the Phnom Penh airport for the ASEAN summit, followed by a new passenger terminal. At Siem Reap, a new terminal, constructed with Asian Development Bank funding, was brought into service and various facilities are to be upgraded to cope with the strong growth in traffic related to tourism. ADPM, subsidiary of VINCI Airports' partner Aéroports de Paris, has an assistance contract with and owns an interest in Beijing airport, as well as in the airport of Liège, Belgium, which handled 270,000 tonnes of cargo in 2002. The Liège airport is to have its facilities extended within the coming months. Lastly, VINCI Airports owns 14.9% of the capital stock of UK operator, TBI. VINCI has confirmed that it will make the best possible use of this minority interest, which is the subject of a strategic review.

manages under concession 22 of the country's airports, including Cancun (below)

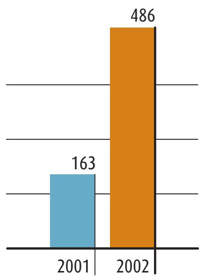
A partner in the development of Cambodia

The full concession contract (Build Operate Transfer) for the airports of Phnom Penh and Siem Reap makes VINCI one of the main international investors in Cambodia and a major partner in the country's economic development.

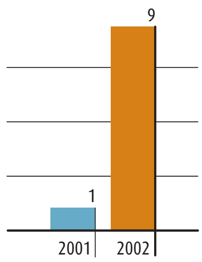
The infrastructure extension and airport facility upgrade programme has enabled the airports to keep pace with traffic growth: 15% a year at Phnom Penh since 1998, and 30% at Siem Reap. In partnership with the Cambodian authorities, VINCI is also participating in the development of facilities and tourism activities throughout the whole Siem Reap region, home of the famous Angkor temples.

AIRPORT KEY FIGURES

Net sales*
in millions of euros



Operating income*
in millions of euros

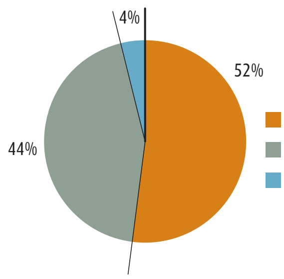


* Includes WFS from 1 October 2001; SEN at 50% in 2001 and until 30 June 2002, and 100% since then

Cargo handling is just one aspect of a job that also includes merchandise management and supervision in the widest sense

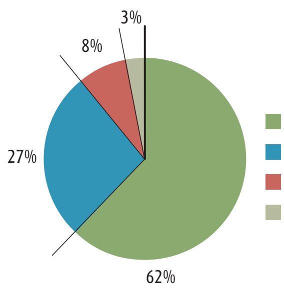
AIRPORT KEY FIGURES

Net sales* by business segment
in millions of euros



Ramp and passenger services	252
Cargo	216
Technical assistance	18
Total	**486**

Net sales* by geographic area
in millions of euros



North America	303
France	132
Rest of Europe	37
Rest of the world	14
Total	**486**

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

Services

VINCI Airports operates through WFS, market leader for airport services in North America[1] and one of the top three players in the world; subsidiary SFS in cargo assistance; SPA Trans, which was acquired in 2002; and French company SEN, which became a wholly owned subsidiary following the purchase by VINCI of 50% of its capital stock in July 2002.

VINCI Airports has three main activities, which it provides through its subsidiaries at over 130 airports worldwide: cargo handling, where it is world leader[2] with 1.8 million tonnes of cargo handled; ramp and passenger services, with 1 million aircraft movements a year and 50 million items of baggage transported; and complementary technical services such as maintenance and the supply of handling systems and cargo palettes. VINCI Airports serves almost 300 airlines.

In a severely disrupted economic climate, VINCI Airports focused its efforts on reorganising its activities in line with the management policy applied throughout VINCI. After restructuring, the introduction of new management teams and methods of acquiring contracts on a selective basis, the quality of margins and the fit with the existing portfolio resulted in a distinct turnaround in net sales, which amounted to €486 million in 2002, and margins: operating income increased sharply, making VINCI Airports one of the industry's most efficient players.

(1) Source: Airline Service Council, 2003
(2) Internal study on the volume of cargo handled

Outlook

VINCI Concessions will work to strengthen its positions in its three business segments and expand the portfolio of concessions acquired by exploiting every opportunity to develop public-private partnerships.

On the eve of European Union enlargement to include countries in the east, and with the needs for transport infrastructure in the west far from being met, VINCI Concessions intends to take part in public-private partnership projects, which are set to increase in number. The acquisition of an interest in Autoroutes du Sud de la France is part of a strategy aimed at positioning VINCI among the world leaders capable of managing and renewing a diversified portfolio of infrastructure concessions.

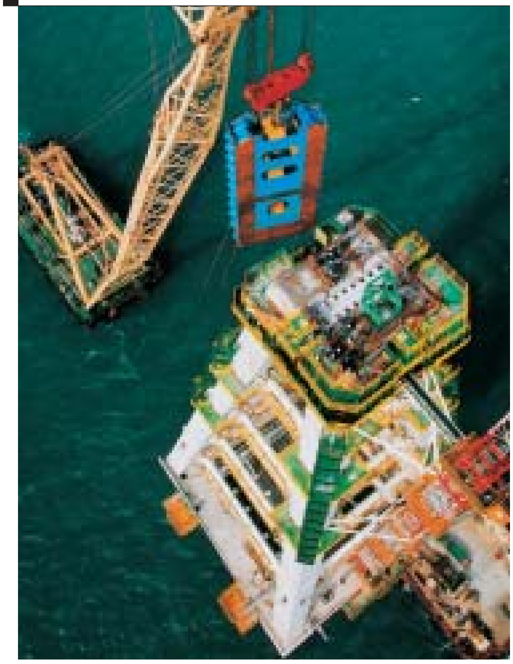
VINCI Concessions has the key strengths needed to support its goal, which will be pursued in all its business segments. In addition to its own sound position in Europe and North America, it can draw on VINCI's extensive experience and standing, its strong service and project management culture, its demand for quality and its capacity for innovation.

In the roads and motorways segment, Cofiroute and VINCI Infrastructures will participate in PFI and concession tenders with a view to expanding VINCI's existing networks in Europe and Quebec. The Toll Collect project in Germany, when it comes on stream in September 2003, will be another illustration of Cofiroute's skills. The performance of the structures and motorways currently in service will continue to progress under the combined effects of growth in traffic and optimised operational and financial management.

In car parks, drawing on the reputation of the VINCI Park brand, VINCI will broaden its service development policy, which is a driver for more sustained growth in the use of its facilities. The company will seek to strengthen its positions in medium-sized cities in France, a market segment with significant growth potential. Outside France, VINCI will focus selectively on neighbouring countries to which it can extend its brand strategy. In parallel, the company will consolidate its positions in more distant countries where its operations are already well established.

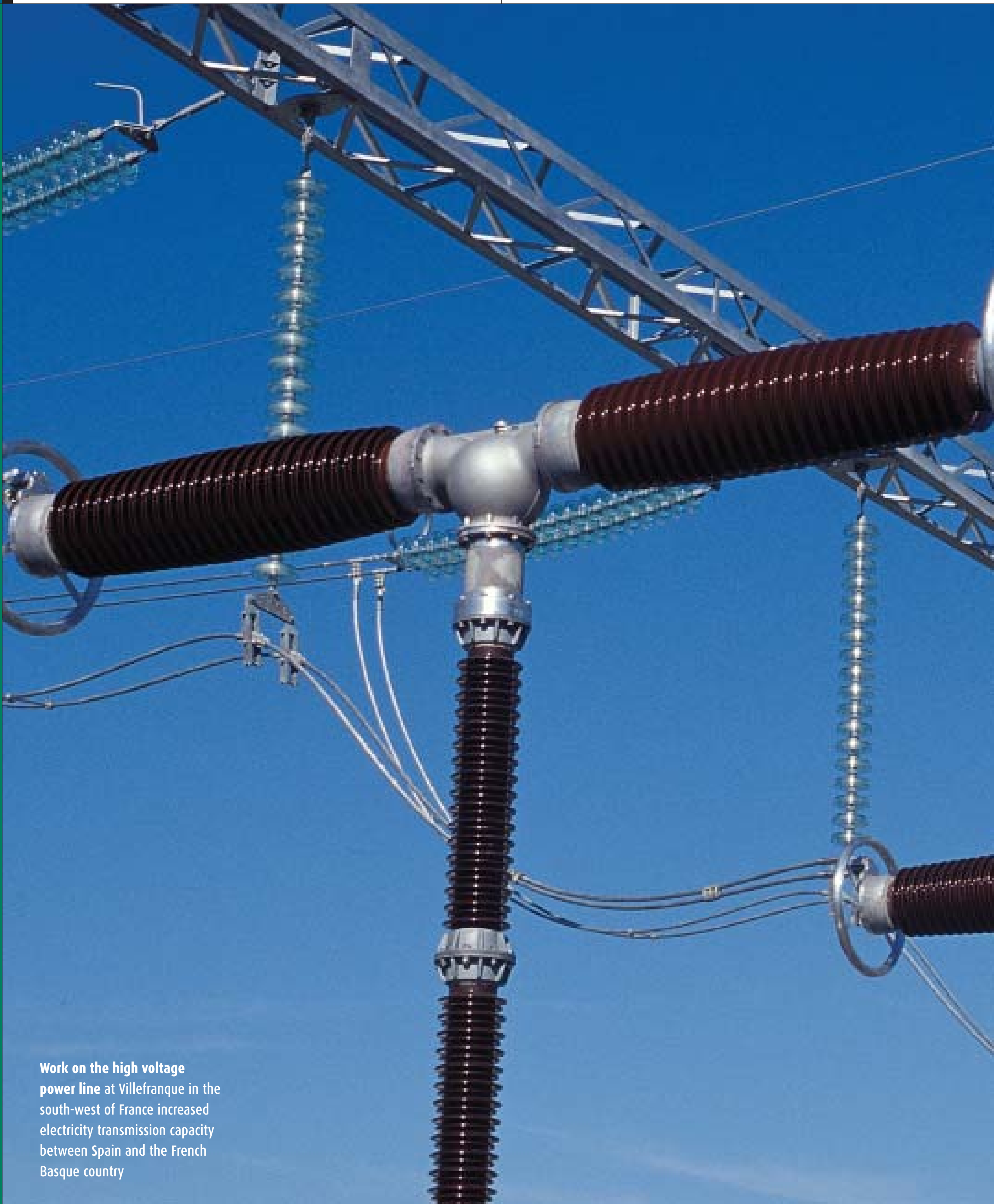
In the airport segment, VINCI Airports will continue the efforts started in 2002 to improve the performance of its service businesses and make full use of the positions already established to strengthen its commercial relations with airline companies and platform operators. In concession management, VINCI will continue to develop a top quality comprehensive offering in order to increase the service to and from the airports under its control. For airline companies, service quality is a key factor in airport selection and constitutes a source of competitive advantage for VINCI Airports. External growth will be selective pending an upturn in the air transport market.

The Rion-Antirion bridge, currently under construction in the Gulf of Corinth, Greece



Business lines

NET SALES: €3,024 million | **OPERATING INCOME: €118 million**



Work on the high voltage power line at Villefranque in the south-west of France increased electricity transmission capacity between Spain and the French Basque country

Energy

NET INCOME: €75 million | WORKFORCE: 26,000

Profile

VINCI Energies (formerly GTIE) is the leader in France and a major player in Europe for energy and information technologies. It responds to the many and evolving needs of its customers by incorporating these technologies into offers with a high service content, providing the link between equipment producers and users.

VINCI Energies operates in four main 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).

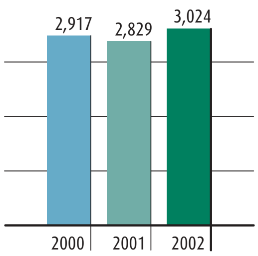
Drawing on its expertise in four complementary business segments, VINCI Energies has developed comprehensive offerings, which are implemented through a solid network of 700 companies, each with strong roots in its own market. This close-knit organisational structure, combined with a management model based on team responsibility, trust in employees and a service-oriented approach, enables the development of solutions that are both comprehensive and local, and makes VINCI Energies exceptionally responsive to its constantly evolving markets.

VINCI Energies' business is made up of a very large number of recurrent contracts (200,000 a year), which is one of its strengths and protects it from the cyclical nature of major projects. With more than 26,000 employees in about 20 countries, mostly in western and northern Europe, VINCI Energies generates 30% of its net sales outside France.

ENERGY KEY FIGURES

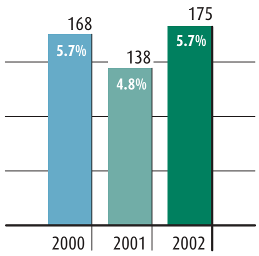
Net sales

in millions of euros



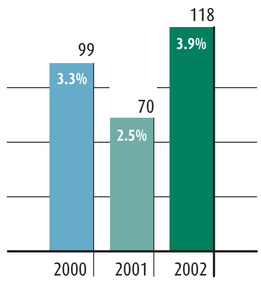
Gross operating surplus

in millions of euros and as a percentage of net sales



Operating income

in millions of euros and as a percentage of net sales

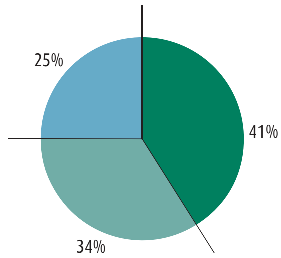


Data for 2000 and 2001 are pro forma

Manufacture of automated production systems for the automotive industry: a workstation for fitting doors, bonnets, etc. on the Renault Clio in Flins

Net sales* by business segment

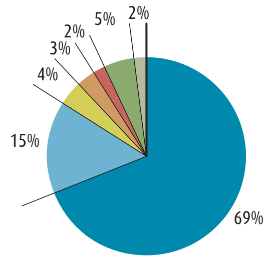
in millions of euros



Electrical engineering	1,238
Information and communication technologies	1,027
Thermal activities	759
Total	**3,024**

Net sales* by geographic area

in millions of euros

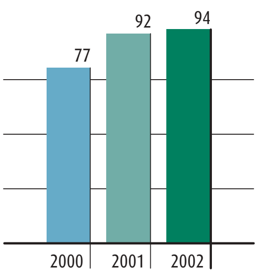


France	2,080
Germany	439
Spain	130
Sweden	80
The Netherlands	58
Rest of Europe	163
Rest of the world	74
Total	**3,024**

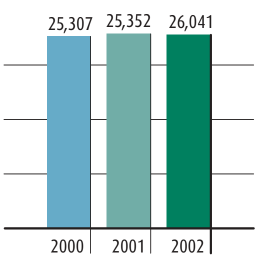
* After inter-company transactions

Capital expenditure

in millions of euros



Average workforce



Business report

Maintenance of municipal lighting network in Alençon, France

Buried networks and power lines

VINCI Energies combines skills and services that help protect the environment. In addition to burying high and very high voltage power lines, the company hides networks to lessen the impact of electrical power lines on the landscape. In 2002, an underground connection of 2 x 63 kV lines was completed at Ginestous-Grand-Noble near Toulouse.

In 2002, VINCI Energies continued to apply its strategy of differentiation and positioning in high-potential markets with recurring business. Acquired at the end of 2001, Austrian company TMS (net sales of €230 million), one of Europe's leading players in automated production systems for the automotive industry*, entered VINCI Energies' consolidation scope. Another ten companies with sales totalling around €100 million expanded its offering and reinforced its market positions. The acquisition at the end of 2002 of Spark Iberica, a company specialising in electricity transformer substations, fixed and wireless telephony and associated equipment and facilities, strengthened VINCI Energies' market position in Spain. Lastly, the building businesses of G+H Montage in Germany were transferred to VINCI Construction to optimise synergies.

In France, VINCI Energies adopted a new organisational structure with 13 business lines, replacing the previous structure that was based on geographical regions – the result of successive acquisition and reorganisation operations. The new structure

* Source: Mercer Management Consulting study, April 2002

brings the company even closer to its customers. GTIE changed its name to VINCI Energies at the end of 2002 to signal the full integration of its 700 businesses into a consistent whole and confirm its intention to be identified as a member of the VINCI group. The new logo will build brand awareness and support to all the company's businesses, in particular the deployment of brands that combine different types of expertise from within VINCI Energies' European operations: Actemium for industrial processes, Axians for integrated network and telecommunications solutions, Graniou for telecommunications infrastructure and Opteor for industrial and commercial building maintenance).

In an uncertain economic environment, VINCI Energies confirmed its responsiveness and well-established market position in 2002 by maintaining, on a like-for-like basis, the high levels of sales achieved in 2001. In France, electrical engineering and information technology generated an operating margin of 4.5%. Thermal engineering continued to improve and recorded an operating margin of 3.9%. In Germany, the overall turnaround of Calanbau and Nickel, together with progress in the insulation business, resulted in an operating margin of almost 3%. Overall, VINCI Energies recorded a significant improvement in profitability in 2002, with operating income up 68% compared with 2001, and an operating margin of 3.9%.

Electricity networks and infrastructure

In electricity transmission and transformation, as in 2001, business with RTE, the French power transmission operator, experienced mixed fortunes. The reduction in investment for substations and control command systems was partially offset by buoyant activity in high voltage power lines. Examples include the installation of a new 400 kV power line between Tavel, Europe's largest electrical substation, and the power station at Tricastin, to improve power supply to Languedoc-Rousillon and Provence-Alpes-Côte d'Azur in the south of France, and a 2 x 63 kV underground link at Ginestous-Grand-Noble near Toulouse. The need to strengthen and secure existing lines following the storms at the end of 1999 also generated significant consultancy business.

The dynamism of the private sector helped offset reduced investment by the public sector. Several orders for very high voltage electrical substations were won in the industrial sector, most of them as extensions to previous cooperation on electricity network projects. The installation for Thales Underwater Systems of a series of command and control cabinets for a sonar system to equip surface warships in the British Royal Navy is an illustration of this diversification policy.

The urban lighting and signalling business, under the Citéos brand, benefited from an increase in capital spending by local authorities in France after the elections in 2001 and 2002, generating satisfactory levels of sales and profit. The year's contracts included installing lighting in 94 streets and a marquee of lights in Le Mans, lighting for ten sports grounds and a training centre for Racing Club in Lens, and the internal lighting of Preuilly-sur-Claise Abbey to showcase its columns, chapels, chancel, altar and statues.

Interior works for industry

VINCI Energies, which generates almost half its net sales through contracts with industry, has been operating for many years in all business sectors through a network located close to industrial sites. By keeping close to its customers, VINCI Energies has been able to maintain profitability in a market that tends to adopt a wait-and-see attitude and where the large number of small contracts offsets the postponement of major

Production line at the Cointreau factory in Angers:
the supply of turnkey solutions for industrial automation to improve production processes and traceability

Installation of electrical systems and command and control equipment at the new biological unit in the Roche laboratories in Germany

capital spending decisions. Business with the water, pharmaceuticals, energy and the petrochemical sectors was particularly buoyant.

VINCI Energies is increasingly sought out for its expertise in providing integrated solutions, as illustrated by several major projects. TMS, for instance, supplied part of the body assembly line to Mercedes for the new E Class model at their factory in Sindelfingen, Germany.

In northern Europe, the responsiveness of VINCI Energies entities enabled them to adapt to the difficult economic climate and maintain profitability. In Sweden, Emil Lundgren installed the data and telecommunications networks and overhauled the electrical distribution system at the Scanraff refinery. In the UK, RDJ Quarry Maintenance was awarded a contract by Hanson Aggregates for all the electrical and mechanical engineering work to improve operating security at one of the largest quarries in Wales. Starren Food Chemicals, based in The Netherlands, was awarded a contract by a leading British producer of infant foods for the complete overhaul of its baby milk pasteurisation plant.

In Germany, the improvement in maintenance and major

Design and installation of fire protection systems for the Deret warehouse in Orléans: 18,000 sprinkler heads were installed in an area of 55,278 square metres

projects, together with the upward trend in the petrochemical sector, enabled Controlmatic to maintain a satisfactory level of business. The company was awarded the contract to install all the power distribution and command and control systems for a new biological unit in the Roche pharmaceutical laboratories. Calanbau confirmed its turnaround and consolidated its position as one of the leaders in fire protection by installing nearly 10,000 sprinkler heads at Daimler Chrysler's new European logistics centre.

In France, contracts included the completion of a new chocolate production line for Barry Callebaut, the implementation of a management system for the Altadis order preparation lines (Seita), which supplies 37,500 tobacconists, and the participation of four VINCI Energies companies in the construction of Saint-Gobain's new European ceramics research centre in the Vaucluse.

VINCI Energies continued to add breadth to its offering to industry in 2002, expanding the network and range of services offered by Actemium, the benchmark for industrial command and control systems, and Opteor in maintenance. The company installed the command and control system for an Ingrédia powdered milk storage, mixing and packaging unit. It also completed the second extension phase, consisting of the clean rooms, of the Diskis factory for Glaxo SmithKline at Evreux. Opteor signed a major contract with TotalFinaElf for the maintenance of its Flanders refinery, as an extension to existing contacts with the same customer for its sites in Donges (France) and Leuna (Germany).

■ Interior works for commercial customers

As major property projects account for only a small part of VINCI Energies' business in the commercial sector, the decline in this market in 2002 had a limited impact. Moreover, the specialisation of subsidiaries and their high quality offerings enabled the company to take advantage of the buoyancy in the health, education, logistics equipment, and safety and security markets. Overall, the interior works for commercial customers segment maintained a satisfactory level of profitability. Contracts during the year included the installation of air conditioning, smoke evacuation, power networks, voice-data-image pre-cabling, fire detection and access control systems at the EDF Tower in Paris-La Défense; museum lighting in the exhibition areas of the Petit Palais in Paris; renovation of electricity networks and fire pro-

Installation of air conditioning at the Nobel Tower in Paris-La Défense

Multi-directional environmental monitoring

Iséo, which operates throughout Europe, designs, installs and maintains integrated environmental monitoring systems and installs measurement centres and mobile laboratories to manage and distribute data. Iséo's customers include industrial companies, in particular for the installation of remote monitoring systems tailored to the constraints of production sites, and has worked for many years with public-sector bodies responsible for environmental protection. The company provided assistance to some 20 French towns for the development of their air quality monitoring systems. In 2002, Iséo was selected to implement similar networks in the Netherlands (Amsterdam) and Morocco.

68 GSM radio relay sites have been installed throughout Belgium for Mobistar, a telecommunications operator

tection at the Royal Academy of Arts in London; renovation of the electrical systems at the Gustave-Roussy hospital in Villejuif; equipment and cabling of four engines of the Queen Mary II, the world's largest passenger liner, as part of a contract with Les Chantiers de l'Atlantique; and the complete installation of air conditioning and ventilation systems at the Wal-Mart shopping centre in Mannheim.

Communications

In telecommunications infrastructure, under the Graniou brand, VINCI Energies stood up well to the difficult economic conditions and generated net sales of €127 million. In the declining mobile telephony market, the company gained market share by achieving almost the same volume of business in 2002 as in 2001. Although operators have postponed their capital expenditure, in particular for the deployment of UMTS, most of them are continuing their projects, which are spread over several years in order to optimise workload management. Redeployment towards new services, such as managing logistics on behalf of operators, and the growing demand for maintenance have helped bolster business. Noteworthy orders included the award to VINCI Energies of a contract to install a new switching office for Bouygues Télécom Caraïbes in Guadeloupe, and the deployment of GSM radio relay sites throughout Belgium for Mobistar. In wired networks, having completed the major backbone programmes, new opportunities are arising with the deployment of secondary networks. In 2002, for instance, VINCI Energies participated in equipping several sections of Télécom Développement's fibre optic loop in Brittany. Local authority telecommunications projects also represent a new source of business. However, such projects are slow to materialise due to the complexities involved in putting them together. VINCI Energies is adopting a similar strategy to that in the mobile telephony segment: the development of a wide range of maintenance and network optimisation services to complement deployment projects.

In voice, data and image business communications, where the competitive situation is undergoing radical change, VINCI Energies recorded growth of 15% and gained market share through its Axian brand, which generated net sales of €110 million. The company broadened its expertise by acquiring Neurocom, a company that specialises in IT security. Two of the major contracts during the year were the deployment of Cegetel's data backbone networks and the design of the network architecture and information systems for the International Space University in Strasbourg, including an e-learning training system using Internet Protocols and audiovisual equipment for three auditoriums.

Making journeys easier for motorists

VINCI Energies works in the vehicle traffic guidance segment, particularly in and around Paris, offering specialised traffic management systems: Sirius and Siter. The variable message boards give road users real-time information on traffic conditions, enabling them to save time and fuel, and help reduce pollution.

Outlook

The market outlook for VINCI Energies is buoyant over the long term, driven by the development of efficient applications for electrical energy, expansion in information technologies and growing needs for air conditioning, air treatment and fire protection equipment.

Focusing principally on Europe, VINCI Energies will continue to pursue its development strategy, which aims to cover all segments corresponding to its range of expertise, business activities and markets. Within that framework, it will reinforce its product and service strategy that allies integrated solutions supported by strong brands throughout Europe with local solutions implemented by its very extensive network. In this approach, the extent and quality of the VINCI Energies' offering, its responsive network organisation and the flexibility of its teams are key strengths for adapting rapidly to its constantly changing markets.

The strategy will combine organic and external growth, in line with the policy implemented by VINCI Energies over recent years. It will also be based on the development of non-equity partnerships, consistent with the desire to strengthen the company's capacity as an integrator.

VINCI Energies will exploit the growth potential in its markets in France and abroad, where the competitive environment is undergoing significant change, in particular amongst telecommunications operators, energy distributors and equipment manufacturers. To take advantage of the growth potential, the company will increase its market coverage in Europe, strengthen its leadership and develop its brands throughout Europe, supported by a network of well positioned businesses.

On the basis of this outlook, VINCI Energies entered 2003 with confidence in all its business segments and expects to continue generating income levels similar to those for 2002.

The illumination of the Garabit Viaduct, which was built by Gustave Eiffel, uses dynamic lighting techniques

Business lines

NET SALES: €5,146 million | **OPERATING INCOME: €166 million**

Roads

NET INCOME: €96 million | WORKFORCE: 34,100

On the RN 31 between Compiègne and Beauvais, a 3 km diversion with 2 x 2 lanes was built, together with roads connecting it to two interchanges, one of which was created from scratch

Profile

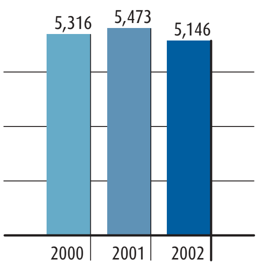
Eurovia is European market leader in roadworks and materials recycling, and number one in France for the production of aggregate. The company generates almost 90% of its net sales in Europe (principally France, Germany, the UK and central Europe), and holds significant market positions in the USA (Florida and the Carolinas), Canada, Mexico and Chile.

Eurovia is present at every stage of the industry's value chain, operating in three complementary business segments:

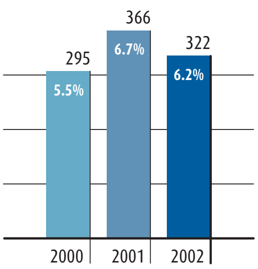
- Roadworks: the construction, development, modernisation and maintenance of roads – from motorways to pedestrian streets – accounts for almost half the net sales of this business segment. The work, which is carried out by 330 agencies for public-sector (70%) and private customers, is divided into around 50,000 projects a year with an average duration of two months. The number and geographical spread of projects reduces exposure to risks and generates more stable earnings;
- Materials production: with 207 quarries, 95 binder plants, 400 coating stations and 90 recycling units, Eurovia covers the entire materials production segment, which complements roadworks in terms of organisation, locations, skills and business characteristics. Materials production accounts for annual net sales of around €1 billion;
- Environment-related activities: Eurovia has been applying a policy of sustainable development for many years, and has developed expertise and leadership positions in materials recovery (recycling domestic and industrial waste into road building materials), noise abatement systems (noise screens, sound-absorbing coatings), safety systems (crash barriers, road signs, high friction and anti-skid surfaces), waste storage (landfills and geotechnical membranes) and demolition/deconstruction.

ROADS KEY FIGURES

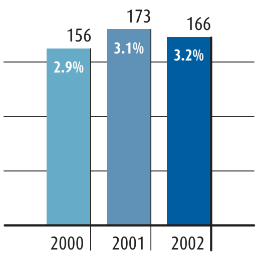
Net sales
in millions of euros



Gross operating surplus
in millions of euros and as a percentage of net sales



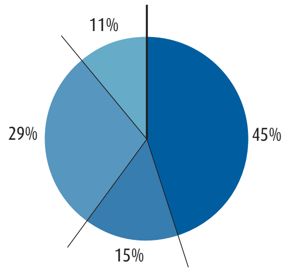
Operating income
in millions of euros and as a percentage of net sales



Data for 2000 and 2001 are pro forma

A right-of-way bus lane along the Promenade des Anglais in Nice, France

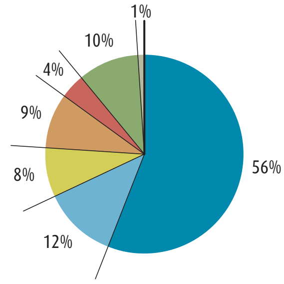
Net sales*
by business segment
in millions of euros



Roads and motorways	2,316
Industrial development	772
Environment-related projects	1,492
Sales of products and materials(1)	566
Total	**5,146**

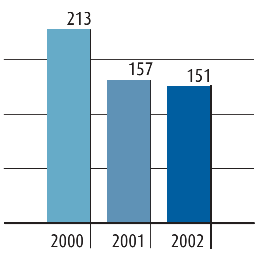
(1) Excluding internal consumption

Net sales*
by geographic area
in millions of euros

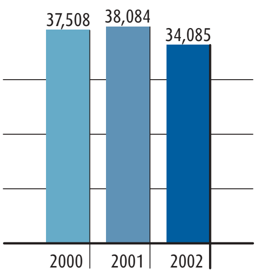


France	2,891
Germany	619
UK	427
Central Europe	474
Rest of Europe	202
North America	491
Rest of the world	42
Total	**5,146**

Capital expenditure
in millions of euros



Average workforce



* After inter-company transactions

Business report

After two consecutive years of strong growth, Eurovia recorded a 5% decline in net sales in 2002, due principally to a reduction in business activity in France and greater selectivity being applied to order taking. However, the full effect of savings in overheads generated by the merger between Eurovia and Entreprise Jean Lefebvre, as well as a programme to optimise site management, improved profitability: the operating margin was 3.2%, compared with 3.1% in 2001. After completing the implementation of a unified organisation and management structure at every level, Eurovia deployed a new information system throughout all its French entities in 2002. The system integrates all corporate functions, in particular site operations management, which allows real-time management of projects and an improvement in the company's overall competitiveness. It is now being implemented in other Eurovia operations around the world. The move towards integrating methods, skills and cultures also led to the creation of transnational skills groups, which work on subjects of interest to all markets, and the deployment of a network of quality, safety and environment coordinators operating in proximity to activities in the field. Lastly, a major advertising campaign on French television and in the trade press strengthened Eurovia's brand awareness across a very wide audience and showcased the quality and innovative character of its products and services.

France

Eurovia's business in France dropped about 9% in 2002. This trend, augmented at the beginning of the year by unfavourable weather conditions, marked the return of the French market to a more normal level after exceptional peaks in 2000 and 2001.

Installation of concrete separators on the A6 near Beaune, France

It also reflected the selective order taking policy applied rigorously by Eurovia, as witnessed by the high level of operating income maintained over the year.

In road construction and infrastructure maintenance, the highlights of the year included the completion of 20 km of roadway on the A75 between Clermont-l'Hérault and Pézenas, reinforcement work on the A83 between Nantes and Montaigu, widening of 17.5 km of the A10 between Orléans and Blois, drainage and roadway building on the VR52 at Vitry-sur-Orne, improvement work on the diversion on the RN31 at Laversines, and the RN346–RN6 interchange on the eastern bypass around Lyons. Eurovia was awarded the accessories part (re-establishment of communications, roadways, drainage and equipment) of the A89 contract for the Périgueux-Ouest–Périgueux Est section and the Mussidan–Villac section. Other orders received at the end of the year included building two roundabouts and several ramps between the A11 and the Nantes ringroad and, in a consortium, two of the three contracts for road improvements to accommodate very wide loads carrying components of the future Airbus 380 between Langon and Toulouse. The two sections, totalling 94 km, are scheduled for completion in May 2004.

In urban, industrial, sports facility and commercial site improvement, Eurovia's main achievements included the completion of the Long-Buisson commercial centre in Evreux and the Montolivet pavement in Marseilles, the creation of Boulevard Péri in Aubagne, the development of a big sports complex for Liffré, east of Rennes, and the construction of a logistics platform for Dusolier Calberson at Parçay-Meslay. Eurovia also successfully completed two sites for PSA: a vehicle storage park for the Citroën plant in Rennes and the platform and roadways (for normal and heavy vehicle traffic) of a bus station for the new Peugeot plant in Trémery. The quality of Eurovia's offerings for the high-growth market of right-of-way transport infrastructure was illustrated by several projects and significant orders: continuation of work on the Bordeaux tram platform and service roads; improvements to the north–south route of the public transport system in Brest; and design and construction of the platform for the tyre-mounted tram system in Clermont-Ferrand. VINCI Construction is participating in the Clermont-Ferrand project, which involves a 14 km line and is expected to take over two years to complete.

In the airport segment, Eurovia rehabilitated the access road to terminal 1 of Roissy-Charles de Gaulle, strengthened the runway

The leading producer of aggregate used for road building, Eurovia has stocks of 1.5 billion tonnes, the equivalent of 30 years of production

Expansion of environment-related business

Eurovia's expertise in creating and improving landfill sites was illustrated in 2002 by the partial capping of the landfill at the International Paper plant at Saillat and the creation of a landfill for non-hazardous industrial waste and household waste at Esquay-sur-Seulles. The company also confirmed its strong position in the deconstruction market through subsidiary Cardem, with the demolition of the Mozart buildings in Charleville-Mézières and Gérard-Philipe buildings in Gennevilliers.
It also demolished the old thermal power plant of Fesc in La Grand'Colombe, where Cardem processed 10,000 tonnes of scrap iron and 40,000 cubic metres of reinforced concrete, removed asbestos from six boilers, and dismantled electromechanical systems. Subsidiary Valentin was awarded a three-year contract to replace 3,850 lead connection pipes in the drinking water network of 16 districts in eastern Paris. This operation is being carried out using the trench-free technique in order to minimise inconvenience to users.

and aircraft parking area of Andrézieux-Bouthéon airport, which serves Saint-Etienne, and planed and applied bituminous concrete on two taxiways at Nice-Côte d'Azur airport.

Western Europe

In Germany, roadworks market leader Eurovia GmbH operated in a long-term depressed economic climate. However, the selective order taking policy and continuous efforts over several years to restructure subsidiary VBU in the east and Teerbau in the west allowed the company to come close to operating breakeven for the year. All non-roadworks and non-core businesses of these two subsidiaries have been sold or closed. Projects in 2002 included the completion of the Willy-Brandt-Strasse site and the pedestrian zone in front of the Chancellery in Berlin, as well as the construction of the B6 linking the A9 motorway to the western access to Leipzig. Launched in 1998 as part of an exceptional private prefinancing programme for road infrastructure in the new *Länder,* this project has led to better traffic regulation in the outskirts of the capital of Saxony.

In the medium term, Eurovia GmbH is expected to benefit from the installation – by a consortium of which Cofiroute is a member – of the Toll Collect system for HGVs using the German motorways. Toll Collect will generate annual revenue of €3.5 billion for the German government, which it will allocate mainly to the modernisation of the existing network.

In the UK, Ringway benefited from the growing trend towards services included in long-term contracts that combine roadworks and maintenance. Transport for London, the integrated body responsible for managing all public transport in London, signed a five-year contract worth €204 million with Eurovia's UK subsidiary to maintain the road network in northern London, as well as the city's historic, tourist area. In addition to surface maintenance and all the road network maintenance facilities, the contract includes road improvement work and operations relating to winter maintenance and emergencies.

In Spain, Probisa was awarded a similar contract for maintaining the Jerez-Los Barrios motorway in Andalusia for two years. Probisa also carried out surfacing work on the new M-511 and M-501 motorways linking the Madrid ringroad to the capital's south-west suburbs. The contract called for laying high modulus hot mixes, and was the biggest site of its type in Spain.

Recycan® protects the environment

Eurovia is developing a range of environment-friendly products, one of the most recent being Recycan®. Manufactured in situ from trench excavation rubble, it offers the same benefits as a conventional self-compacting fill. In addition, it causes much less disruption to nearby residents: heavy vehicle traffic to evacuate the rubble is reduced 70% and there is no inbound supply traffic. It also saves natural aggregate resources and reduces the amount of rubble disposed of in landfills by 70%.

Rehabilitation of the streets
and squares around Prague Castle, a historic monument

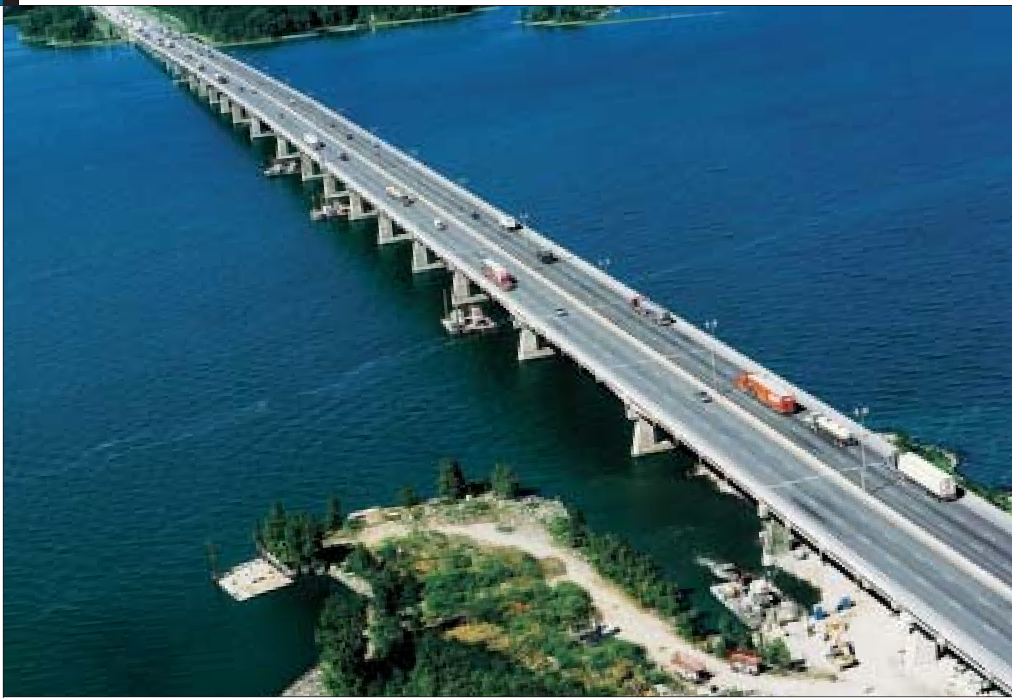
High security road surface

To deal with accident black spots, Eurovia has developed Viagrip, a high friction coating.
The anti-skid surface reduces braking distances, providing exceptional traffic safety. The product was applied successfully at almost 550 sites in 2002.

In Belgium, Boucher carried out improvements to the Saint-Denis square in Forest, near Brussels, and installed noise screens beside 14 km of the Brussels-Cologne high-speed train track.

Central Europe

Eurovia has a dense network of locations and strong market positions in a deliberately restricted area (the Czech Republic, Slovakia, Poland and Albania). The company consolidated its coverage of central Europe in both roadworks and materials production in 2002. Its significant presence, achieved through a combination of external growth transactions and the creation of subsidiaries, enables it to take advantage of the important infrastructure upgrade investment programmes. This is the case in particular **in the Czech Republic,** where SSZ had buoyant business and successfully completed many projects. They included building a 9.2 km section around Plzen, western Bohemia, on the D5 motorway between Prague and Munich, and three projects in Prague: construction of an inner bypass providing a link to the ringroad, rehabilitation of the Cernokostelecka street tram line, and the construction of a boom bridge in collaboration with VINCI Construction, which is supplying the reinforced concrete beams for the new structure. At the end of the year, Eurovia was awarded a major contract worth €117 million, confirming the company's leadership position in the Czech market. The contract calls for the construction of the Trmice-Knicice section of the D8 motorway between Prague and Dresden in Germany. In addition to 12.24 km of 2 x 2-lane motorway, the contract covers four interchanges, a 300 metre retaining wall and a 650 metre noise-reduction wall. **In Slovakia,** CSK (a subsidiary created from scratch by Eurovia) and Slov-via benefited from market growth. The main sites were the reconstruction of a secondary road at Palota in the north-east of the country and road surface maintenance on the D1 motorway. At the end of the year, CSK was a member of the consortium that won a contract for a new stage of the Kosice diversion, including the construction of an interchange and two bridges and the demolition of an old structure.



Repair of the Ile aux Tourtes bridge in Montreal. The 2 x 3-lane bridge, which spans 2,000 metres, carries Highway 40 traffic over one of the arms of the Saint Lawrence River

In Poland, Eurovia renovated the RN17 between Zabiancka and Ryki using the cold-mix microsurfacing process, Gripfibre. Lastly, **in Albania,** Albavia rebuilt 12 km of railway track between Shköder and Bajze in the north of the country.

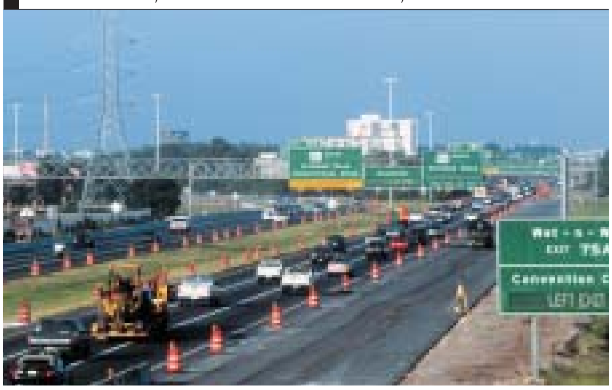
■ Americas

In Canada, DJL recorded a further increase in business following strong growth in 2001, and confirmed its high profitability with an operating margin of almost 10%. The company has expertise in all the business segments in the roads value chain – aggregate, coatings and roadworks – and operates in a market where the first long-term maintenance contracts and outsourced management projects are expected to drive growth. During 2002, DJL repaired the A10 and A13 motorways, as well as road 138, for the Montreal authorities. It also built the link between road 309 and highway 50 in the Ottawa region.

In the United States, where bad weather had an adverse impact on Eurovia's business, two major consecutive contracts were won by Hubbard in Florida. Worth a total of almost €100 million, they involved the redevelopment of Interstate 4, east of Tampa. The reorganisation of subsidiary Blythe continued and the company is expected to break even in 2003.

In Chile, where the reorganisation of Bitumix was completed, Eurovia built the San Pedro aerodrome, manufactured and applied coatings on the Panamerican, which goes through Santiago, and won the routine maintenance contract for the capital's ringroad. **In Mexico,** subsidiary Bitunova completed the rehabilitation of the Mazatlan international airport runway. The company also renovated the northern ringroad around Mexico City. Since that is the most-used stretch of road in the world, the 20,000 tonnes of surfacing had to be laid on 25 km at night.

Construction of a new interchange, access ramps and additional lanes on Interstate 14, located 24 km west of Orlando, Florida



Outlook

Growth in demand in new countries and Eurovia's operations in central Europe, where significant infrastructure upgrade programmes have been launched, will help offset the expected flatness of the French and German markets.

Eurovia's business is expected to remain stable or increase slightly in 2003, with the strong order backlog in the UK, Czech Republic and USA offsetting the expected flatness of the French and German markets. The continuation of selective order taking, which favours margins over volume, together with the turnaround of under-performing entities, in particular in Germany and the USA, is expected to lead to growth in operating income. In line with the controlled expansion that characterises the company's progress over recent years, Eurovia will consolidate its positions in the industrial countries where it has operations, focusing on markets where there is guaranteed growth. The quality and strength of its network of entities in central Europe should enable the company to benefit from current and planned major investment programmes to upgrade infrastructure, especially against the backdrop of European Union enlargement. More generally, due to its strong positions in all its markets, Eurovia is well placed to take advantage of integrated, multi-year contracts such as design and build, multi-lot tenders, roadworks and maintenance and long-term maintenance. The globalisation of demand, which favours the leading players and accelerates the trend towards industry consolidation, is an important long-term growth driver.

In terms of business segments, Eurovia's expertise across the whole value chain and its strong capacity for innovation, backed up by a unique R&D organisation, should help consolidate its positions in the various markets where it operates: roadworks, with the development of renovation and urban development activities, driven by the efforts made in many countries to improve environmental integration and the safety of road and urban infrastructure; right-of-way urban transport systems, which are a vector for growth and a direct extension of the company's traditional business segments; development of industrial and commercial sites for private investors; and the environment-friendly products and services, where increasing regulatory pressure is opening up new opportunities.

The 1,000 metre noise-abatement wall on the new 2 x 2-lane 10 km section linking the A9 motorway to the gates of Leipzig

Business lines

NET SALES: €7,252 million | OPERATING INCOME: €212 million

Construction

NET INCOME: €150 million | WORKFORCE: 45,700

Terminal 2E at Roissy-Charles de Gaulle airport, designed by architect Paul Andreu, will process up to 10 million passengers a year. The terminal will come on stream in 2003

Profile

Construction was VINCI's first core business. It originally fuelled the group's growth and was the source of diversification into complementary areas such as concessions and services. The world leader in building and civil engineering*, VINCI Construction has assembled an unparalleled range of skills in building, civil engineering, hydraulic works and maintenance. The broad scope of its skills, the quality of its work and the stability of its financial performance make VINCI Construction the global reference in its sector.
VINCI Construction is organised in six fully owned business segments:

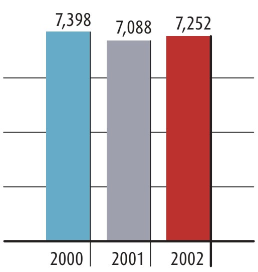
- Two independent, multi-product networks in France (Sogea Construction and GTM Construction) with a large number of businesses firmly rooted in local markets and close to their customers;
- Two international networks present in the full range of construction activities in their respective regional areas. One of these networks (VINCI Construction Filiales Internationales) covers central Europe, French overseas territories and Africa. The other covers the UK, Germany and the United States;
- A division in charge of major construction projects worldwide (VINCI Construction Grands Projets);
- Freyssinet, the world leader in specialised civil engineering activities*, such as prestressing, cable staying, superstructures, soil reinforcement and improvement, and large structure repairs.

VINCI Construction also has a 45% interest in CFE, which is the leader in the Belgian construction market. CFE has a 48% interest in Dredging International, a major player in the global dredging market, and a 50% interest in Wiemer und Trachte, a German company that is not consolidated.
VINCI Construction's exemplary performance is largely explained by its management model, which focuses on profit, professionalism, empowerment, a decentralised organisation with decisions made by people in the field, transparency and networking. This model, combined with constant emphasis on selective order taking and value added, translates into profitability levels that set new standards for the building and civil engineering field.

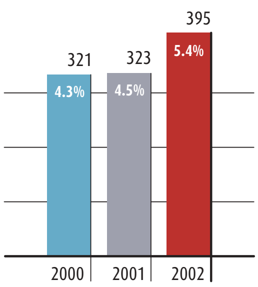
* Source: *Moniteur* magazine, November 2002 (basis: 2001 net sales)

CONSTRUCTION KEY FIGURES

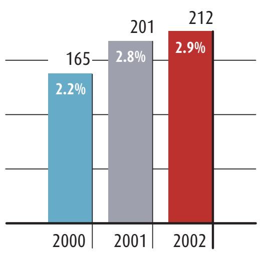
Net sales
in millions of euros



Gross operating surplus
in millions of euros and as a percentage of net sales



Operating income
in millions of euros and as a percentage of net sales

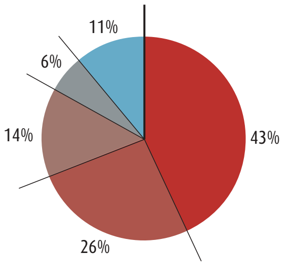


Data for 2000 and 2001 are pro forma

Supply and installation of cable stays for the Putrajaya bridge, 30 km from Kuala Lumpur, Malaysia. The cable-staying system's original design evokes the image of a ship's sails

Net sales* by business segment

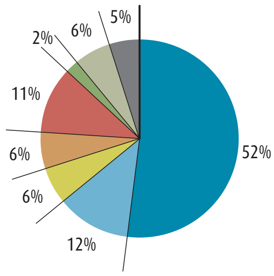
in millions of euros



Building	3,141
Civil engineering	1,857
Specialised civil engineering	1,034
Hydraulic works	442
Services and miscellaneous	778
Total	**7,252**

Net sales* by geographic area

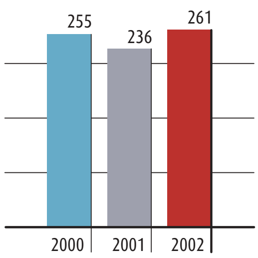
in millions of euros



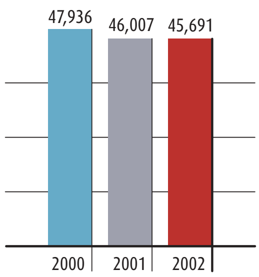
France	3,750
UK	842
Belgium	458
Germany	445
Rest of Europe	793
North America	165
Africa	448
Rest of the world	351
Total	**7,252**

Capital expenditure

in millions of euros



Average workforce



* After inter-company transactions

Business report

In 2002, VINCI Construction continued to apply its strategy of controlled growth, thereby demonstrating that building and civil engineering activities could generate sustained profitability. Despite the uncertain economic environment, operating income increased 6% and return on equity neared 34%.

Despite a slight downturn in the French market, Sogea Construction posted record profitability levels and GTM Construction continued to improve its income, confirming the success of its integration into the VINCI group's organisation and culture.

VINCI Construction Filiales Internationales also reported excellent results, notably thanks to Sogea-Satom's strong presence in Africa. The acquisition of Crispin & Borst, which focuses on the buoyant maintenance segment, bolstered the UK subsidiaries, which consolidated their positions and profitability in a growing market. The Belgian and German subsidiaries showed resilience, despite a lacklustre market. The major project division, which focuses on geographical areas and projects that meet strict risk management standards, achieved an excellent performance both in terms of the quality of its work and financial results. Freyssinet took resolute measures to restore margins, based on maximising its know-how and taking a more opportunistic approach to markets.

Building

In the building segment, business was sustained throughout the year.

In France, VINCI Construction's strong positions and expertise in major office real estate programmes enabled subsidiaries in the Paris area to benefit fully from growing demand.

Several significant projects were carried out in this segment. VINCI Construction was in charge of the structural rehabilitation of the CB16 tower in the La Défense business district of Paris, and of building 46,000 square metres of office space for Capital et Continental and the Euralliance building in the Madeleine district in Lille. VINCI Construction also built the future head office of Caisse Nationale d'Assurance Maladie, the public health insurance authority, in Bagnolet east of Paris. The project involved building 38,000 square metres of useful office area in just 21 months. The group built a new office centre for HRO France in Saint-Ouen, north-west of Paris. The 42,000 square metre "Portes de La Défense" building was completed in record time (16 months) under a design and build contract. The project won an award for excellence in design from the American Institute of Architects New York State.

In other regions of France, business remained sustained, as witnessed by the large number of orders and projects in every segment of the industry. Projects included the assembly building for the future Airbus A380 in Toulouse; logistics platforms in Salon-de-Provence and Cosne-sur-Loire; a recreation area for the Alpine Chasseurs in Bourg-Saint-Maurice; the Palais de la Liberté cinema multiplex and shopping centre in Toulon; the new head office of the Nantes urban community; a large exhibition centre to be constructed in just 16 months in Clermont-Ferrand, called the Grande Halle d'Auvergne; the national conservatory and Cité de la Musique in Strasbourg; a new building for the archives of the Bouche-du-Rhône department; and the external structure of the Annecy hospital (a 115,000 square metre project, with 510 rooms plus 30 technical platform rooms).

Structural rehabilitation of the 28 floors and 6 underground levels of the CB16 tower in Paris's La Défense business district

Renovation of a 27,000 square metre office building in central London

VINCI Construction pays considerable attention to financial engineering, which enables it to develop design and build projects. The company takes the initiative for these projects and is therefore able to maximise the technical and financial conditions, and control of the entire construction process. This type of expertise was illustrated in France in office building projects in Marseilles and Toulouse, housing projects in Lyons, Clichy-la-Garenne and Nice, shopping centres in Bordeaux and Rennes, and institutions for the elderly in Beaune and Mulhouse.

In Europe, VINCI Construction consolidated its positions in the upbeat UK market and was present in every segment of the building industry (shopping centres, logistics facilities, administrative buildings, dockyards and schools). The company launched a new design and build project (involving every building profession) to construct a hotel complex for the Accor group in London.

In Germany, the policy to retrench voluntarily over the past few years made it possible to maintain margins at a satisfactory level in a sluggish market.

In central Europe, cooperation with Carrefour resulted in two new major projects, one in Warsaw (a 103,000 square metre shopping centre) and the other in Bucharest (a hypermarket including a centre with 60 shops and a parking area to accommodate 1,250 vehicles).

Antipollution facades

The European research project Picada (photo-catalytic innovative coverings applications for depollution assessment) was launched in 2002 and is coordinated by GTM Construction.

The purpose of the project is to develop a process that is self-cleaning and removes pollution from building facades at an economically feasible cost.

The project draws on the photo-catalytic properties of titanium dioxide. When it is mixed into a transparent coating, this chemical compound “traps” pollutants and separates dirt from the building facade. Dirt particles then wash off in the rain or can simply be sprayed off.

Developing a full range of cold-laid products for all types of buildings represents a major environmental and financial challenge. The annual cost of cleaning facades in Paris is estimated at nearly €20 per resident.

The Tulle viaduct on the A89 motorway is the highest motorway viaduct in service in France. The structure is 854 metres long and its tallest pier is 122 metres high (Architects: Lavigne et Montois)

In Asia, VINCI Construction completed an entire university complex (including buildings, administrative offices, stadiums and parks) in Kulim, Malaysia, confirming its expertise in turnkey projects.

Civil engineering

In France, after several years of sluggish demand, VINCI Construction companies benefited from a rally in their markets and were involved in several transport infrastructure projects. These included the construction of a 740 metre road tunnel in Nice, a motorway bridge at Corbeil-Essonnes, a 990 metre viaduct on the A89 motorway, a tramway line for tyre-mounted trams in Clermont-Ferrand (with Eurovia), a new dock on the River Seine in Honfleur, moulded walls on line B of the Toulouse metro (the group is also building the tunnels and stations of lot 2 and 5). VINCI Construction companies were also involved in the renovation of the Paris-La Défense station, where SNCF rail lines, rapid transit and metro lines, and bus routes converge; of the Aquitaine bridge in Bordeaux and the Meyrargues viaduct in southern France.

After a lacklustre first half, earthmoving activities picked up in the second half. The major project to build the Essarts–La Roche-sur-Yon section of the A87 motorway in western France ushered in a rally in the motorway segment. The company should also benefit from new growth as work begins on the east-bound TGV high-speed train line. The project was officially launched by the French Minister of Transport at the site of an experimental embankment built by VINCI Construction at Baudrecourt in eastern France.

Its historical know-how in construction and other work for the nuclear industry makes VINCI Construction an obvious choice to meet emerging demand for dismantling facilities. This is illustrated by the first level 3 operation, which involves freeing a site completely and unconditionally, at Fontenay-aux-Roses.

Small-scale civil engineering business (e.g. piping and roads) continued to grow thanks to VINCI Construction's particularly dense network of local businesses. At the end of the year, the company won a contract to replace over 4,000 lead water connection pipes in 16 districts east of Paris.

VINCI Construction's expertise in water treatment enabled it to benefit fully from strong growth in this market, driven by infrastructure projects launched by several regional authorities. The orders taken and projects completed over the year included

A benchmark in prevention

Sogea Construction has developed software that is unique in the construction and civil engineering sector: the prevention Pocket Drive. This IT bible contains nine hours of footage and a full range of operational data on risk situations, classified by type of work, tool and product. The software is user-friendly and can be operated by anyone. Since October 2002, it has been distributed to accident prevention managers. Ultimately, it will be given to anyone involved in prevention work.

new wastewater treatment plants in Dax, Brest (harbour area), Gournay-en-Bray and Nogent-le-Rotrou; the Solferino-Molière main sewer in Rueil-Malmaison; sea outfalls in Montpellier (11 km) and in Courseulles-sur-Mer; and the design and construction of a water production sludge treatment unit in Valenton (including thermal drying, dewatering, storage and odour removal). The latter is the first industrial application for recycling sludge into fertiliser pellets.

In the UK and central Europe, the quality of VINCI Construction's local businesses enabled it to rebuild its civil engineering order-book, with projects such as the full renovation of urban roads in the Vauxhall Cross section of London; geotechnical work (soil studies, drilling and pollution removal) on the motorway section that will complete the ringroad around Glasgow; and several road and motorway bridges in Pilsen (Czech Republic) and on the M7 motorway in Hungary.

In Africa, VINCI Construction benefited from its long-standing presence and leadership positions to record buoyant activity levels, particularly in Morocco, with several new contracts to build sanitation systems, motorway bridges and port facilities. Business was buoyant also in Cameroon and Chad, thanks to ongoing civil engineering contracts stemming from the partnership with a consortium of three oil companies, and in Gabon where there were roadworks.

In major projects, VINCI Construction continued to apply its strategy of limiting risk and maximising expertise, notably in engineering and project management. By focusing on Europe and neighbouring countries as well as on projects involving

The Wilenska shopping centre in Warsaw was completed in April 2002 on behalf of the Carrefour Group

technologies in which the company has full expertise, this activity generated margins that were much higher than usual in the industry. VINCI Construction confirmed its leadership position in tunnels. Major projects under way included the Lefortovo road tunnel in Russia; the Mitholtz rail tunnels in Switzerland; the Pannerdensch Kanaal rail tunnel in the Netherlands; the Antwerp and Soumagne rail tunnels in Belgium; the Airside Road tunnel at Heathrow in the UK; and the A86 tunnel in France. VINCI Construction also won a large contract in Sweden at the end of the year to build two 5.6 km rail tunnels for the new high-speed train link between Goteborg and Malmo. Business was sustained in other civil engineering segments, such as bridges (construction on the Rion-Antirion bridge in Greece went ahead on sched-

VINCI Construction won a major project in Cameroon and Chad, which involves moving 300 km of earth as well as roadworks, notably on the strength of the excellent safety and environmental features included in the offering

Digging the 6 km Soumagnes tunnel in Belgium, on the Brussels–Cologne high-speed train link

ule), major industrial facilities, harbour construction, road and rail infrastructure and large hydraulic works (pumping stations and dams).

In specialised civil engineering, VINCI Construction benefited from sustained demand for the repair of major infrastructure, especially bridges. Its expertise in reinforced earth works was confirmed by a large contract (23,000 square metres of blocks and 500,000 metres of frames) as part of the construction of the M6 Toll, north of Birmingham, which will be the first toll road in the UK. The company's innovative soil improvement solutions were selected for several shopping centre projects in Romania, Poland and Australia, as well as for the Airbus A380 component manufacturing site in Hamburg, Germany.

Services

VINCI Construction has developed facility management and services activities (mainly under the Manei name in France) downstream from the construction process, thereby consolidating its position in this high-potential market.

Outside France, VINCI Construction's presence in outsourcing was reinforced by two new full maintenance contracts for six US Army bases in Germany. The contracts are worth nearly €80 million over three years. The US Army awarded the subsidiary in charge of facility management the title of "supplier of the year" for the second year in a row.

Three ways of protecting the environment

The project headed by VINCI Construction Grands Projets on the Channel Tunnel Rail Link north-east of London illustrates the group's environmental policy in three ways. In this former industrial area where the ground is highly polluted, analyses were carried out to identify exactly which materials could be recycled, saving €5 million in landfilling charges. Concrete from demolition on the site was recycled to build platforms providing access for earthmoving equipment. The concrete will later be reused to build embankments along the new industrial area. Thirdly, an environmental manager was appointed to coordinate environmental activities, raise awareness, train teams in best practices, and inform residents about the work.

Outlook

In an uncertain economic environment, VINCI Construction will step up efforts to establish sustainable profitability in its businesses. The company's performance should continue to improve, thanks to its reiterated focus on margins.

In 2003, VINCI Construction will take leverage from the strengths and management principles that have sustained it over the past few years. Key drivers include a strong focus on profit supported by a motivating compensation policy; improvements in worksite productivity; an ambitious training policy; a dense network of companies and know-how; the systematic elimination of high-risk projects; and the development of high value added, recurring business upstream (design and build contracts, concessions, and financial engineering) and downstream (maintenance and facility management).

In France, given the size and quality of Sogea Construction and GTM Construction's orderbooks, the outlook for 2003 is bright. Infrastructure and earthmoving activities are expected to record substantial growth, whereas office construction is likely to subside, especially in the Paris area. Thanks to the diversity of their business bases and markets, Sogea Construction is expected to repeat its excellent performance of 2002 and GTM Construction should continue to improve its profitability.

In Europe, VINCI Construction expects mixed trends, depending on the market. Demand is expected to remain sustained in the UK and to improve in Belgium, but to remain sluggish in Germany, where the group's businesses should maintain margins. Continued improvements in the division's results are expected in central Europe, as growth starts up again. In all European countries in which VINCI Construction is present, local subsidiaries are likely to report satisfactory performances.

VINCI Construction expects business to stabilise, albeit at a high level, in the French overseas territories, but to decline heavily in Africa, after several years of exceptional growth. Operating results should remain satisfactory.

Major projects are expected to continue to report growth in volumes and income, after excellent results in 2002. The company will continue to apply the very strict selection criteria to new projects that have enabled it to achieve high profitability levels, while maintaining orderbooks at acceptable levels.

Hydraulic works are a major source of business for VINCI Construction, both in France and the rest of the world

Lastly, after reporting a deficit in 2002 due to the closure of loss-making units, the complete reorganisation of activities and reassessment of objectives, Freyssinet should be back in the black as of 2003.

All told, despite a less buoyant environment, 2003 is expected to be another very good year for VINCI Construction. The expected results will enable it to pursue long-term actions in several areas confidently, so as to continue to serve customers better, satisfy employees and aim for even better financial results.

Financial performance

SHARE PRICE DATA AND SHAREHOLDER BASE

Following its inclusion in the CAC 40 index on 3 April 2002, VINCI reinforced its new market status by outperforming the index by 23% in 2002 and increasing trading volumes by half. Since the complete withdrawal of Vivendi Universal and Suez, nine-tenths of VINCI's shareholding base is made up of floating shares. Employees remain the largest single shareholder group and the geographical breakdown between VINCI investors is balanced.

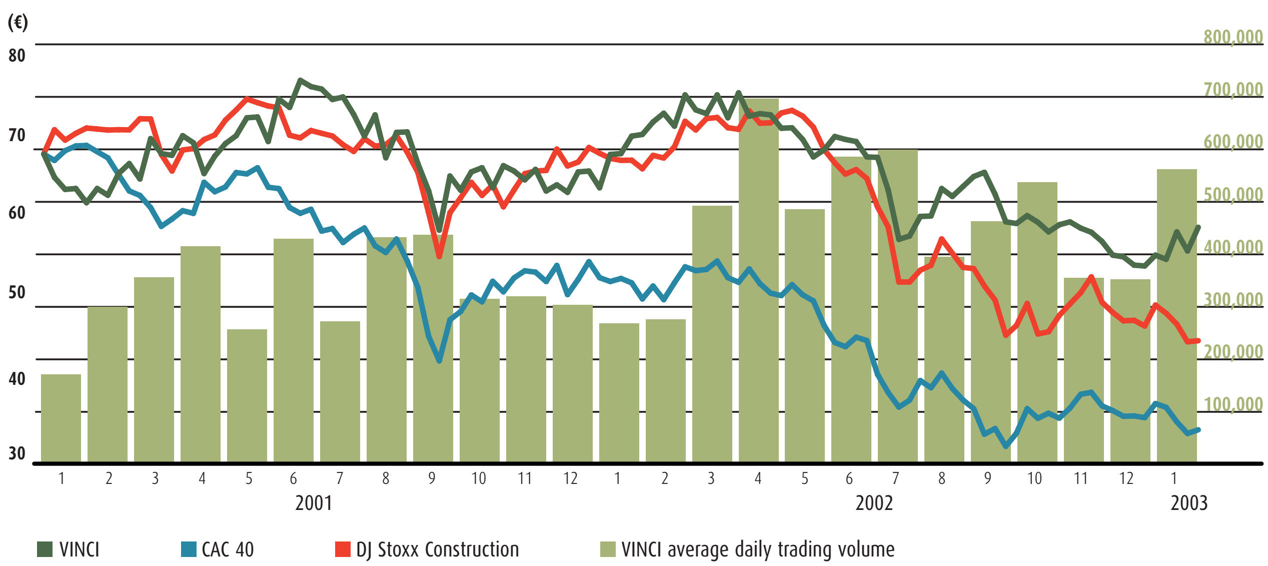
Share price and trading volume

The stock market's decline in 2001 continued in 2002 and gathered pace in May. Against this backdrop, the VINCI share showed good resilience.

In 2002, the share price increased until 12 April, when it peaked on closing at €74.50 after the release of the 2001 results. The share price then started to head down, with the decline accelerating over the summer to hit a low of €56.90 on 26 July following Vivendi Universal's decision to dispose of its shares. In August and September, the share price rallied and increased by over €8, but declined again to reach a low of €52.70 in December. In mid-January 2003, the share price bounced back amid upbeat trading and ended the month at €58.35.

Over the period from 1 January 2002 to 31 January 2003, the

SHARE PERFORMANCE AND TRADING VOLUME



CAC 40 fell by 37% and the DJ Stoxx Construction index by 34%. In contrast, the VINCI share fell by just 10%.

On 31 January 2003, VINCI's market capitalisation amounted to €4.8 billion, placing it 35th in the CAC 40 by capitalisation. Compared with 2001, the average daily trading volume increased 38% to 461,000 shares, i.e. from €22 million to €30 million.

VINCI OCEANE bond issue

In April 2002, VINCI issued 5.56 million bonds convertible in and/or exchangeable for new and/or existing VINCI shares (OCEANE bonds) to finance the acquisition of a 17% interest in Autoroutes du Sud de la France. The bonds mature in January 2018 with a redemption price at maturity of €125.46 and a conversion rate of one VINCI share for one bond. The issue amount initially set at €435 million was increased to €500 million despite the market context, which had become less favourable for this type of transaction.

Shareholder base

In 2002, the reorganisation of VINCI shareholder's base was completed following the full withdrawal of the company's historical shareholders:

– Vivendi Universal sold its shares in July. The remaining 2% interest held by Dalkia, a Vivendi Environnement subsidiary, covers the bonds redeemable in VINCI shares issued by Vivendi Universal. These bonds mature in March 2006 at a redemption price of €88.81;

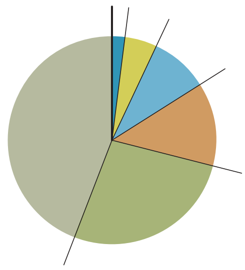
– Suez sold its 2% interest at the end of the year. This interest fully covered the bonds redeemable in VINCI shares issued by Suez, which matured in November 2003 at a redemption price of €80.79.

A significant feature of VINCI's shareholder base is the large number of employee shareholders. Nearly 40,000 employees (one out of two in France and one out of five in other countries) have subscribed to the Castor and Castor Avantage group savings schemes. At 31 January 2003, employees owned 9.1% of VINCI's capital stock, making them the company's largest shareholder group – an indication of their confidence in its future.

There was also an increase in the number of individual shareholders in 2002, from around 70,000 on 1 March 2002 (9% of capital) to nearly 120,000 on 31 January 2003 (13% of capital). Institutional investors in some 40 different countries held 71% of VINCI's capital stock on 31 January 2003. Following man-

Shareholder base at 31 January 2003

(as a % of capital)



Vivendi Environnement[1]	2%
Treasury stock	5%
Employees	9%
Individual shareholders	13%
French institutional investors[2]	27%
Foreign institutional investors[2]	44%
Of which	
– UK (14%)	
– Other European countries (11%)	
– USA (19%)	

(1) Vivendi Universal issued bonds redeemable in VINCI shares covering its entire interest in VINCI (maturity March 2006).

(2) Estimate (source: Sicovam survey on bearer shares).

VINCI SHARE INFORMATION

VINCI share

Sicovam	12548
ISIN	FR0000125486
Sedol	4818083
Cusip	F5879X108
Reuters	SGEF.PA
Bloomberg	DG FP
Indexes	– CAC 40 – Euronext 100 – DJ Stoxx – Next Prime – Aspi Eurozone

agement's efforts to make VINCI better known to the global investor community, the company's shareholder base is geographically balanced, with French investors holding 27%, USA 19% , UK 14% and other European investors 11%[1].

Share buy-back and cancellation programme

VINCI continued the share buy-back programme initiated in 1998, repurchasing 0.7 million of its own shares from 1 January 2002 to 31 January 2003 at an average price of €67 per share. Last December, VINCI cancelled 3.1 million treasury stock, i.e. 3.6% of capital. At 31 January 2003, the company held 5.1% of its own capital, or 4.2 million shares, to cover share purchase options granted to employees. On the basis of purchase authorisations, it had the possibility of repurchasing 4.1 million additional shares.

Next Prime

When joining the Next Prime segment of Euronext on its creation at the beginning of 2002, VINCI committed to complying with high financial communication standards and to providing shareholders with regular, top quality information over and beyond regulatory requirements. Meeting these commitments involves:

- Making full financial information available in French and English on the company's website www.vinci.com;
- Publishing a timetable for the release of financial reports;
- Publishing annual financial statements in the three months following the end of the 2003 financial year;
- Publishing quarterly reports by 2004;
- Adopting IASC accounting standards by 2004.

Credit ratings

In 2002, VINCI obtained the following ratings (with stable outlook):

– BBB+ by Standard and Poor's;
– Baa1 by Moody's.

Inaugural issue

VINCI successfully placed a €600 million bond issue in July 2002 to refinance existing debt and finance future growth. A second series of bonds amounting to €250 million was issued in November.

(1) Source: shareholder survey on 31 January 2003.

Stock market data

	2002	2001	2000	1999
Share price on 31 Dec. (in €)	**53.70**	65.85	65.50	46.50
High (in €)	**74.25**	76.00	66.00	51.00
Low (in €)	**52.70**	55.40	38.40	38.50
Daily trading volume (number of shares)*	**461,154**	333,749	165,283	65,375
Market capitalisation at 31 Dec. (in €m)	**4,450**	5,458	5,185	1,872
Total shares at 31 Dec.	**82,873,367**	82,879,911	79,154,601	40,261,023
Dividend excl. tax credit (in €)	**1.80****	1.70	1.65	1.60
Dividend incl. tax credit (in €)	**2.70****	2.55	2.475	2.40
Total yield (based on share price on 31 Dec.)	**5.0%**	3.9%	3.8%	5.2%

* Excluding transactions carried out by Vivendi Universal (sale of 13 million shares in 2000 and 5.3 million shares in 2002) and Suez (sale of 4.9 million shares in 2000 and 13.5 million shares in 2001, and repurchase and divestment of 2 million shares in 2002).

** Submitted to the Shareholders Meeting.

SHAREHOLDER RELATIONS

To ensure all shareholders receive clear, exhaustive information, VINCI provides documentation and a comprehensive website. VINCI also takes every opportunity to meet investors face to face in order to promote communication and dialogue.

Individual shareholders

VINCI's shareholder relations department organised several meetings with individual shareholders in 2002. In November, VINCI participated in the Actionaria investment fair in Paris, which attracted over 30,000 individual shareholders. This was an opportunity to communicate directly with shareholders and present the company's financial results. VINCI also participated in three of the Monday meetings organised in partnership with Euronext at the Paris Bourse. Last but not least, the company held two meetings – one in Marseilles and the other in Toulouse – that attracted over 600 shareholders who wanted to find out about VINCI's strategy and talk to its representatives. The shareholder relations department plans to organise more meetings of this kind, which are an opportunity for communication and discussion with shareholders.

The Shareholders' Letter, which is sent to all shareholders, provides the latest information about the company

Institutional investors and financial analysts

In 2002, VINCI continued and strengthened communication with institutional investors and financial analysts in France and abroad. In addition to the meetings traditionally organised when interim and annual results are released, VINCI participated this year in half a dozen events organised for investors by banks and brokers to address specific subjects, particularly concessions. VINCI also participated in the Next Prime forum sponsored by Euronext, and the Financium congress organised by the French national association of finance directors and management controllers.

Management also meets regularly with investors and analysts on a one-to-one basis.

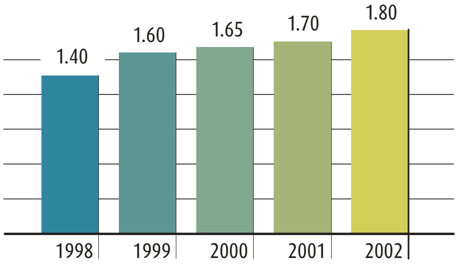
In 2002, VINCI managers went on four road shows (compared with two in 2001), which covered the main financial centres of Europe (Paris, London, Frankfurt, Munich, Zurich, Stockholm, Helsinki, Edinburgh, Amsterdam and Madrid), the US (New York, Boston, Orlando, San Francisco and San Diego) and, for the first time, Asia (Singapore, Hong Kong, Taipei and Tokyo). One of these road shows was aimed specifically at bond investors, and took place during the inaugural bond issue (see pages 60 and 109). These events mobilised senior managers for over six weeks, giving them the opportunity to present the company, its strategy and development prospects to institutional investors.

In 2002, VINCI met over 700 investors and analysts.

DIVIDENDS AND INVESTMENTS

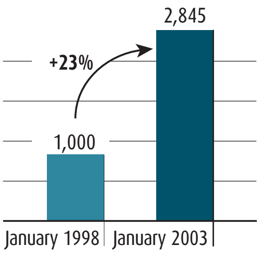
Steady growth in the dividend

The dividend proposed to the Shareholders Meeting will be €1.80 per share (€2.70 per share including the 50% tax credit). This represents a 5.9% increase on 2001, and sets the total yield, including the tax credit, at 5% based on the share price at 31 December 2001. The dividend will be paid on 27 June 2003.



Shareholder return on investment over five years

An investor who invested €1,000 in VINCI shares on 1 January 1998 and reinvested all dividends in the purchase of further VINCI shares would have an investment worth €2,845 on 31 January 2003. This represents an average annual return of 23%.



The shareholder's 2003 agenda

14 May	Shareholders Meeting
27 June	Payment of dividend
7 August	Second quarter 2003 net sales
10 September	First half 2003 results
6 November	Third quarter 2003 net sales
November	Actionaria investments fair in Paris
4 December	Meeting with shareholders, Nancy

The new vinci.com website has been on line since February 2003 and is more user friendly than ever

www.vinci.com: direct access to information in real time

A new website is now on line at www.vinci.com where visitors can consult information about VINCI. Press releases are posted as soon as they are published. Visitors can view presentations made by the company to financial analysts and investors, as well as videos of meetings announcing financial results. Detailed presentations of the company's businesses and real-time information on the stock price are also available.

The Shareholders' Club

The Shareholders' Club is open to all VINCI shareholders, regardless of the size of their holding. Members systematically receive the annual report, the Shareholders' Letter and documents relating to the Shareholders Meeting. They can also take part in visits to sites such as the Stade de France, which VINCI operates under a concession contract, or the A86 project presentation pavilion.

Shareholder relations

The Shareholder Relations Department is on hand to answer all investor queries. Please contact us:

– by phone: +33 1 47 16 31 82
– by fax: +33 1 47 16 33 88
– by email: actionnaires@vinci.com
– by post: Shareholder Relations Department,
  1 cours Ferdinand-de-Lesseps,
  92851 Rueil-Malmaison Cedex, France

INNOVATION

For VINCI, innovation is a tradition that has shaped the history of the construction industry. It is a tradition inherited from the great engineers, such as Eugène Freyssinet and Edme Campenon, who founded the company. VINCI not only fosters innovation in its projects, but finances ambitious research and development programmes.

Innovative projects in every division

Construction. The Picada project (photo-catalytic innovative covering applications for depollution assessment), coordinated by GTM Construction (see page 53), is a striking example of the innovative research projects supported by VINCI. From 2004, the process will be implemented on some of the facades of the Olympic Village in Athens, where pollution is a particularly acute problem. The process will provide an effective solution to the impact of pollution on facades and historical monuments, while helping to eliminate air pollution in urban environments.
The project's budget totals €3.4 million, of which €1.4 million is financed by the European Union. Four European research centres are working with chemical, materials and construction companies on the project.

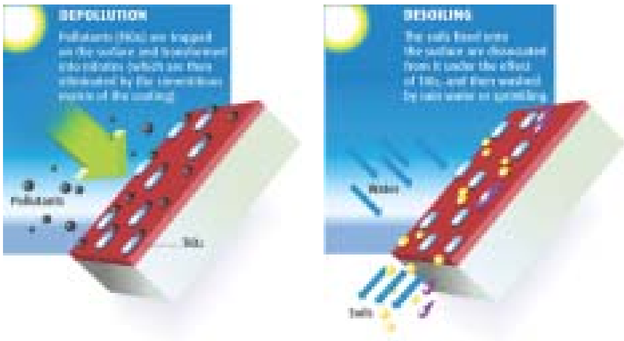
Roads. Eurovia's emulsions laboratory has been leading Score, a major European research programme focused on cold recycling, since January 2002. The two main areas of research are bituminous foam and, more important, micro-emulsions which, due to their enhanced coating capacity, can substantially reduce consumption of raw materials. Micro-emulsion technology does not require heat. This makes it possible to increase the proportion of recycled material used and allows for substantial energy savings. Because cold techniques reduce and, in some cases, completely eliminate emissions of volatile organic compounds (VOC), they also help improve the safety and health of site personnel.

Concessions. Cofiroute has been working on the development of multimedia tools to improve user safety and comfort for

IGO software makes it possible to study the impact of a project on its environment. Pictured below, the Marseilles tram line

Cofiroute has developed a highly efficient and responsive system to detect accidents and vehicles going the wrong way

Picada, a new self-cleaning, pollution removal process for building facades



The Eurovia research centre develops economical and environment-friendly road surfaces

The VINCI Innovation Awards highlight employee projects and initiatives

the past decade. Armada, one of its latest systems, was developed as part of the European programme Predit, supported by the French Ministry of Transport. Armada uses Doppler radar to detect accidents, vehicles going the wrong way and traffic congestion. In tests on a particularly complex intersection where nine roads converge, the system achieved 97% efficiency, with just one false alarm per month.

Energy. IGO software, which processes geographical data to produce 3D images, was developed by EEE, a subsidiary of VINCI Energies. IGO has several applications. By producing images that are both simple and realistic and that can be modified in real time, it makes it easier to consult the public on local development projects such as the Marseilles tram line. IGO can also be used for risk management by modelling disaster scenarios such as floods, forest fires, and earth and river pollution.

The VINCI Innovation Awards

VINCI created the Innovation Awards to facilitate and encourage the dissemination of innovative ideas throughout the group. The awards are held every two years and recognise innovative projects and initiatives. In 2002, the Innovation Awards invited group companies to organise regional competitions, under the responsibility of the *Clubs Pivots*. Ten regions organised their own awards and, by the end of the year, a total of 738 projects had been submitted. In the second stage of the process, the 30 regional winners will compete at the international level.

Environmental performance

VINCI companies help protect the environment in different ways. They take into account the impact of their activity on the environment. Some are actually present in the environmental sector, for example in water production, waste treatment and recycling.

Protecting natural resources

All VINCI subsidiaries take steps to limit the impact of their business on the environment. Examples include reducing consumption of materials and energy.

In road construction, Eurovia has developed several new products that reduce consumption of natural aggregates and energy, and present excellent mechanical properties. These products protect natural resources and give Eurovia a high-performance, differentiated offering.

In earthmoving, the "Smooth Driving" operation was launched to encourage site construction teams to drive smoothly and optimise itineraries and equipment rotation. By using global positioning system (GPS) data and specialised software, the fleet's annual fuel consumption was cut by 100,000 litres. In parallel, a predictive maintenance protocol used by GTM Terrassement reduced lubricant and coolant consumption by 30–40%.

In quarry management, VINCI has sound environmental expertise, as illustrated by the solution implemented to supply the Port 2000 harbour development site in Le Havre with construction materials using river waterways and maritime transport. To limit pollution from road transport, an abandoned quarry in the Boucles de la Seine regional park was reopened. The quarry will later be turned into a wet area that will help manage river overflow and contribute to the development of local fauna and flora.

Eurovia is working with INRA (the French national institute of agronomic research) on an ambitious replanting programme in Châteauneuf-les-Martigues in southern France. The project provides a further illustration of the company's environmental know-how. Each year, 4,000 new seedlings are planted in this former quarry to enhance the site's biodiversity.

The quality procedures applied by VINCI's earthmoving companies and quarry operators systematically include the rehabilitation or redevelopment of sites such as quarries, excavation sites and storage areas.

Waste management and recycling

In anticipation of new, more restrictive environmental standards, VINCI companies have long worked to develop new solutions for sorting, recycling and storing waste. They have also reinforced

Restoring the environment in former quarries

TESTIMONIALS

Xavier Neuschwander
Chairman of GTM Terrassement

"Environmental considerations are a major driver for GTM Terrassement. Today, we have ISO 14001 certification and all of our sites are equipped to collect the waste we produce, which in our case is mainly lubricants.
Redeveloping depleted quarries represents another major challenge. We were allowed to reopen the Brotonne quarry on the strength of our rehabilitation plan, designed to improve the initial condition of the site. The plan was carried out in consultation with all stakeholders.
The quarry was a decisive factor in the award of the Port 2000 contract in Le Havre to our consortium as best bidder."

Jean-Claude Cleyet-Marel
Research Director at INRA's tropical and Mediterranean symbiosis laboratory in Montpellier

"What I like about this partnership on the Châteauneuf-les-Martigues quarry is the quality of our communication with the people at Eurovia Méditerranée. They seem sincerely interested in our work. We monitor the site's regeneration together and they contribute their experience when we need to solve technical problems.
I particularly like the fact that they are working for the long term. Problems are identified and discussed upstream, which makes it possible to work in close cooperation with the people operating the quarry. It makes the study and use of vegetation as an environmental reactivator even more interesting and pertinent."

their skills and expertise in recycling industrial by-products and construction waste. VINCI has launched and is pursuing several "clean site" operations, focused on managing site waste. In 2002, in four pilot sites in the Paris area, Sogea tested different selective sorting and recycling solutions to identify the most effective and comprehensive processes for managing waste and protecting the environment.
VINCI Construction and Eurovia subsidiaries specialising in road construction have created a group of construction and civil engineering companies to coordinate companies in the recycling sector and optimise capital investment to reuse site and demolition waste more effectively and encourage the entire industry to adopt selective sorting.
Eurovia is one of the leading producers of recycled materials. It limits consumption of natural resources by manufacturing aggregates from household and industrial waste, such as household incineration clinker, foundry slag, coal shale, ash from the incineration of sludge and foundry ash. Two new demolition material recycling units opened in France in 2002, bringing the total to 90. All told, Eurovia recycles 2.3 million tonnes of materials a year.
Cofiroute has introduced selective sorting. Waste, such as tyres and motor oil, from its operations centres is sorted and collected. Selective sorting is being tested at several rest areas throughout its motorway network. The system's efficiency will be monitored and evaluated. Selective sorting is part of the range of services offered by Cofiroute to customers.
In Belgium, Eurovia modernised its road binder unit in Flawinne by applying the 5-S method from Japan (sort, set in order, shine, standardise, and sustain). The operation illustrates how environmental considerations are taken into account by VINCI. Thanks to the new system, which is audited annually, nearby residents are no longer affected by bad odours coming from the unit.

■ Developing products and services for the environment

Several VINCI companies are specialised in environmental activities.
Degréane Horizon (VINCI Energies) is a leader in weather measures and systems. The company designs and implements data acquisition networks used by weather services throughout the world. Thanks to expertise in the area of environmental data, the company can provide solutions to improve the safety

Eurovia treats 2.3 million tonnes a year of materials from demolition sites

of transport systems and industrial sites, and provide better protection for people and property. In 2002, Degréane Horizon built a complete weather facility (wind, temperature, humidity and rain measurement) for the FBAC factory in Romans-sur-Isère, France, a Seveso classified site.

Générale d'Infographie (VINCI Energies) develops geographical information systems that are used in several fields, such as water and wastewater treatment network management, land registries, and land and resource mapping. The company is also involved in pollution (e.g. air and water quality analysis) and waste management. In 2002, it developed software called PropGeo to optimise waste collection rounds. The same year, it equipped the Var department in the south of France with a system that centralises information on forest fire prevention equipment.

Menard Soltraitement (VINCI Construction) has developed soil improvement techniques for land that could not otherwise be developed. Its dynamic soil compacting process, which consists of dropping a 15–40 tonne mass from a height of 10–40 metres, compacts soil down to a considerable depth. Vacuum compacting (Menard Vacuum) removes the soil's water content, which prevents the soil from settling. The process was selected by EADS to consolidate the new manufacturing site for the Airbus A380 in Hamburg, Germany.

Delair-Navarra (VINCI Construction) applies selective building deconstruction solutions that make it possible to reuse materials

VINCI Energies designs and implements environmental monitoring systems throughout the world for local authorities and industry

Delair-Navarra developed a near-confinement process that reduces the environmental impact of building demolition

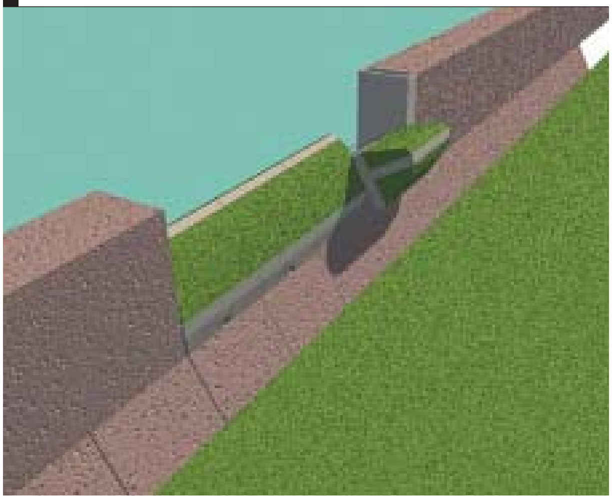
Vacuum compacting prevents the soil from settling

after the demolition. The company also uses biodegradation methods to rehabilitate soil polluted by hydrocarbons, arsenic derivatives, phosphorus, mercury or explosives. The environmental impact of explosives used in demolition is considerably reduced, thanks to the near-confinement method. This method consists of wrapping the building in a membrane to trap the asbestos dust emitted when the concrete is fragmented. The process, which was used on the CIC site at Osny near Paris, earned Delair-Navarra the Simmons Innovation prize and the VINCI regional innovation prize in the Safety category.

In the area of environmental products, **Eurovia** presented Ecolvia, the first cold-laid bituminous concrete with emulsion containing no solvents at the Third World Congress on Emulsions. As the concrete is cold-mixed, energy savings of 70 thermies per tonne, i.e. 6 litres of fuel, can be made. Ecolvia contains no oil-derived additives and does not produce fumes or vapours when it is applied. It generates minimal amounts of VOC, thereby improving the safety of the workers who use it. It is designed for maintaining upper road layers and was successfully tested in September 2002 in northern Brittany. Ecolvia is a new addition to the Eurovia's range of environment-friendly products, which also includes Scorgrave, a material made from household

clinker. Scorgrave can be used directly in road embankments and drainage systems or in roadbed foundation layers. In addition, Eurovia develops silent coated materials such as Viaphone bituminous concrete and Microvia bituminous mix, whose fine grain size reduces noise levels to under 75 dB and provides excellent road grip properties.
VINCI companies have won several awards for their efforts on behalf of environmental protection. The Earth Summit and Construction trophy for the business category was awarded to GTM Construction by FFB Ile-de-France at the first Construction and Sustainable Development fair. The Legambiente Award, which recognises environmental projects in Italy every year, went to Hydroplus for its "water-fuse" system, which increases the capacity and safety of dams. The 2002 label for pilot sites that respect the environment and public was awarded by RATP for the seventh consecutive year to TPI Ile-de-France (VINCI Construction). Lastly, ASF awarded its "Construction environment" and "Safety" labels to consortiums including four VINCI companies (Dodin, GTM Construction, Sogea Construction and EJL Sud-Ouest).
VINCI was included in the ASPI Eurozone index on the strength of its performance in the areas of environmental protection and good corporate governance. The index includes the 120 Eurostoxx securities that were awarded the highest ratings by independent agency Vigeo.

Hydroplus's "water-fuse" project, which increases the capacity and safety of dams, won the "best environmental project" award in Italy



TESTIMONIAL

Michèle Cyna
Head of techniques and promotion at Eurovia

"Eurovia focuses its environmental research on four areas. This year, there were several new developments in cold technologies and we opened a new research unit dedicated to bituminous emulsions. Ecolvia, a cold-bituminous concrete containing no fluxant, was used for the first time in August in northern Brittany, and studies in bituminous foams resumed.
In waste recycling, the main developments were the launch of the Score project on in-situ cold recycling, and the implementation for the first time of a machine specifically designed for Recycan®, a process developed by Eurovia to use excavated earth to make self-compacting embankments. We are also studying how to optimise recycling of industrial by-products and develop new products and manufacturing processes.
Lastly, Eurovia reduces fuel consumption in coating units by limiting coating temperatures."

Human resources performance

With over 70,500 employees in France and a total of 127,000 employees worldwide, VINCI is one of the largest employers in France[(1)]. In its four core businesses, human resources management policy is designed to integrate employees within their subsidiary, while giving them the benefits of belonging to a large group. Benefits include a career path, group savings schemes, training and knowledge sharing.

Recruitment

To reduce the average age of its employee population, VINCI is actively recruiting new employees, especially young people.

VINCI is sponsor to the class of 2003 at ESTP, a French civil engineering school. As such, it offered 180 internships in works management to the school's second-year students, and approximately 100 internship for students graduating in 2002. The student internships will take place in spring 2003 in VINCI companies.

VINCI has also participated in events aimed at students in France. Examples include the recruitment forum run by ESTP (a building and civil engineering school) and ENSAM (a mechanical and industrial engineering school), as well as Trium, a recruitment forum organised by three of France's top engineering schools, including the prestigious Ponts et Chaussées.

All told, VINCI recruited 6,657 people and offered over 2,000 internships in 2002. The company received 4,000 applications in response to internships and jobs advertised on its

Workforce*

Geographical breakdown

	Concessions	%	Energy	%	Roads	%	Construction	%	Holding company and property	%	Total	%
France	7,567	36	18,105	71	20,317	80	24,283	53	285	66	**70,557**	**55**
Germany	12	0	4,098	16	3,704	11	1,560	3	149	34	**9,523**	**7**
UK	1,665	8	413	2	2,203	6	2,968	6	0	0	**7,249**	**6**
Benelux	157	1	828	3	230	1	3,554	8	0	0	**4,769**	**4**
Rest of Europe	174	1	1,883	7	5,650	16	2,459	5	0	0	**10,166**	**8**
Total Europe	**9,575**	**46**	**25,327**	**99**	**32,104**	**92**	**34,824**	**76**	**434**	**100**	**102,264**	**80**
Total Americas	**8,841**	**43**	**14**	**0**	**2,788**	**8**	**4,059**	**9**	**0**	**0**	**15,702**	**12**
Total Africa	**0**	**0**	**149**	**1**	**0**	**0**	**5,652**	**12**	**0**	**0**	**5,801**	**5**
Total Asia	**2,329**	**11**	**0**	**0**	**0**	**0**	**1,086**	**2**	**0**	**0**	**3,415**	**3**
Total Oceania	**0**	**0**	**0**	**0**	**0**	**0**	**198**	**0**	**0**	**0**	**198**	**0**
Overall total	**20,745**	**100**	**25,490**	**100**	**34,892**	**100**	**45,819**	**100**	**434**	**100**	**127,380**	**100**

80% of VINCI employees are based in Europe, and 55% in France. The company's presence in Germany is declining in favour of other European countries.

* At year end

(1) Source: Coface, March 2003

recruitment website (www.vinci.com/jobs), which has been on line since 2001.

Induction programmes

Initiating true career paths

In order to offer career paths to young recruits, actions must be taken to promote their integration within the company and the VINCI group.

The "Coaching Team" created by Sogea Construction, is an example of how this policy is implemented. Every year, some 40 new graduates have the opportunity to take part in an induction programme. They are sponsored individually by a VINCI manager and receive on-the-job training, as well as theoretical training at the Sogeform institute.

The "GTM Manager" cycle was created by GTM Construction with the same objectives in mind. The programme includes several modules that can be taken over a number of years. It defines the career path of new recruits, particularly young engineers being trained to become works managers.

Typically, the local human resources management policies of the different businesses involve long-term career planning. Sogea Reunion, for example, introduced an internal promotion programme that enables unqualified employees to become site supervisors after a 700-hour training programme in mainland France. Today, at SBTPC, a VINCI Construction subsidiary in Reunion Island, 90% of the site supervisors are local recruits, whereas 80% came from France ten years ago.

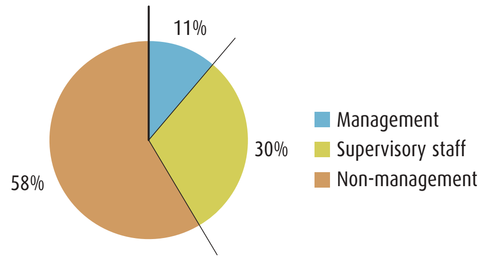
Given their size, geographical spread and diversity, VINCI's businesses offer major career opportunities.

To promote employee mobility within the group, a database listing all job offers by profession, region and company, was set up on the intranet in 2002. In 2003, in addition to the database, the intranet will include a jobs observatory, providing an objective description of the links between different positions.

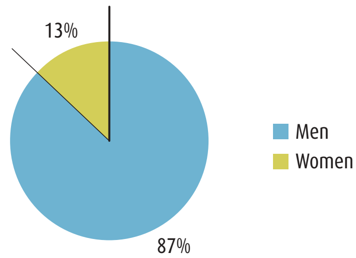
Training

Although training is decentralised, VINCI maintains cohesiveness through a management system that draws on shared cul-

2002 breakdown by job category



2002 breakdown by gender



One of the visuals from VINCI's recruitment campaign, which ran in French magazines

Access to training in France

	Total	Total men	Total women	Total managers	Men managers	Women managers	Total supervisors	Men supervisors	Women supervisors	Total workers	Men workers	Women workers
Total workforce	**70,558**	62,983	7,575	**11,110**	9,809	1,301	**20,627**	15,570	5,057	**38,821**	37,604	1,217
Training spending (in €m)	**45,230**	40,231	4,999	**13,742**	12,129	1,613	**14,885**	11,966	2,919	**16,603**	16,136	467
% of payroll invested in training	**2.5%**	**2.4%**	**2.7%**	**2.5%**	**2.4%**	**3.2%**	**2.9%**	**3.0%**	**2.6%**	**2.2%**	**2.2%**	**1.9%**
Number of interns	**42,146**	37,866	4,280	**7,435**	6,491	944	**14,490**	11,773	2,717	**20,221**	19,602	619
Access to training	**59.7%**	**60.1%**	**56.5%**	**66.9%**	**66.2%**	**72.6%**	**70.2%**	**75.6%**	**53.7%**	**52.1%**	**52.1%**	**50.9%**

In 2002, 60% of VINCI employees working in France received an average of three days of training, i.e. a 10% increase in the number of employees trained.

ture and values, and is supported by an ambitious training system and knowledge sharing.

Expanding skills

In 2002, VINCI's new training policy was supported by several initiatives.

The "Académie VINCI" was created at the beginning of 2002 to make it easier for subsidiaries to share best training practices and to develop induction programmes for young managers, as well as high-level training for senior managers. The academy offered senior managers conference debates on a wide range of themes, moderated by well-known speakers, such as Alexandre Adler, a journalist specialised in international issues, Samuel Rouvillois, a philosopher of religion, specialised in ethical issues, and Nicole Notat, then secretary general of the CFDT trade union.

The Académie VINCI Energies moved to new permanent premises, equipped with sophisticated multimedia equipment, at the company's headquarters in Montesson. It is open to all employees, from fitters to technicians, managers and senior

Breakdown of training hours

	Total	%	Total men	Total women	% Total managers	Men managers	Women managers	% Total supervisors	Men supervisors	Women supervisors	% Total workers	Men workers	Women workers
Technical	**394,713**	**45.0**	376,837	17,876	**25.9**	41,167	2,630	**42.7**	114,685	9,909	**54.5**	220,985	5,337
Health and safety	**184,782**	**21.1**	179,548	5,234	**9.0**	14,198	1,080	**16.2**	43,784	3,547	**29.4**	121,566	607
Quality	**18,206**	**2.1**	16,836	1,370	**3.8**	5,750	693	**2.2**	5,623	677	**1.3**	5,463	0
Environment	**3,379**	**0.4**	3,285	94	**0.7**	1,192	36	**0.3**	946	23	**0.3**	1,147	35
Management	**60,881**	**6.9**	56,599	4,282	**16.7**	26,422	1,823	**6.9**	18,046	1,958	**3.0**	12,131	501
IT	**72,005**	**8.2**	50,752	21,253	**15.2**	21,757	4,039	**14.4**	26,339	15,853	**1.0**	2,656	1,361
Admin, accounting and legal	**55,872**	**6.4**	35,641	20,231	**16.0**	22,876	4,196	**9.3**	11,224	15,884	**0.4**	1,541	151
Languages	**15,195**	**1.7**	9,120	6,075	**6.0**	7,559	2,651	**1.6**	1,352	3,368	**0.1**	209	56
Other	**71,519**	**8.2**	64,537	6,982	**6.6**	9,901	1,215	**6.4**	147,237	4,548	**10.0**	40,399	1,219
Total	**876,552**	**100**	**793,155**	**83,397**	**100**	**150,822**	**18,363**	**100**	**236,236**	**55,767**	**100**	**406,097**	**9,267**

In 2002, 60% of VINCI employees in France received training

executives. This powerful tool helps VINCI Energies adapt to ongoing changes in its businesses, and brings together people from different cultures and businesses throughout Europe. In 2002, the academy trained more than 2,100 employees during 225 sessions presented by around 100 top-level internal or external trainers. VINCI Energies spends nearly 3.3% of its payroll on training.

Sogea Construction's in-house training centre, Sogeform, has expanded rapidly. In 2002, it trained 1,630 employees, or 15% of total, through 172 programmes. It offered a total of 36,000 hours of training, compared with 5,000 in 1999, the year it was created. In 2002, Sogea Construction devoted nearly 3.5% of its payroll to training.

GTM Construction opened a technology centre in Marolles-en-Hurepoix, south of Paris, which combines laboratories and a training centre. This reflects the company's commitment to bringing research and operations closer together, and to optimising the circulation of skills within the company. In addition to training programmes presented by full-time teachers, the centre organises several one-day events on various technologies.

This year, GIRF, the road industry training centre created by Eurovia, provided over 40,000 hours of training to nearly 600 employees in the principal road industry professions, such as urban development masons, road workers and equipment drivers.

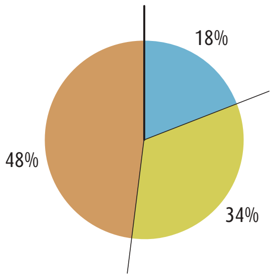
In 2002, VINCI Park created a centre to train employees in the skills needed in the parking industry. The centre will make it

TESTIMONIAL

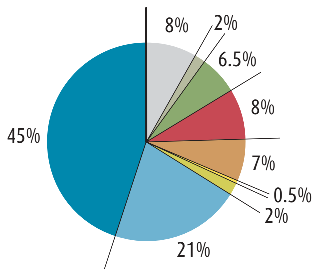
Jacky Bellaguet
Chairman
of Sogeform

"At Sogea Construction, one of our goals is to be a company that trains its employees, so that we can capitalise on knowledge and give each individual the means to transmit his or her knowledge at every level. This is why we set up the Sogeform training centre. Sogeform operates with a network of 60 in-house trainers and has developed a new teaching tool called the job know-how database. By drawing on the best practices found in the database, we can tailor our training programmes to individual needs. Sogeform currently offers 78 training programmes through a partnership with AFPA, the French association for vocational training for adults. Some programmes lead to recognised qualifications; others lead to the validation of employee skills. Skills validation is a direct extension of Sogeform's efforts to become a certified training institute, which have already resulted in the centre being licensed to train equipment operators."

Breakdown of training time by employee category



Type of training received



possible to offer training systematically to all employees and accelerate the training of all VINCI Park personnel in the customer service approach introduced since the VINCI-GTM merger.

Accident prevention and safety

Ensuring safety and health protection of employees at work

Every work site in the construction industry is unique. Because employees often have to work high up or underground, construction jobs can be dangerous. Accident prevention is therefore a major concern for VINCI. It reflects one of the company's core values and requires special attention. The company's policy in this area is to focus on accident prevention and job training, as well as on communication and empowerment.

Over the past ten years, Eurovia's active prevention policy has halved the frequency of occupational accidents. This was achieved as a result of methods and initiatives that engage all employees. For example, site managers conduct ten safety visits a year, safety audits are carried out systematically, feedback is analysed, information is circulated regularly, and a safety competition is organised every year to reward the most efficient companies in terms of accident prevention and safety.

At the end of 2002, VINCI Construction Grands Projets and Sogea Construction launched a major prevention programme called "Safety First". The programme, which takes a comprehensive approach to prevention, is designed to reduce the

Frequency* of occupational accidents in France

	Managers	Supervisors	Workers	Total
Concessions (excluding airport activities)	0	10	23	**14**
Airport activities	0	20	165	**151**
Energy	6	9	46	**25**
Roads	1	10	38	**26**
Construction	3	15	64	**39**

* Total number of occupational accidents with lost time/total hours worked x 1,000,000

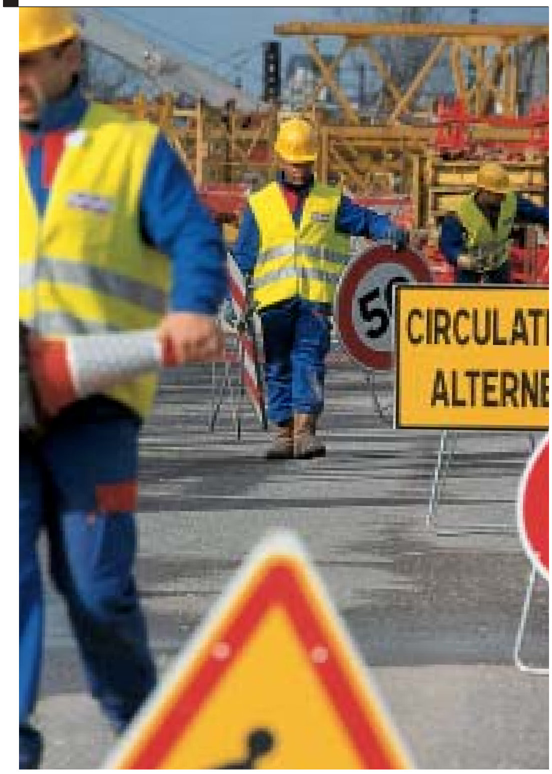
Seriousness* of occupational accidents in France

	Managers	Supervisors	Workers	Total
Concessions (excluding airport activities)	0.1	0.9	1.4	**1.0**
Airport activities	0	1.1	8.4	**7.7**
Energy	0.1	0.5	2.1	**1.1**
Roads	0	0.5	2.8	**1.9**
Construction	0.2	1	4.4	**2.7**

* Number of working days lost/number of hours worked x 1,000

number of occupational accidents on work sites. Its cornerstones are the active involvement of management and a charter comprising five rules and 20 commitments. As part of Safety First, methodological and information tools will be deployed throughout all sites and units in 2003.
Several prizes recognised VINCI companies' efforts to improve safety. GTM Terrassement received the 2002 safety prize awarded by the French professional organisation of earthmoving companies. Eurovia's Briey agency in eastern France was put forward for the 2002 Grand Safety Prize by Caisse Régionale d'Assurance Maladie, and received the award from Société Industrielle de l'Est. GT Grand Couronne, a VINCI Energies subsidiary, won the third prize for safety awarded by the Renault Challenge. And last, but not least, the FNTP 2002 safety prize went to Gauthier SA, a Sogea Construction subsidiary, in the category of companies with fewer than 50 employees.
Ten VINCI Energies companies received awards on 21 May 2002 as part of the 2001 safety contest organised jointly by SERCE and OPPBTP, a French union for companies specialising in electrical engineering and the accident prevention organisation for the building industry.
Education, communication, transparency and on-site safety performance indicator displays appear to be effective tools for improving safety in the field.
It is in the spirit of transparency and communication that SDEL Alsace (VINCI Energies) sends its major customers safety information on its sites. In 2002, after celebrating 1,664 accident-free days with its customer, Kronenbourg, the company set the following objective for 2003: to work 2,003 days from January 1998 without experiencing any occupational accident resulting in lost time.
Car accidents are the main cause of occupational accidents. To reduce the frequency of these accidents, VINCI has launched a proactive prevention policy. In 2002, Eurovia introduced Vigiroute, a plan designed to reduce its employees' exposure to traffic accidents. A charter listing ten rules of responsible behaviour behind the wheel was circulated throughout the network, and a driver's guide was distributed to all employees. Company car users are invited to sign and endorse the company's prevention policy.
Cofiroute has launched a similar programme to achieve a 20% reduction in the number of car accidents involving employees over three years. The company's extensive prevention and awareness-raising programme includes the creation of a prevention group made up of company managers, the analysis of accident reports and the introduction of performance indicators. In addition, an experiment with driving recorders is being carried out. Initially, this will allow some 20 volunteers to better understand and analyse their behaviour behind the wheel.

Work site safety is one of VINCI's main concerns



Group savings schemes

The Castor group savings scheme, created in 1995, continued to grow in 2002, with nearly €75 million (of which €16.5 million in employer contributions) collected from approximately 24,000 subscribers. Nearly 40,000 VINCI employees (37,702), i.e. approximately 30% of the total workforce, are now shareholders through the group savings schemes.
At 31 December 2002, employees held 9.1% of capital stock. Today, they represent the largest single group of VINCI shareholders.

New employee savings schemes

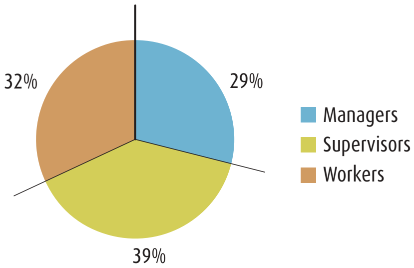
The year began with the launch of the second subscription drive for the Castor Avantage leveraged savings scheme, which is reserved for employees of VINCI's French subsidiaries. Castor Avantage has been very successful. A total of 20,000 employees subscribed and 2.9 million shares were issued (of which 1.5 million in December 2001 and 1.4 million in January 2002), reflecting the interest employees take in their company. The Castor Avantage scheme gave a broader public access to employee savings (70% of subscribers were workers and non-management employees) by offering:

– a leveraged effect that multiplies the employee's own contribution by 10;
– a guarantee of recovering the subscriber's personal contribution and a 25% return over five years;
– a 72% share of capital gains realised on all shares subscribed;
– a company contribution of up to €150.

Following a first capital increase in 2001 for employees of German and UK subsidiaries, a new subscription with a 20% discount on the VINCI share price was offered in April and May 2002. The transaction was open to employees in the Netherlands, Austria and Morocco. All told, 70 companies and 3,300 employees participated, representing more than one in five employees.

All information concerning the Castor group savings scheme is available on VINCI's intranet at www.vinci.net

Breakdown of Castor subscribers in 2002



The Castor group savings scheme launched three capital increases at preferential rates (a 20% discount on the VINCI share price) during the year for employees in France, who benefited from an employer contribution of up to €1,900 for a €7,000 investment. The employer contribution scale is calculated to favour lower-income employees (with a 100% contribution for the first €200 tranche).

Nearly 26,400 employees made at least one payment into the Castor scheme in 2002. Employee subscriptions for the year totalled €41.2 million, setting the average per person at €1,600. Employer contributions totalled €11.9 million.

In France, one out of two employees across all categories of personnel are members of at least one of the Castor schemes, Castor or Castor Avantage.

A new issue in 2003

From May 2003, employees of VINCI companies in France will have the opportunity to invest in a diversified product as an alternative to Castor. Two-thirds of the fund at most will be invested in bonds, of which 10% at most in VINCI bonds and the rest in monetary securities. Employees will therefore be able to pay up to a maximum of 25% of their gross annual salary into one of the two schemes available.

Employees can choose between monthly or one-off payments. They have access to information about their investment on the VINCI intranet site at www.vinci.net or on the internet site of the account manager, www.pacteo.com.

In 2002, 13,000 people visited the Rion-Antirion bridge information centre in Greece

Information

Informing and listening

Over the past several years, VINCI has pursued an ambitious internal communication policy through a wide range of in-house publications and intranet services. Conventions and meetings organised by senior management or subsidiaries also help foster dialogue between management and other teams.

The "VINCI Park and you" operation in September 2002 is a practical example of how VINCI listens to employees. VINCI Park managers visited employees in the different regions to facilitate communication between personnel from the two former parking companies – VINCI and GTM – and to engage them fully in the collective goal of developing services around the VINCI Park brand. A video was produced based on interviews with 87 employees, who were encouraged to speak freely about the company's vision and their own expectations. The video was shown at the beginning of each of the meetings to trigger discussion.

Another constant concern for VINCI is to inform and initiate dialogue with people who are affected by VINCI projects, particularly those in the transport infrastructure segment, which have a strong impact on regional planning and the daily lives of nearby residents. In Greece, 13,000 people visited the Rion-Antirion bridge information centre. The A86 visitor pavilion has attracted 28,000 visitors since May 2001. A bus exhibit, the A86 Link, tours local residents and promotes a lively dialogue with the civic leaders of the 14 communities concerned by the project. On the construction site of the A28 in western France, as a result of discussions with local associations, the anti-noise walls were extended fourfold. In addition, the project's environmental impact was optimised by building passageways for small and large wild animals, developing settling basins and wet areas, and by replanting certain flower species. Cooperation with architect Bernard Lassus was exemplary and ensured the project's optimal fit into its surroundings.

Knowledge sharing

The *Clubs Pivots* are melting pots for synergy and knowledge sharing at corporate level. They bring together managers from various VINCI companies on a regional or business line basis. The clubs meet regularly to coordinate actions of general interest to VINCI and develop joint projects in areas such as communication, purchasing, innovation and human resources. They facilitate networking and reduce the centralised management of staff function activities.

In 2002, clubs were created in Germany, Hungary, the Netherlands, Belgium, Spain, Poland and the Czech Republic, coinciding with the launch of the international tranche of the group savings scheme.

Twinning agreements between subsidiaries were a new development in 2002. These agreements provide a framework for

sharing knowledge and resources across borders. In 2002, agreements were signed between Sogea Maroc and Sogea Rhône-Alpes, Warbud in Poland and Sogea Sud-Ouest in France, and GTM Terrassement and Sogea Satom. Similar agreements are currently being prepared.
The core businesses have their own networking mechanisms, such as VINCI Energies' research, study and improvement groups and VINCI Construction's development and improvement networks to foster synergy and knowledge sharing.
All VINCI employees have access to the intranet, which provides real-time information about corporate life, as well as access to technical and general databases. The VINCI intranet was designed to be upgradeable and interactive. It provides access to nearly 200 websites and VINCI subsidiary intranets. Equipped with dedicated search engines, the VINCI intranet promotes the sharing of knowledge and expertise, and helps develop synergies.

The arts and development association in Marseilles gives children from underprivileged neighbourhoods the opportunity to express their creativity through painting and understand the importance of respecting others and the environment

Solidarity initiatives

VINCI's corporate foundation

The Fondation d'Entreprise VINCI pour la Cité was created in May 2002. Since then, it has supported 43 citizen initiatives and projects to help reintegrate people who are excluded from the labour market. The foundation has paid out a total of €670,000 in subsidies, i.e. an average of €15,600 per project. To help forge real links between VINCI companies and non-profit organisations, the foundation provides more than just financial support. Each project financed by the foundation enjoys the personal and technical support of a VINCI employee. Employees participate on a voluntary basis and are included in the decision-making process since they are involved from the design phase.
With the help of the foundation, companies that recruit the long-term unemployed can find markets or jobs for their employees. Non-profit organisations that help the disadvantaged get back on their feet through cultural activities can benefit from the communication skills of VINCI employees. Other associations that focus on sports or science can give their beneficiaries access to site visits or internships. Sometimes the people from VINCI simply provide a methodical, disciplined point of view that can prove very valuable.
As Sabine Dardillac, co-manager of a restaurant that hires long-term unemployed women in Nimes, says, "We were able to continue our project thanks to the VINCI corporate foundation. Before it stepped in, we were in a tight squeeze. We had to have some refurbishing work done, and we really needed the €23,000. What we appreciated most, however, was the quality of the interpersonal relations and the team's efficiency. We were getting a bit lost with all of the estimates and the VINCI people gave us good advice and put us in touch with the right people. They were very committed."
In 2002, one out of three projects was supported by a VINCI employee. In 2003, the foundation will support new projects and continue to support partnerships initiated in 2002. It also plans to take certain innovative initiatives, such as hiring young people from underprivileged neighbourhoods to work for at least six months on the Naga Hammadi dam in Egypt.
Eurovia's corporate foundation helps the children of low-income employees prepare for the future by financing part of their education. In 2002, it granted 135 scholarships of around €800 each.

Social indicators

Breakdown by employee category

	Concessions	%	Energy	%	Roads	%	Construction	%	Holding company and property	%	Total	%
Managers	1,080	5	3,954	16	3,346	10	6,004	13	219	50	**14,603**	**11**
Supervisors	3,736	18	9,683	38	8,703	25	16,303	36	212	49	**38,637**	**30**
Workers	15,929	77	11,853	47	22,843	65	23,512	51	3	1	**74,140**	**58**
Total workforce	**20,745**	**100**	**25,490**	**100**	**34,892**	**100**	**45,819**	**100**	**434**	**100**	**127,380**	**100**

There was a slightly smaller percentage of managers in 2002 than in 2001. This does not reflect a change in the structure of the workforce, but the creation of an additional hierarchical level, which now includes employees, technicians and supervisors.

Breakdown by type of job contract

	Concessions	%	Energy	%	Roads	%	Construction	%	Holding company and property	%	Total	%
Long-term	19,405	94	24,304	95	32,776	94	39,785	87	418	96	**116,688**	**92**
Short-term	1,321	6	544	2	1,641	5	5,621	12	8	2	**9,135**	**7**
Apprenticeship	19	0	642	3	475	1	413	1	8	2	**1,557**	**1**
Total workforce	**20,745**	**100**	**25,490**	**100**	**34,892**	**100**	**45,819**	**100**	**434**	**100**	**127,380**	**100**
Temporary employment	329	2	1,424	6	9,511	27	6,081	13	5	1	**17,350**	**14**

VINCI employs temporary staff in non-recurring activities.

Breakdown by gender

	Concessions	%	Energy	%	Roads	%	Construction	%	Holding company and property	%	Total	%
Men	15,208	73	22,464	88	31,647	91	41,626	91	207	48	**111,152**	**87**
Women	5,537	27	3,026	12	3,245	9	4,193	9	227	52	**16,228**	**13**
Total workforce	**20,745**	**100**	**25,490**	**100**	**34,892**	**100**	**45,819**	**100**	**434**	**100**	**127,380**	**100**

The percentage of women employees is higher than the industry average, which is 9%.

Age and seniority

	Average age						Average seniority					
	Concessions	Energy	Roads	Con-struction	Holding company and property	Total	Concessions	Energy	Roads	Con-struction	Holding company and property	Total
Men managers	42.8	41.0	42.5	42.6	45.4	**42.2**	8.1	10.4	13.2	11.9	12.5	**11.6**
Women managers	39.4	36.3	39.3	39.3	40.3	**38.5**	6.9	7.8	11.3	10.6	9.0	**9.3**
Men supervisors	38.8	39.4	40.0	40.7	43.0	**40.0**	7.3	10.6	11.7	9.2	14.1	**10.0**
Women supervisors	36.1	37.4	39.9	38.2	42.6	**38.3**	6.1	9.0	11.4	8.7	12.7	**9.3**
Men workers	37.7	40.0	42.0	41.4	54.7	**40.7**	4.0	12.1	11.7	9.8	28.0	**9.9**
Women workers	39.0	41.4	39.5	38.0	—	**39.1**	3.9	7.9	6.9	5.1	—	**4.4**
Total workforce	**38.3**	**39.6**	**41.5**	**41.1**	**43.4**	**40.4**	**4.7**	**11.0**	**11.7**	**9.8**	**12.4**	**9.8**

New recruits, France

	Concessions	%	Energy	%	Roads	%	Construction	%	Holding company and property	%	Total	%
Long-term contract	755	12	1,803	54	1,066	27	3,161	57	34	60	**6,819**	**36**
Mobility	56	1	385	12	181	5	425	8	11	19	**1,058**	**6**
First job	1	0	102	3	120	3	142	3	0	0	**365**	**2**
Short-term contract	4,942	79	562	17	613	16	1,313	24	12	21	**7,442**	**39**
Reassignment	508	8	475	14	1,959	50	461	8	0	0	**3,403**	**18**
Total workforce	**6,262**	**100**	**3,327**	**86**	**3,939**	**100**	**5,502**	**100**	**57**	**100**	**19,087**	**100**

The concessions division frequently uses short-term contracts in cyclical activities with high employee turnover. It is interesting to note that 15% of short-term contracts in 2002 were converted into long-term contracts. Reassignments are people assigned to a newly created job category.

Reasons for departure, France

	Concessions	%	Energy	%	Roads	%	Construction	%	Holding company and property	%	Total	%
Internal mobility	183	3	429	11	126	3	367	7	34	40	**1,139**	**6**
Resignation	381	6	969	25	716	17	1,068	20	13	15	**3,147**	**16**
Termination of short-term contract	3,997	60	453	12	404	10	769	14	13	15	**5,636**	**28**
End of work site	126	2	5	0	24	1	930	17	0	0	**1,085**	**5**
Retirement	47	1	76	2	168	4	231	4	1	1	**523**	**3**
Layoff for economic reason	25	0	165	4	133	3	80	1	0	0	**403**	**2**
Layoff for other reason	297	4	508	13	572	14	822	15	22	26	**2,221**	**11**
Other reasons	1,640	24	1,284	33	1,978	48	1,200	22	2	2	**6,104**	**30**
Total workforce	**6,696**	**100**	**3,889**	**100**	**4,121**	**100**	**5,467**	**100**	**85**	**100**	**20,258**	**100**

"Other reasons" includes reassignment to another job category following the creation of the new supervisor category.

Absenteeism, France

In calendar days	Concessions	%	Energy	%	Roads	%	Construction	%	Holding company and property	%	Total	%
Illness	85,312	49	175,666	62	308,408	66	297,541	66	1,707	70	**868,634**	**63**
Occupational accident, accident on the way to or from work	41,144	23	29,608	10	54,660	12	77,825	17	12	0	**203,249**	**15**
Occupational illness	–	0	2,609	1	5,365	1	5,089	1	0	0	**13,063**	**1**
Other causes	49,369	28	75,996	26	99,581	21	72,678	16	722	30	**298,346**	**21**
Total workforce	**175,825**	**100**	**283,879**	**100**	**468,014**	**100**	**453,133**	**100**	**2,441**	**100**	**1,383,292**	**100**
Days lost per employee due to illness	4		7		9		6		4		**7**	

Sick leave averaged one week per employee.

OPINION ON THE PROCEDURES FOR REPORTING SOCIAL INFORMATION

To the Executive Management of VINCI

Following the start of a new stage in your approach to sustainable development, you requested for the first time, and as agreed, that we carry out the work described below with respect to the procedures for reporting social information within VINCI ("the Procedures"). The Procedures were drawn up by VINCI and may be consulted at the parent company Human Resources department.

1. We analysed the Procedures with respect to the Sustainability Reporting Guidelines published by the Global Reporting Initiative in June 2000.
2. We held discussions at VINCI corporate headquarters in order to complete our information on the Procedures.
3. We held discussions with the individuals responsible for the application and subsequent verification of the Procedures at the headquarters of eight consolidation sub-groups*.

The work performed has led us to the following findings:
• The Procedures are drawn from the Sustainability Reporting Guidelines of the Global Reporting Initiative;
• The Procedures were communicated to the various consolidation sub-groups. However, their distribution to the entities responsible for collecting basic data should be made systematic;
• During our visits, we did not observe any significant anomalies concerning the application of the Procedures, subject to strengthening the verification methods at consolidation sub-group level.

Given that the above tasks do not constitute either an audit or a limited review made in accordance with International Audit Standards, we do not express any assurance, in respect of the entire VINCI organisation, on the correct application of the reporting procedures, or the accuracy and completeness of data and information published in this report.

Neuilly sur Seine, 25 March 2003

Deloitte Touche Tohmatsu
Thierry Benoit

Deloitte & Touche
Human Capital
Philippe Gasparetto

* Eurovia, VINCI Park, Sogea Construction, GTM Construction, VINCI Construction Filiales Internationales, VINCI Construction Grands Projets, Freyssinet and VINCI Energies.

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Report of the Board of Directors

2002 results

In 2002, VINCI continued to improve its financial performance despite less favourable operating conditions.
The good results are due to:

- improved operating margins for most of the business units, as a result of the ongoing selective order taking policy;
- growth in concessions and services;
- permanent adjustments to the operating structures to optimise costs;
- the stabilisation of loss-making centres, especially in Germany;
- the successful integration of recent acquisitions.

Net sales

VINCI generated consolidated net sales of €17.6 billion, up more than 2% in comparison with the very high figure reported in 2001.
Changes in the scope of consolidation and exchange rates accounted for additional net sales of around €600 million, including the recent acquisitions aimed at strengthening the group's presence outside France in the services sector. WFS, the US leader in airport services, was consolidated for the full year in 2002 compared with one quarter in 2001. Other acquisitions were TMS, a European specialist in automated production systems for the automotive industry, and Crispin & Borst, a UK building maintenance company. On a like-for-like basis, net sales were 1.6% down, mainly attributable to road activities in France.
The rise in net sales comes from organic growth in concessions and services, and the continued high level of business in construction-related activities after record-breaking performances in 2001 from several business units.
In France, net sales declined 3.2% to €10.3 billion on a like-for-like basis, mainly because of the 9% fall in the roads sector. Outside France, VINCI reported net sales of €7.3 billion, accounting for 41% of the total compared with 38% in 2001. In Germany, where net sales increased 2.1%, growth in facilities management offset the 4% reduction in business for the energy and roads sectors. Excluding Germany, net sales outside France increased 0.7% on a like-for-like basis.

■ Concessions

VINCI Concessions reinforced its growth in 2002, mainly through the impact of acquisitions (in particular the first full year from WFS) and Cofiroute's dynamism. Net sales totalled €1.85 billion, a 26.6% increase in actual terms and 5% like-for-like compared with 2001.
Cofiroute's net sales rose 6.2% to €787 million owing to an increase in traffic of just over 2% on a like-for-like network basis, the opening of new motorway sections built during the previous year, and toll increases.
VINCI Park had net sales of €484 million, up 2.4% on a like-for-like basis and driven by continued growth in business outside France. In France, net sales remained stable as the second-half recovery offset the market decline caused at the beginning of the year by elements such as the presidential elections, the changeover to the euro and the impact of the 11 September 2001 events. Outside France, VINCI Park's net sales rose 8.7%.
In airport services, net sales were €486 million. WFS confirmed its turnaround with net sales of €392 million, slightly up on the previous year despite market conditions that remained difficult in the air traffic sector.
The other infrastructure concessions recorded 22% growth in net sales to €94 million. The increase was principally due to the good performance of the Stade de France, and the full entry into service of the Chillan-Collipulli motorway in the middle of the year.

■ Energy

VINCI Energies generated net sales of €3 billion, up 6.7% in actual terms (taking into account the acquisition of TMS and others). On a like-for-like basis, the decline was 0.9%.
In France, net sales increased 1.2% as a result of VINCI Energies'

sound business in traditional activities such as electrical energy, air conditioning and fire protection. VINCI Energies also diversified its offer to industrial customers by strengthening its maintenance and service activities in order to adapt to the slowdown in capital expenditure by these customers. A recovery is starting to be seen in telecommunications, driven by new needs in mobile telephony infrastructure.
VINCI Energies recorded a 6.5% decline in net sales outside France on a like-for-like basis, with the main markets in Northern Europe (Sweden and the Netherlands in particular) and Germany remaining difficult.
New subsidiary TMS, which was consolidated from 1 January 2002, had net sales of €229 million. The company improved its position in the very competitive automobile market mainly through its dynamic activities in Spain, where it succeeded in redeploying in new customer segments.

■ Roads

Eurovia's net sales totalled €5.2 billion in 2002, a 5.3% fall that was mainly focused on France.
The 9% fall in France was due to a return to a more usual market level after two years of exceptional business volumes. The effects of the overall fall-off in the market were accentuated by the mediocre weather conditions at the beginning of the year and during the fourth quarter, as well as by the priority given by group companies to maintaining margins rather than increasing volume. This situation was anticipated in the 2001 restructuring, which rationalised the operating and central structures and the investment policy.

Outside France, net sales were flat at €2.3 billion. In Germany, Teerbau continued to retrench in a market that remains fragile, with a 4.3% fall in business. Excluding Germany, net sales increased 1.7 % to €1.6 billion. Business remained buoyant in the UK, Czech Republic and Canada, offsetting the decline in the USA and Spain.

■ Construction

VINCI Construction's net sales increased slightly to €7.35 billion (by 2.1% in actual terms and 0.1% on a like-for-like basis). The contraction in France was offset by growth elsewhere.
In France, business was sustained in building and improved substantially in civil engineering, driven by several large contracts in the fields of transport infrastructure, ports and the environment. The overall decline of 2.7% was mainly due to the completion in 2001 of the major Telia contract (a fibre optic link between Paris and Hendaye).
Outside France, net sales totalled €3.5 billion, up 7.5% over 2001 (3.4% like-for-like). This represents 48% of total net sales.
Business rose 10% in the UK, with the increase coming from both building and civil engineering (rail link between London and the Channel Tunnel). There was also an increase in Germany through maintenance services at American bases. In Africa, Sogea-Satom's strong market positions enabled it to stabilise its net sales at a high level despite the completion of the major Esso contract in Cameroon and Chad. VINCI Construction Grands Projets renewed its order backlog under good conditions, and increased net sales 5.2% to €626 million.

Net sales by business line*

in millions of euros	2002	2001	Change 2002/2001 actual	like-for-like
Concessions	1,850.7	1,462.1	26.6%	5.0%
Energy	3,043.9	2,851.9	6.7%	(0.9%)
Roads	5,209.2	5,498.4	(5.3%)	(5.4%)
Construction	7,350.2	7,198.5	2.1%	0.1%
Holding company, miscellaneous and inter-company transactions	99.8	161.5	–	–
Total	**17,553.8**	**17,172.4**	**2.2%**	**(1.6%)**

* The above data for each business line is stated before elimination of transactions between business lines.

Net sales by geographic area in millions of euros	2002	% of net sales	2001	Change 2002/2001
France	**10,317.6**	**59%**	**10,601.9**	**(2.7%)**
Germany	1,506.7	9%	1,475.8	(2.1%)
UK	1,404.3	8%	1,116.6	25.8%
Benelux	820.6	5%	744.5	10.2%
Other European countries	1,539.1	8%	1,343.1	14.6%
Europe, excluding France	**5,270.7**	**30%**	**4,680.0**	**12.6%**
North America	1,005.5	6%	834.5	20.5%
Rest of the world	960.0	5%	1,056.0	(9.1%)
Total	**17,553.8**	**100%**	**17,172.4**	**2.2%**

Gross operating surplus

Gross operating surplus by business line in millions of euros	2002	% of net sales	2001 pro forma	% of net sales
Concessions	776.9	42.0%	719.1	49.2%
Energy	174.8	5.7%	138.2	4.8%
Roads	321.9	6.2%	365.6	6.6%
Construction	394.8	5.4%	322.7	4.5%
Holding company and miscellaneous	(4.4)	–	(9.2)	–
Total	**1,664.0**	**9.5%**	**1,536.4**	**8.9%**

Operating income

Operating income rose 8.9% to €1,067 million compared with €980 million in 2001 (after restating Cofiroute's special concession amortisation as operating expense rather than financial expense, in compliance with the accounting practice now applied by French motorway concession companies). The operating margin was 6.1% compared with 5.7% in 2001. This fresh improvement in operating margin is the result of clearing the losses of VINCI Energies' German subsidiaries and maintaining a high level of performance for all other sectors, including roads, which reported good operating income even though net sales were down 5%. These satisfactory results illustrate the strategy implemented consistently by VINCI for many years, which focuses on margin rather than volume and on developing a high value-added offer for each core business thanks to the subsidiaries' considerable capacity for responsiveness.

■ Concessions

Concessions and services reported operating income of €567 million compared with €525 million in 2001. This figure accounts for 53% of the group's total operating income. Cofiroute had operating income of €424 million, representing 54% of net sales, a 6.2% increase over 2001. VINCI Park's operating income was steady at €114 million (24% operating margin). The contribution from airport services rose from €1 million in 2001 to €9 million, mainly because of the recovery of WFS. The other concessions businesses (infrastructure and airports) also improved their contribution by 27% to total €22 million.

Energy

After the difficulties in 2001 arising from the German thermal engineering sector and the solvency problems of certain telecommunications operators in France, VINCI Energies' operating margin recovered significantly, increasing from 2.5% to 3.9% on operating income of €118 million. In France, operating income increased 23% to €94 million, representing 4.4% of net sales compared with 3.8% in 2001. Outside France, operating income was €24 million, being a 2.6% operating margin.

Roads

Eurovia maintained a high level of operating income in 2002, reporting €166 million (3.2% operating margin) despite lower business volumes in France. This good performance is a result of reducing overheads and maintaining a very selective order taking policy in France – where the operating margin increased from 4.5% to 4.9% – and of the improvement in the situation of Teerbau in Germany, which almost broke even (– 0.4% of net sales).

Construction

VINCI Construction's operating income rose from €201 million in 2001 to €212 million in 2002, a 6% increase (after a 34% increase in 2001). In addition to the positive impact of completing the major Esso contract in Cameroon and Chad, the construction businesses continued to reap the rewards of the selective order taking policy and risk control, and also of partnerships with customers. Operating margin improved again, progressing from 2.8% to 2.9%.

Other activities

Subsidiaries Sorif and Elige, which specialise in property development projects that are pre-sold to investors, reported €13 million in operating income. The holding companies had operating expense of €8 million compared with €6 million for 2001.

Operating income by business line

in millions of euros	2002	% of net sales	2001 pro forma	% of net sales
Concessions	566.6	30.6%	524.6	35.9%
Energy	117.8	3.9%	70.1	2.5%
Roads	165.7	3.2%	172.9	3.1%
Construction	212.3	2.9%	201.0	2.8%
Holding company and miscellaneous	4.9	—	11.2	—
Total	**1,067.3**	**6.1%**	**979.8**	**5.7%**

Net income

Net income, which does not include any significant exceptional items, totalled €478 million, up 5.4% on the already high 2001 figure of €454 million. Net income per share amounted to €5.62 (€5.65 in 2001). The target announced at the end of 2001 was therefore met: to increase net income despite a higher income tax charge and financial expense linked to the acquisition of an interest in the capital stock of ASF. All the business lines improved their performance.

On the other hand, the €1 million contribution made by the holding companies in 2001 (including a €28 million capital gain on the sale of Rueil 2000) was reduced to a €24 million loss (including an income tax charge of €18 million).

Net income by business line

in millions of euros	2002	2001 pro forma	Change
Concessions	169.9	163.3	+ 6%
Energy	75.1	46.5	+ 62%
Roads	96.3	87.6	+ 9%
Construction	150.4	143.7	+ 6%
Holding company and miscellaneous	(13.9)	12.4	—
Total	**477.8**	**453.5**	**+ 5%**

Net financial expense

in millions of euros	2002	2001 pro forma
Net financial expense	(188.3)	(153.1)
Other financial items	(3.8)	23.4
	(192.1)	**(129.7)**

Net financial expense (after restating Cofiroute's special concession amortisation, which are now classed as operating expense) totalled €192 million compared with expense of €130 million in 2001. Of this difference, €50 million is accounted for by developments in concessions and services (acquisitions of TBI and WFS in 2001 and of a 17% interest in ASF in 2002), while the rest is the result of foreign currency translation with a negative impact of €12 million, mainly owing to the decline of the dollar and the indexing of the financing of the Chillan-Collipulli motorway. This increase in financial expense was, however, curbed by the impact of the business lines' improved operating cash flow.

Net exceptional income/(expense)

in millions of euros	2002	2001
Net gains from asset disposals	24.4	56.9
Net restructuring costs	(65.3)	(17.8)
Other exceptional items	48.0	(46.0)
	7.1	**(6.9)**

Net exceptional income of €7 million was reported in 2002 compared with a loss of the same amount for 2001. There were no significant exceptional items, unlike 2001, which included the net impact of income of €28 million from the end of leasing arrangements to finance VINCI's head office, a €26 million net prior year tax credit arising from group taxation in the UK, a €34 million write-down in respect of TBI following the 11 September 2001 events, and an additional €40 million provision for pension commitments in Germany. The balance of €48 million from other exceptional items in 2002 principally includes provision reversals after a further, €35 million prior year tax credit from group taxation in the UK, and the favourable settlement of several long-standing disputes.

Income tax

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

The increase in the net income tax charge from €182 million to €223 million illustrates the gradual return to a nominal tax rate in France following the exhaustion of the tax loss carry forwards. The group's effective tax rate was 25.3% compared with 21.6% in 2001. It is, however, still below the nominal tax rate, as the group was able to benefit from lower taxation in some of its locations outside France.

Net income before income tax

in millions of euros	2002	2001	Change 2002/2001
Net income	478	454	+ 5%
*of which income tax **	*178*	*138*	–
Net income before income tax	**656**	**592**	**+ 11%**

* Excluding share of income tax corresponding to minority interest (Cofiroute and CFE).

Amortisation of goodwill

in millions of euros	2002	2001
Current amortisation	(64.9)	(53.4)
Exceptional amortisation	(37.4)	(68.9)
	(102.3)	**(122.3)**

Amortisation of goodwill came to €102 million, as impairment tests carried out at the end of the fiscal year led to recognising an overall exceptional amortisation charge of €37 million, including a €20 million charge on DEME, the dredging subsidiary of CFE. The 2001 amount included an exceptional amortisation charge of €45 million in respect of WFS.

The share in net earnings of companies accounted for by the equity method takes into account the impact of the €9 million decline of the value of VINCI's interest in the southern Mexico airports concession, which was partially offset by the good results from the other concession-holding companies (mainly Lusoponte and SMTPC), which doubled their earnings year on year to €6 million.

Minority interest of €80 million relates principally to the shares not held by VINCI in Cofiroute (35%) and in the Belgian construction company, CFE (55%).

Cash flow

Operations generated €1.2 billion in 2002, an 11% increase. Free cash flow (as defined on page 107) after capital expenditure (excluding growth investments) amounted to €1,118 million, up 44% on the previous year. This substantial improvement was due to good control over net capital expenditure, which decreased 4% to €454 million, and to a €353 million reduction in the working capital requirement (after a €155 million reduction in 2001), resulting mainly from the construction business line.
Investment in concessions amounted to €407 million, down 36% from the previous year. The reduction is mainly due to the completion at the beginning of the year of the Chillan-Collipulli motorway in Chile (€19 million in 2002 compared with €129 million in 2001), the slowdown in investments for the Rion-Antirion bridge in Greece (€100 million in 2002 compared with €140 million in 2001), and a three-month stoppage of Cofiroute's works on the A86 motorway (€69 million compared with €93 million in 2001).

Financial investments totalled €1,218 million, plus €26 million in share buy-backs. In addition to the acquisition of a 17% interest in ASF for €1,045 million, other financial investments in 2002 were mainly to acquire parking operators (€50 million), the remainder of the interest in SEN (€14 million), Crispin & Borst (€10 million), and electrical engineering and contracting company, Spark Iberica (€8 million).
VINCI also carried out divestments amounting to €40 million, including €16 million of parking spaces following the ruling by the French competition authorities (DGCCRF) after the VINCI-GTM merger. Stolt Comex Seaway's exercise of its call option on the Polaris barges and Eurovia's unwinding of a securitization transaction on old receivables led to loan repayments of €25 million and €93 million respectively.

Investment by business line

in millions of euros	Capital expenditure*	Financial investments	Total
Concessions	456.6	69.9	526.5
Energy	93.5	23.9	117.4
Roads	150.7	28.5	179.2
Construction	260.6	30.1	290.7
Holding company and miscellaneous	2.9	1,066.0	1,068.9
	964.3	**1,218.4**	**2,182.7**

* Including investments in the growth of concessions.

Balance sheet

VINCI's net debt amounted to €2.5 billion at 31 December 2002, compared with €2.1 billion at the end of 2001. The substantial cash flow generated in 2002 enabled the increase to be limited to €0.4 billion, despite the €1,045 million investment in ASF. Excluding treasury stock, indebtedness increased by only €253 million during the year, because nearly 80% of the impact of the acquisition of the interest in ASF was absorbed by the year's cash flow. Debt for concessions, which accounts for all the group's net debt, remained stable at €3 billion because the cash flow from operations generated by this business line covered the year's investments, principally the Rion-Antirion bridge in Greece. The group's other business lines generated a net cash surplus of €1.6 billion, up 35% over the previous year's amount of €1.2 billion. The holding companies and property development companies reduced their level of indebtedness by €0.4 billion (excluding the investment in ASF).

The group's financial structure therefore remained very sound, with shareholders' equity, including minority interest, increased from €2.9 billion to €3.1 billion and a gearing (ratio of debt to shareholders' equity) of 80%, despite the reduction of capital stock by cancelling €195 million of shares in December 2002.

Net debt/surplus

in millions of euros	2002	2001	Change
Cofiroute	*(1,635.9)*	*(1,684.7)*	*48.8*
VINCI Park	*(517.7)*	*(507.3)*	*(10.4)*
VINCI Airports Services	*(300.2)*	*(356.5)*	*56.3*
Other concessions and holding companies	*(518.9)*	*(359.0)*	*(159.9)*
Concessions	(2,972.7)	(2,907.5)	(65.2)
Energy, roads, construction	1,583.6	1,171.0	412.6
Investment in ASF	(1,044.9)	–	(1,044.9)
Holding company and miscellaneous	(246.7)	(691.4)	444.7
Net debt before treasury stock	**(2,680.7)**	**(2,427.9)**	**(252.8)**
Treasury stock	187.8	356.2	(168.4)
Net debt	**(2,492.9)**	**(2,071.7)**	**(421.2)**

Provisions for liabilities and pension commitments totalled €2,120 million at 31 December 2002 compared with €2,134 million at the end of 2001, taking into account the restatement of Cofiroute's special concession amortisation, which reduced fixed assets by €1,063 million. This slight reduction of €34 million is mainly due to provision reversals for restructuring. At the same time, provisions made on long-term assets increased €22 million, including €37 million for goodwill. The net impact of the changes in provisions on 2002 net income was finally limited to a positive impact of €12 million.

Changes in provisions

	2001	Provisions	Reversals	Other changes	2002
Provisions for liabilities					
– for operations	1,180.0	510.4	(538.8)	16.0	1,167.6
– for restructuring	81.4	45.2	(57.4)	2.4	71.6
– other	400.8	113.1	(115.9)	(9.3)	388.7
	1,662.2	**668.7**	**(712.1)**	**9.1**	**1,627.9**
Provisions for pension commitments	472.5	178.6	(168.7)	9.4	491.8
Total balance sheet provisions	**2,134.7**	**847.3**	**(880.8)**	**18.5**	**2,119.7**
Provisions on assets (exceptional and long term)		72.2	(50.4)		
Overall impact on net income		**+ 11.7**			

Parent company accounts

Parent company net income amounted to €338 million in 2002, compared with €508 million in 2001. The main event of 2002 was the completion of the reorganisation of the legal structure started in 2001 to restructure the group into four business lines (merger by absorption of Entreprise Jean Lefebvre and GTM Participations, transfer of various shareholdings in the operating sectors and the creation of VINCI Concessions). The impact of these measures on VINCI's parent company net income was €136 million.

The net dividend proposed to the Shareholders Meeting is €1.80 per share (€2.70 per share including tax credit), up 5.9% from €1.70 per share the previous year. Including the tax credit, the dividend gives a yield of 4.8% based on the share price on 31 January 2003. The dividend is payable on 27 June 2003.

The total dividend distribution to shareholders for 2002 is estimated at €142 million, up 8% on the 2001 figure of €131 million.

It is proposed to allocate net income as follows*:

in millions of euros	
Dividend paid to shareholders	141.7
Allocation to retained earnings	196.4
Parent company net income for the year	338.1

* Based on 77,028,359 shares qualifying for dividends on 31 January 2003.

Expenses referred to in Article 39.4 of the French Tax Code amounted to €67,359 in 2002.

2003 outlook

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.

Although the beginning of the year is beset by unstable geopolitical conditions and an uncertain economic situation, VINCI has started 2003 with a calm and confident attitude given its many strengths: diversified activities that are not very sensitive to business cycles, a highly responsive organisation, motivated management, a sound financial structure and an excellent cash position. 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, and is not setting any overall target for net sales growth for 2003.

VINCI's objectives are to continue to increase operating margins in all core businesses, mainly through the progressive improvement of under-performing entities.

Relations between the parent company and subsidiaries

As part of its role to manage and supervise the group's businesses, the VINCI holding company makes services available to assist all companies in which VINCI owns a significant interest. Having such services within the group helps build united views and actions and create a dynamic that can only be offered by a single point of decision-making; it avoids wasted effort, reduces costs and rationalises methods. In addition, the size and reputation of VINCI give its subsidiaries a number of advantages that they would not have if they were independent or were part of another, smaller group.

The nature and content of the services and advantages provided by VINCI to its subsidiaries cover the following areas:

- participation of VINCI's general management and specialist teams in drawing up the subsidiaries' strategy, and in acquisitions and asset sales; management of subsidiaries' relations with their partners at both the national and international levels;

the study and implementation of industrial and commercial synergies between the various players in the VINCI group;

- assistance of departments specialising in administration, legal affairs, human resources, finance and communication, in particular for all aspects of:
  - information on regulations, legislation and decisions in the legal, fiscal and human resources fields;
  - assistance in drawing up all kinds of contract;
  - the definition and supervision of an insurance strategy;
  - consulting and assistance on tax issues;
  - advice on human resources legislation and the general problems raised by labour relations;
  - human resources policy;
  - advice on continuous training;
  - the definition of an accounting and financial information system and a group-wide management control system, and assistance with their operation;
  - relations with banks and financial institutions, assistance with cash management and daily cash flow handling (dealt with in a specific agreement);
  - consulting in finance, accounting and management, and investment project studies;
  - finance needs and resources studies;
  - statistical and economic information;
  - assistance with administrative services for all types of meeting and with external relations;
  - advice and assistance with communication, and relations with the press and financial analysts;
  - the organisation and implementation of IT and office automation systems;
  - commercial assistance, particularly with key group accounts;
- specialised assistance from VINCI services and staff for specific assignments;
- the provision of advantages associated with belonging to a major group with a worldwide reputation, such as access to internationally recognised partners to enter into commercial contracts, favourable conditions for the negotiation of credit facilities, help in relations with public authorities, and help in recruiting high-level personnel.

In return for assistance from general management and the group's functional departments, VINCI subsidiaries pay a fee that is fixed according to annual consolidated net sales. For 2002, assistance fees received by VINCI from its subsidiaries amounted to €44 million.

Value creation

Value is created when the capital employed for operations generates a return (ROCE) – calculated from the book value of the capital employed – that is above the weighted average cost of capital (WACC). ROCE is measured by the net operating profit after tax (NOPAT) set against the average capital employed during the year. WACC represents the rate of return on securities expected by investors, taking into account the VINCI share's risk and illiquidity factors.

Return on capital employed (ROCE)

NOPAT and average capital employed are calculated as follows:

in millions of euros	2002	2001
Operating income, including special concession amortisation (1)	1,067.3	979.8
Income tax (2)	(319.4)	(237.1)
Other (3)	14.0	24.2
NOPAT	**761.9**	**766.9**
of which concessions	*394.4*	*400.3*
of which other business lines	*367.5*	*366.6*

(1) See part B of the notes to the consolidated financial statements (paragraph 3, Concession fixed assets), page 112.
(2) Based on the effective tax rate for the year (excluding deferred tax on exceptional income).
(3) Share of net earnings in companies accounted for by the equity method and financial items (excluding cost of financing).

in millions of euros	2002 average	2001 average
Net intangible, tangible and financial fixed assets*	8,045.6	6,997.0
Gross goodwill	1,519.7	1,367.9
Working capital requirement	(724.6)	(588.0)
Provisions for operating risks	(1,181.2)	(1,248.6)
Average capital employed	**7,659.5**	**6,528.3**
of which concessions	*6,312.0*	*5,102.6*
of which other business lines	*1,347.5*	*1,425.7*

* Including special concession amortisation.

Overall, with 9.9% ROCE, higher than the estimated WACC of 7.1%, VINCI created value in 2002.

in millions of euros	2002	2001
ROCE	**9.9%**	**11.7%**
of which concessions	*6.2%*	*7.8%*
of which other business lines	*27.3%*	*25.7%*
Weighted average cost of capital	**7.1%**	**7.9%**

Remarks on this table are as follows:

- the lower ROCE generated by concessions in 2002 does not indicate a poorer performance by this business line, but reflects the capital investments made by it. The capital employed in the acquisition of 17% of ASF and concession infrastructure under construction (in particular Cofiroute's A86 Ouest tunnel and the Rion-Antirion bridge in Greece) represent a cumulative investment of about €2 billion at the end of 2002 and are not yet generating any income. In general, income from infrastructure concessions tends to increase gradually in the years after the infrastructure comes on stream. As a result, ROCE is not a very reliable indicator in respect of concessions that have not yet reached maturity;
- in addition, the ROCE should be seen from the perspective of return versus risk: concessions operate under long-term contracts and generate recurring cash flows. The business is relatively non-cyclical. Furthermore, concessions are highly leveraged financial arrangements that enable the group's financial commitment to be limited. The ROCE of concessions should be set against the weighted average cost of capital of this business, which is lower than that of VINCI's other business lines because of the smaller risk premium and higher leverage. The weighted average cost of capital for concessions is estimated at about 6% for 2002.

Because of the relative weight of concessions, which account for nearly 90% of the capital employed by the group at the end of 2002 (including ASF), and the nature of the concession business, the ROCE of VINCI is therefore an indicator that requires very careful analysis.

Return on equity (ROE)

Given the diversity and characteristics of VINCI's businesses, ROE is a more meaningful indicator of value creation than ROCE.

The nature of VINCI's commitment with regard to its concession and services activities is similar to that of an equity investment, insofar as concession debt is essentially made up of project finance with no recourse against VINCI. The group's other core businesses are generally not capital intensive.

The return on equity (ROE) was 20.1% in 2002:

in millions of euros	2002	2001
Net income for the year	478.0	453.5
Shareholders' equity at 31 Dec.	2,372.7	1,834.2
ROE	**20.1%**	**24.7%**
of which concessions	*10.8%*	*9.9%*

Risk management

Operating risk

New business

Over the past few years, VINCI has pursued a policy of rigorous risk control combined with selective order taking. Strict procedures for taking on new business have been implemented. Projects are submitted for approval on the basis of pre-established thresholds set out in directives given by the group chairman, operational management, business line management or the VINCI risk committee. Budgetary procedures as well as reporting and monitoring systems in place (within each business line and at the holding company level) facilitate a monthly follow-up of the key management indicators and a regular review of the results reported by each unit.

A number of procedures are in place to ensure compliance with business ethics and prevent corruption. The procedures are based mainly on informing the chairman of VINCI and the risk committee of all new business above a certain amount: €80 million for major projects outside France, €40 million for the construction, roads and energy business lines, and all new business in property development. VINCI has also drawn up a charter on how to conduct business that was communicated in a framework memo from general management dated 31 January 2001 and sent to all the group's operational managers. This framework memo sets out the principles to be complied with when delegating authority and the conduct to be followed when taking on new business (competition principles in particular) in France and all other countries.

Major projects

VINCI's overall exposure to major project risk is minimal, having regard to the size of the group. Net sales are generated by a large number of small contracts (around 50,000 a year in roads, for instance), which are managed by about 2,500 profit centres. Risk is thus spread between businesses, countries and customers. Furthermore, the strategy of VINCI Construction Grands Projets is to focus on projects with high technical value added and in countries the group knows well. These projects allow the group to make the most of its expertise and to achieve optimal risk levels. To further limit risk, most major projects are carried out in consortium, involving several other companies. VINCI Construction Grands Projets now generates around €600 million in net sales, accounting for 8% of the construction business line's net sales and 3.5% of total VINCI net sales.

Concessions

Investments in concession infrastructure are systematically submitted for approval to the VINCI risk committee. Given their financial weight, and in order to share the risks better, the projects are generally carried out jointly with local partners, with companies having complementary know-how, and with financial institutions.

Property

VINCI's property development activities are extremely limited. Based in the Paris region and other major French cities, this business accounts for less than 2% of total net sales. By focusing on financial structuring and pre-selling all projects developed to specialist investors, VINCI tries to eliminate the risks traditionally associated with property promotion.

Acquisitions

VINCI considers that an acquisition is more likely to be successful and the risks more easily controlled if the group can rapidly introduce its own management principles into the target company. VINCI therefore always acquires a majority interest giving it operational control over the target company. All new acquisition or divestment plans are submitted for approval to general management. The larger projects are also submitted to the Investment Committee of the Board of Directors.

Market risk (debt, interest and exchange rates)

See notes 28 and 29 to the consolidated financial statements, pages 136 to 139.

Industrial and environmental risk

Industrial and environmental risks are relatively limited in VINCI's businesses. Nonetheless, group activities are subject to national and international regulations that form the minimum framework of standards that must be met.
In addition to this minimum framework, various group units have developed QSE (quality/safety/environmental performance) policies that make VINCI one of the most advanced players in this field. GTM Construction has been awarded triple certification: ISO 9001, ISO 14001 and BS 8800. Sogea Construction has developed safety reference documentation, a new approach to keep sites clean and an environmental protection plan. Eurovia has implemented a continuous rehabilitation programme for its quarries. These examples demonstrate the proactive approach taken by VINCI businesses.
VINCI is currently developing environmental indicators in line with the principles of sustainable development, to be applied over the long term (see also "Environmental performance", pages 65 to 69).

Legal risk

Through its many subsidiaries, VINCI operates various types of infrastructure, such as car parks, motorways, bridges, tunnels and airports. The group is involved in every stage of the process, from the construction to the maintenance of public- and private-sector structures. It manufactures road materials, installs and maintains power and communication equipment and offers a full range of services related to all these activities.
In this respect, the group operates within a complex regulatory framework that depends on the place where the service is provided and on the sector involved. It is particularly subject to regulations in respect of administrative contracts, public and private construction bids, and civil liability, especially that of contractors, both in France and abroad.

Insurance

At the beginning of 2000, VINCI put in place a policy for risk management and insurance, which takes into account the group's new size, the risks relating to its various business lines and its own capacity to withstand exposure to any potential current and exceptional claims arising during its business operations.
The group's new operating structure, now based on a clear and rational division of its activities into four business lines, helped VINCI to draw up and implement basic insurance plans that were then adapted for each business line. These plans, designed by the VINCI SA holding company, supplement guarantees applicable to all group companies, but with varying conditions and limits.
Given the framework under which the insurance policies are drawn up, they are presented here in comprehensive, consolidated form.

Insurance policies effected

Insurance policies taken out by the group to cover its own protection needs are mainly in the areas of civil liability and damages.

- **Civil liability insurance policies** cover local legislative and contractual requirements in each country or, to a lesser degree, the needs expressed by the individual company itself, reflecting the additional level of protection it requires.
  The main policies insure the financial consequences of the group's liability which arises on accidental damage to third parties, in particular:
  - bodily injury, material damage and consequential loss (general civil liability);
  - post-delivery construction claims (ten-year liability);
  - automobile and machine accidents (automobile liability);
  - environmental damage (pollution liability);
  - aeronautical damage (aviation civil liability);
  - activities of executive directors and senior management (directors and officers liability).
- **Damage insurance polices** are also of a very varied nature to cover the group's own operating assets, including structures under construction. At either group or subsidiary level, they mainly cover:
  - structures (comprehensive policies for work sites);

– buildings (comprehensive landlord/tenant policies);
– equipment for work sites, navigation, etc. (policies covering damage to machines, hulls and engines);
– managed assets.

The policies compensate the company for any losses in the case of accidental damage, whether or not the group is responsible. The characteristics of these civil liability and damage insurance policies are adapted to suit each business line (concessions, energy, roads and construction) and vary depending on the geographic region covered. VINCI's policy is to set minimum standards that allow higher level insurance coverage to kick in immediately if/when basic cover is exhausted, no matter where.

In this respect, the general civil liability policies, which are the most important, break down into three main lines (excluding operations in the United States and Canada, which are covered by independent local insurance plans). The three lines are:

– a first line, known as "working", which records current claims and usually has a ceiling of €6 million per claim and per year;
– a second excess line, from €6 million to €30 million per claim and per year, which enables the group to meet any significant claims. This line has so far not been used;
– a third excess line extends the preceding coverage up to an annual ceiling of €150 million and allows the group to meet any exceptionally high claim if all other cover has been used up. Use of this line has not been made or appeared likely to be made in the past.

The liability relating to airport services (ground handling) is covered by a distinct policy (aviation civil liability) which offers independent worldwide cover separate from that listed above, including in the United States and Canada. It includes an annual total ceiling of $750 million. At the request of the insurers, risks relating to the employer's "inexcusable fault" in France, usually covered by general civil liability policies, have been transferred with effect from 1 January 2003 to separate insurance policies. These include, for example, "asbestos risk", even though group companies now operating only have a low level of exposure to this risk.

In addition, the nature of VINCI's business lines exposes the group to a relatively low risk of operating losses of the type traditionally found in industry, because stoppages of sites or services generally lead to the application of late completion penalties. These are not usually covered as such by insurance, but the real and proven financial consequences of late completion for third parties, including customers, are covered by the civil liability policies outlined above.

Concerning performance bonds, in some countries (France, Germany, Africa, etc.) these are dealt with by bank guarantees rather than insurance policies, while in the United States, Canada, UK and other countries, they are issued by an insurance company. The policy adopted by VINCI in relation to the latter is to group together the needs of the subsidiaries involved so as to increase purchasing power with a limited number of insurers.

Levels of cover

It is impossible to give the details of each level of cover, other than through the information already given above, because of the many different parameters applying to each policy, business line insurance plan and overall group insurance plan. These parameters vary because plans are adapted to meet the needs of different business lines, and because they are applied in different geographic regions and under the relevant local legal systems.

The overall policy is to optimise the level, content and cost of all insurance policies, principally by taking into account the claims record of each business line or subsidiary, an analysis of the highest possible likely claim, the capacity of the group to absorb a given excess, and its capacity to pay a premium that does not significantly affect its competitiveness in any given market.

These various parameters are constantly updated in conjunction with the insurers. In this context, major economies of scale have been achieved over the past few years through rationalising insurance cover. Purchasing is mainly carried out by VINCI SA through a captive insurance broker (VINCI Assurances). In a market that has been difficult since 2001, the purchasing policy is directed at a limited number of leading insurers over whom a certain amount of leverage may be applied.

The VINCI group's annual insurance budget is estimated at €65 million (France and abroad), of which around €40 million in France, partially invoiced to foreign subsidiaries covered by French plans. The balance of €25 million is paid mainly in the United States, the UK and Germany directly, under local plans which are monitored by VINCI SA.

Risk management

VINCI's insurance strategy is broadly aimed at reducing current claims, which are sometimes avoidable, through implementing preventive measures hand in hand with its quality assurance policy.

The operating units are also closely involved in this process, especially as they have direct responsibility for the excess that is applied in respect of each claim. The group's policy is that the level of excess should be such as to be motivating for managers and an incentive for insurance companies. VINCI therefore practises a policy of high excesses (for example, €75,000 per claim for operations liability in France), although this policy is adapted to take into account the nature of the activity and the size of the business concerned.

Claim statistics for each insurance policy are kept up to date by VINCI Assurances and serve as a reference point in annual policy renewal negotiations, which are carried out by the operating subsidiaries with the assistance of their risk manager.

If its claims record for 2003 is similar to that for 2002, VINCI does not expect any particular difficulties in renewing its insurance policies for 2004, taking into consideration that the market is gradually recovering its capacity, which was badly affected by world events in 2001. The main objectives for 2003 will be to incorporate all the North American subsidiaries into the group's general civil liability plans or into a comparable, independent local plan, and then to strengthen VINCI's involvement in its own risk management through setting up a captive reinsurance company. This possibility is currently being studied.

Investment policy and research and development

Investment policy

In respect of capital expenditure, the policy of the construction, roads and energy business lines is initially decided by the equipment needs resulting from projects to be carried out, on the basis of business forecasts. These needs are updated during the year, in particular at the time of budget reforecasts. Investment decisions incorporate whatever optimisation can be found between the costs of maintaining existing equipment owned by group companies as against possible options on the leasing market and opportunities under group purchasing contracts. In addition, certain activities, mainly at Eurovia, operate fixed industrial facilities (quarries, coating stations and binder plants) that require recurring maintenance investments. The capital expenditure policies are implemented under the authority of the business line heads as part of their delegated powers, and under budgets approved by the group's general management.

Capital expenditure for the concessions business line, whether for new construction, replacements or major repairs, is generally covered by precise contracts entered into with the concession-granting authorities.

Investments for growth are decided by the group's general management. Investments for new concession projects, in particular, are submitted for approval by the VINCI holding company's risk committee (see page 94, "Risk management"). They are covered by specific legal and financial arrangements that seek to limit the group's exposure and the capital tied up.

Research and development

To ensure its sustainable growth, VINCI must be permanently innovative to be able to offer new products and services. Innovation is involved in many projects in all the business lines. It is often on a limited scale and is therefore not necessarily part of the overall research and development programmes. In 2002, the group's French subsidiaries invested more than 0.1% of their net sales in research and development (see also the "Innovation" section, pages 63 and 64).

Human resources indicators

See tables on pages 70 to 80 of "Human Resources Performance".

Additional information

Remuneration of senior executives and board members in 2002

Total remuneration and all benefits in kind paid by VINCI in 2002 to senior executives and board members, as well as remuneration and benefits in kind paid to them by companies controlled by VINCI, as defined by Article L. 233-16, are listed in note 33 to the consolidated financial statements (page 142), which is considered to form part of the Report of the Board of Directors.

Mandates and functions of VINCI directors in 2002

The full list of the mandates and functions of VINCI directors in all companies is provided in section 6 of "General information about the Company" (page 188), which is considered to form part of the Report of the Board of Directors.

Regulated agreements

Details of agreements entered into with VINCI board members, with companies having common directors with VINCI, and with VINCI shareholders holding over 5% of voting rights, being agreements to which Article L. 225-38 of the French Code of Commerce applies, are provided in the Statutory Auditors' special report, page 158.

Employee shareholding programmes

In accordance with Article L. 225-102 of the French Code of Commerce, employees of VINCI and of related companies, as defined by Article L. 225-180 of the French Code of Commerce, owned 7,568,378 shares at 31 December 2002, or 9.1% of capital stock, through the group savings schemes created according to the provisions of Articles L. 443-1 to L. 443-9 of the French Labour Code.

See also section 5 of "General information about the Company" (page 186) on the Group Savings Schemes.

"Recent developments and strategy" (pages 10 and 11), "Corporate governance" (pages 12 and 13), "Financial performance" (pages 58 to 64), "Environmental performance" (pages 65 to 69), "Human resources performance" (pages 70 to 81) and "Resolutions submitted for approval to the Shareholders Meeting" (pages 172 and 173) are considered to form part of the Report of the Board of Directors.

Special report of the Board of Directors

ON STOCK SUBSCRIPTION OR STOCK PURCHASE OPTIONS

This special report has been drawn up, in accordance with Article L. 225-184 of the French Code of Commerce, to provide an account of the implementation by the Board of Directors of the authorisation by the Shareholders Meeting to grant stock subscription or stock purchase options.

Stock subscription or purchase plans

	Date		Original number of		Date		Adjusted
	Shareholders Meeting	Board Meeting	Beneficiaries	Options	from which option may be exercised	of expiry of option	exercise price (in €)
VINCI 1992	30/06/88	06/11/92	116	327,500	01/01/94	06/11/02	16.79
VINCI 1993	18/06/93	04/11/93	117	282,000	01/01/95	04/11/03	30.93
VINCI 1994	18/06/93	04/11/94	119	305,000	01/01/96	04/11/04	25.01
GTM plan EJL	–	–	29	26,880	12/09/97	11/09/02	23.50
GTM 1996	–	–	168	343,800	11/06/98	10/06/04	19.31
GTM 1997	–	–	194	357,000	27/06/99	26/03/05	18.74
Sogeparc 1997	–	–	15	35,700	14/10/97	13/10/02	35.98
VINCI 1998	18/06/93	04/03/98	66	240,500	01/01/99	04/03/08	25.61
GTM 1998	–	–	211	357,360	25/03/00 (1)	24/03/06	25.41
Sogeparc 1998	–	–	15	33,300	14/10/98	13/10/03	39.23
VINCI 1999 no. 1	25/05/98	09/03/99	88	652,000	09/03/01 (1)	08/03/09	37.98
VINCI 1999 no. 2	25/05/98	07/09/99	590	1,003,191	07/09/01 (1)	06/09/09	42.30
GTM 1999	–	–	369	692,868	24/03/01 (1)	23/03/07	32.93
Sogeparc 1999	–	–	46	74,903	07/12/99	06/12/04	50.70
VINCI 2000 no. 1	25/10/99	11/01/00	40	975,000	11/01/02 (1)	10/01/10	50.00
VINCI 2000 no. 2	25/10/99	03/10/00	999	1,767,500	03/10/02 (1)	02/10/10	57.00
GTM 2000	–	–	355	564,120	24/01/02 (1)	23/05/08	35.63
VINCI 2001	25/10/99	08/03/01	3	232,500	08/03/03 (1)	07/03/11	57.00
VINCI 2002 no. 1	25/10/99	25/01/02	187	1,883,400	25/01/04 (2)	17/12/12	63.65
VINCI 2002 no. 2	25/10/99	17/12/02	409	2,500,000	17/12/04 (1)	17/12/12	52.90
Total subscription option plans	–	–	**1,724**	**12,654,522**	–	–	**49.25**
VINCI 1998	18/06/93	04/03/98	8	800,000	04/03/00 (1)	05/03/05	33.70
VINCI 1999 no. 1	25/05/98	10/05/99	3	101,490	10/05/01 (1)	05/03/05	33.80
VINCI 1999 no. 2	25/05/98	07/09/99	590	2,006,309	07/09/01 (1)	06/09/09	43.66
VINCI 2000	25/10/99	03/10/00	999	1,767,500	03/10/02 (1)	02/10/10	48.04
VINCI 2001	25/10/99	08/03/01	3	232,500	08/03/03 (1)	02/10/10	57.00
VINCI 2002	25/10/99	25/01/02	107	616,600	25/01/04 (2)	24/01/12	63.65
Total purchase option plans	–	–	**1,255**	**5,524,399**	–	–	**47.47**
Total	–	–	**1,884**	**18,178,921**	–	–	**48.70**

(1) Beneficiaries may exercise two-thirds of their options two years after receiving them and all of their options three years after receiving them.
(2) The VINCI 2002 no. 1 stock subscription plan replaces the VINCI 2002 stock purchase plan implemented at the meeting of the Board of Directors on 25 January 2002. All beneficiaries of the original plan who relinquish their stock purchase options automatically become beneficiaries of the stock subscription plan (same number of stock options at the same price). As at 1 March 2003, 187 beneficiaries (out of 294 at the outset) had accepted this exchange.

There are six stock purchase option plans and 17 stock subscription plans (including five GTM subscription option plans and two Sogeparc subscription option plans which have been converted into VINCI subscription option plans, following the mergers by absorption of GTM and Sogeparc by VINCI, on 19 December 2000 and 12 December 2001 respectively).

Each option gives the holder the right to subscribe or purchase one VINCI share.

On 31 January 2003, there were 15,645,039 options not yet exercised, representing 14.9% of VINCI's diluted capital. The average exercise price was €48.70. Of these options, 67% are currently exercisable or will be during 2003, 22% as from 2004 and 11% as from 2005.

Together the eight members of the VINCI Executive Committee held 3,742,437 stock subscription or stock purchase options, with an average exercise price of €51.02.

	Options exercised 2002	Options exercised from 01/01/03 to 31/01/03	Options not yet exercised at 31/01/03	Of which executives	As a % of diluted capital (3)	Number of remaining beneficiaries	Of which executives
VINCI 1992	29,613	0	0	–	0.0%	29	–
VINCI 1993	26,174	881	73,964	–	0.1%	42	–
VINCI 1994	14,697	0	61,251	–	0.1%	33	–
GTM plan EJL	7,080	0	0	–	0.0%	11	–
GTM 1996	30,216	0	62,400	–	0.1%	55	–
GTM 1997	161,450	1,800	116,700	–	0.1%	159	–
Sogeparc 1997	35,700	0	0	–	0.0%	15	–
VINCI 1998	12,484	0	198,481	12,219	0.2%	55	3
GTM 1998	18,100	2,400	324,500	–	0.3%	207	–
Sogeparc 1998	0	0	33,300	–	0.0%	15	–
VINCI 1999 no. 1	45,895	0	573,062	127,401	0.5%	84	7
VINCI 1999 no. 2	54,221	0	923,636	230,000	0.9%	584	7
GTM 1999	18,240	0	659,628	–	0.6%	363	–
Sogeparc 1999	0	0	74,903	–	0.1%	46	–
VINCI 2000 no. 1	90,000	0	885,000	395,000	0.8%	39	7
VINCI 2000 no. 2	50,625	0	1,710,375	75,000	1.6%	994	6
GTM 2000	9,840	0	545,640	–	0.5%	348	–
VINCI 2001	0	0	232,500	202,500	0.2%	3	2
VINCI 2002 no. 1	0	0	1,883,400	770,000	1.1%	187	7
VINCI 2002 no. 2	0	0	2,500,000	835,000	2.4%	409	8
Total subscription option plans	**604,335**	**5,081**	**10,858,740**	**2,647,120**	**10.3%**	**1,532**	**8**
VINCI 1998	302,718	0	308,136	256,327	0.3%	7	4
VINCI 1999 no. 1	0	0	101,490	101,490	0.1%	3	3
VINCI 1999 no. 2	108,445	0	1,847,198	460,000	1.8%	586	7
VINCI 2000	50,625	0	1,710,375	75,000	1.6%	995	6
VINCI 2001	0	0	232,500	202,500	0.2%	3	2
VINCI 2002	30,000	0	586,600	–	0.6%	105	–
Total purchase option plans	**491,788**	**0**	**4,786,299**	**1,095,317**	**4.6%**	**1,218**	**8**
Total	**1,096,123**	**5,081**	**15,645,039**	**3,742,437**	**14.9%**	**1,673**	**8**

(3) Diluted capital (104,360,722 shares) comprises the capital stock of VINCI at 31 January 2003, increased by the shares that would be issued if all stock subscription options are exercised and all VINCI OCEANE bonds are converted into VINCI shares (see page 184).

Stock subscription or stock purchase options granted in 2002

Under the terms of the authorisation granted to the Board of Directors by the Shareholders Meeting of 25 October 1999, the Board of Directors decided on 25 January 2002 to grant options to 294 VINCI corporate executives, allowing them to purchase 2,500,000 VINCI shares at an exercise price of €63.65. The options expire on 25 January 2012.

On 17 December 2002, the Board of Directors decided to modify the policy for the allocation of stock options, and in future to give preference to stock subscription plans over stock purchase option plans as a result of the increased volatility of the VINCI share price in the last few months and recent stock market trends.
As a result, the Board decided to implement a subscription option plan to replace the purchase option plan approved on 25 January 2002. The 294 corporate executives who were beneficiaries of the purchase option plan have been offered options giving rights to subscribe for shares, on condition that they relinquish the stock purchase options allocated to them in implementation of the plan approved on 25 January 2002.
As at 1 March 2003, 187 beneficiaries had accepted this exchange, representing 1,883,400 subscription options.
During the meeting of 17 December 2002, the Board of Directors decided to allocate 2,500,000 stock subscription options in VINCI capital stock at an exercise price of €52.90 to 409 senior and corporate executives of the VINCI group. The options expire on 17 December 2012.

Options granted to senior executives

In 2002, VINCI senior executives were offered stock subscription and stock purchase options in respect of VINCI capital stock. The breakdown was as follows:
- Antoine Zacharias received 375,000 subscription options at an exercise price of €52.90 per share and 375,000 subscription options at an exercise price of €63.65 per share,
- Bernard Huvelin received 150,000 subscription options at an exercise price of €52.90 per share and 175,000 subscription options at an exercise price of €63.65 per share,
- Xavier Huillard and Roger Martin each received 65,000 subscription options at an exercise price of €52.90 per share and 70,000 subscription options at an exercise price of €63.65 per share.

Around two-thirds of the options issued at a price of €52.90 have a condition for their exercise related to the market price of VINCI shares.

Options granted to other employees

In 2002, no company controlled by VINCI granted any options to VINCI employees.

Stock subscription or stock purchase options exercised in 2002

Options exercised by senior executives

In 2002, Xavier Huillard exercised 50,909 stock purchase options at €33.70 per share, and Bernard Huvelin and Antoine Zacharias each exercised 50,000 stock purchase options at €33.70 per share.

Options exercised by other employees

The number and price of shares subscribed or purchased through the exercise of one or several stock options in 2002 by the ten VINCI employees, other than senior executives, who exercised the largest number of options were as follows.

	Type of option	Number of shares subscribed or purchased	Exercise price (in €)
Gilles d'Ambrières	Subscription	15,000	35.98
Jean-Louis Brault	Subscription	9,600	19.31
	Subscription	10,800	18.74
Michel Daveluy	Purchase	10,000	63.65
	Subscription	6,500	57.00
	Purchase	6,500	48.04
	Subscription	10,000	50.00
	Subscription	2,667	42.30
	Purchase	5,333	43.66
	Subscription	7,022	37.98
	Subscription	3,055	25.61
Philippe Lemaistre	Subscription	5,091	25.61
	Subscription	15,048	37.98
	Subscription	15,000	42.30
	Subscription	35,000	50.00
	Subscription	20,000	57.00
	Purchase	20,000	48.04
	Purchase	30,000	43.66
	Purchase	20,000	63.65
Pierre Léon-Dufour (beneficiary)	Subscription	7,200	35.63
	Subscription	9,600	32.93
	Subscription	4,800	25.41
	Subscription	4,800	18.74
Horst Lipman	Subscription	3,698	16.79
	Subscription	3,169	30.93
Christian Péguet	Purchase	100,000	33.70
	Subscription	20,063	37.98
	Purchase	1,809	33.70
	Purchase	66,667	43.66
	Subscription	33,333	42.30
	Subscription	45,000	50.00
	Purchase	22,500	48.04
	Subscription	22,500	57.00
Henri Stouff	Purchase	50,000	33.70
Jérôme Tolot	Subscription	7,200	18.74
Jean-Étienne Treffandier	Subscription	3,169	30.93
	Subscription	3,565	25.01

Consolidated financial statements

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 held in treasury		*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 fair value 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 fair value, based on future discounted cash flows calculated according to reasonable, documented assumptions, representing management's best estimate of prevailing economic conditions throughout the asset's useful life.

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

Concession fixed assets

Infrastructure operated through public service delegation or concession contracts is included under a specific heading 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 fair value has been permanently reduced to less than book value as a result of unfavourable events or circumstances during the year.

Fair value is 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 fair value 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 fair value falls below book value.
Fair value 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 item 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 telecommunications 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 nominal 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
Nominal tax rate in France	35.43%	36.42%
Expected nominal 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 translation 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 translation 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	0.8	1.5	26.9
of which concessions	*(2.5)*	*1.6*	*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	112.2	3.9	5.9	67.5	23.7
Group share	*39.3*	*1.0*	*2.2*	*20.7*	*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 National Accounting Council 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 rate, 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:

in millions of euros	At 31 Dec. 2002 Share	%	Rate	At 31 Dec. 2001 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%***

in millions of euros	At 31 Dec. 2002 Share	%	Rate	At 31 Dec. 2001 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 *Sales contracts*	*24.9* *104.1*	*7.8* *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 financial health 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 Cie	FC	100.00%
Immer Property (Australia)	FC	70.00%
Freyssinet Korea (Korea)	FC	90.00%
Freyssinet Hong Kong (Hong Kong)	FC	100.00%

5. Other operational entities

Sorif (property)	FC	100.00%
Elige (property)	FC	100.00%
Doris Engineering	EM	46.95%

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

Summary of parent company financial statements

The detailed financial statements of the parent company are available from the VINCI Investor Relations Department.

The financial statements of the parent company have been prepared in accordance with French legal and regulatory requirements and with generally accepted accounting principles, applied in a consistent manner.

The 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 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 partnerships 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 million 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. 2002	Depreciation at 31 Dec. 2002	Net book value at 31 Dec. 2002	Net book value at 31 Dec. 2001
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.

Reports 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 misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in these financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
In our opinion, the consolidated financial statements give a true and fair view of the financial position, the assets and liabilities 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

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 carried out, in accordance with French professional standards, the procedures required by law on the financial information provided by the Board of Directors.
We have no comments to make as to the fair presentation and conformity with the annual financial statements of the information given in the report of the Board of Directors and in the documents addressed to the shareholders, with respect to the financial position and the annual financial statements.
In accordance with the law, we have verified that the appropriate disclosures have been provided 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

Report of the Statutory Auditors on regulated agreements

(Year ended 31 December 2002)

In accordance with our appointment as Statutory Auditors of your Company, we submit our report to you on regulated agreements.

1. Agreements authorised during the year ended 31 December 2002

Pursuant to Article L. 225-40 of the French Code of Commerce, the following agreements, previously authorised by the Board of Directors of your Company, have been brought to our attention.

We are not required to identify other such agreements, if any, but to communicate to you, based on the information provided to us, the principal terms and conditions of those agreements brought to our attention, without expressing an opinion on their usefulness and appropriateness. It is your responsibility, pursuant to Article 92 of the Decree of 23 March 1967, to assess the merits of these agreements for the purpose of approving them.

We have carried out our work in accordance with professional standards applicable in France. Those standards require that we plan and perform our work in a way that enables us to check whether the information that has been given to us is consistent with the underlying documents from which it is derived.

Agreements with subsidiary VINCI Construction

Directors concerned: Mr Bernard Huvelin and Mr Serge Michel

- Sale of Sogea Holdings UK

  On 15 February 2002, VINCI sold to VINCI Construction all the shares it held in Sogea Holdings UK for €65 million. As part of this sale, VINCI granted VINCI Construction a guarantee to cover the commitments given by VINCI and Socofreg to General Utilities Holdings and Vivendi UK on the occasion of the repurchase by the Group of a direct interest in Sogea Holdings UK in December 2000.

  This guarantee was not called during 2002.

- Sale of Freyssinet International Stup

  On 14 March 2002, VINCI sold to VINCI Construction its shares in Freyssinet International Stup for €50 million.

  In this connection, VINCI granted VINCI Construction and/or Freyssinet International Stup a guarantee to cover any reduction in assets and any increase in liabilities affecting the figures in the 31 December 2001 accounts of Freyssinet International Stup. The guarantee was capped at €3 million and expires on 31 December 2003.

  This commitment was entirely applied for the benefit of Freyssinet International Stup at 31 December 2002.

Agreement with subsidiary VINCI Concessions

Directors concerned: Mr Antoine Zacharias, Mr Bernard Huvelin, Mr Xavier Huillard and Mr Roger Martin

On 27 and 30 December 2002, VINCI sold to VINCI Concessions its holding of 39,143,246 shares (17%) in Autoroutes du Sud de la France for €939.4 million.

Agreement with subsidiary GTIE Thermique

Directors concerned: Mr Antoine Zacharias and Mr Bernard Huvelin

On 11 March 2002, VINCI sold to GTIE Thermique the shares it held in Entreprise Lefort Francheteau for 31 million.

Agreement with subsidiary VINCI Energies (formerly GTIE)

Directors concerned: Mr Antoine Zacharias, Mr Bernard Huvelin and Mr Xavier Huillard

On 16 September 2002, VINCI sold to VINCI Energies (formerly GTIE) the shares it held in GTIE Thermique for €38.5 million.

Agreement with subsidiary VINCI Airports

Director concerned: Mr Bernard Huvelin

On 17 May 2002, VINCI sold to VINCI Airports the shares it held in Aéroports de Paris Management, representing 34% of its capital, for €43.9 million.

Agreement with subsidiary VINCI Deutschland

Directors concerned: Mr Antoine Zacharias and Mr Roger Martin

To avoid VINCI Deutschland GmbH (a wholly owned subsidiary of VINCI) having a net deficit position of €135 million at the end of 2002 – and to meet German legislative requirements – VINCI agreed on 31 December 2002 to waive indebtedness due to it of the amount of the deficit at that date.

Agreement for assistance with Soficot and AM Conseil

Directors concerned: Mr Bernard Huvelin, Mr Serge Michel and Mr Alain Minc

An agreement was signed between VINCI, AM Conseil and Soficot on 12 February 2002, subject to its approval by the Board of Directors at its meeting on 12 March 2002. Under the terms of this agreement, VINCI asked the other two companies to provide, firstly, general advice relating to the strategy and development of the VINCI group and, secondly, assistance with certain specific assignments. The term of the engagement was one year renewable by tacit agreement. For the general advice, each company will receive an annual flat fee of €160,000 (excluding VAT), payable quarterly in advance, together with reimbursement of expenses and travelling costs approved by VINCI.

As to assistance on specific matters, the two companies will receive a fee that will be agreed in advance on each occasion with VINCI. The fee will be performance-related and dependent on the origin of the project and whether this was at the initiative of VINCI or of one of the two companies.

VINCI charged €320,000 (excluding VAT) in its 2002 accounts in respect of fees for assignments carried out during the year by AM Conseil and Soficot.

2. Agreements approved during previous years that continued to be implemented during the year ended 31 December 2002

In addition, in accordance with the Decree of 23 March 1967, we have been informed that the implementation of the following agreements, approved in previous years, continued during 2002.

Agreement with Sita

On 13 July 2000, GTM purchased 30% of Société Européenne de Nettoyage (SEN) from Sita. At the same time, it was agreed that GTM would purchase an additional 20% of that company as follows: 15% on 31 December 2001 and 5% on 31 December 2002. GTM's total acquisition cost of this 50% interest amounted to €13 million.

On 30 November 2002, VINCI met the 2002 deadline in respect of the 5% interest, paying the amount of €2.3 million on behalf of GTM.

This acquisition includes a net asset guarantee amounting to €5.3 million (representing GTM's share), which expires on 31 December 2003. The guarantee did not need to be called in 2002.

Agreement with Vivendi Universal

On June 30 1997, VINCI, Vivendi Universal and Compagnie Générale de Bâtiment et de la Construction (CBC) signed an agreement relating to the acquisition of CBC shares, as well as guarantees and clauses concerning a return to financial health.

No invoice was raised by VINCI during the year ended 31 December 2002 under the terms of this agreement.

Agreement with Compagnie Générale des Eaux

VINCI sold all the Sogea Environnement shares held by its subsidiary Sogea to Compagnie Générale des Eaux. As part of the transaction, VINCI signed an agreement with Compagnie Générale des Eaux on 21 December 2000, in which it undertook not to conduct any business, either directly or indirectly, in outsourced management of water networks or wastewater systems in France for a period of five years.

In the event of VINCI breaking this undertaking, it will be required to pay Compagnie Générale des Eaux in damages and interest a sum equal to 15% of the sales (excluding VAT) generated by the contract or contracts made, with one or several legal entities, in contravention of the agreement.

No payment was made by VINCI to Compagnie Générale des Eaux in 2002 in respect of this agreement.

3. Agreement not previously authorised

We also submit our report to you on the agreement covered by Article L. 225-42 of the French Code of Commerce.

In accordance with Article L. 225-40 of this Code, we advise you that this agreement was not authorised in advance by the Board of Directors of your Company.

We are required, based on the information provided to us, to communicate to you the principal terms and conditions of this agreement and also the circumstances in which authorisation was not obtained. It is not our responsibility to express an opinion on the usefulness or appropriateness of the agreement. It is your responsibility, pursuant to Article 92 of the Decree of 23 March 1967, to assess the merits of this agreement for the purpose of approving it.

Agreement with Soficot

Directors concerned: Mr Bernard Huvelin and Mr Serge Michel

On 28 September 2001, VINCI signed an agreement with Soficot concerning the study and analysis of investment projects proposed to VINCI Innovation and also sale proposals in respect of subsidiaries and businesses of VINCI. The contract is for three years, renewable by tacit agreement, and provides for the payment of a monthly fee of €21,200 (excluding VAT), together with the reimbursement of expenses and travelling costs approved by VINCI.

VINCI charged in its 2001 and 2002 accounts €42,400 and €254,400 (excluding VAT) respectively.

This contract which, by oversight, was not authorised in advance was approved by the Board of Directors at its meeting on 5 March 2003.

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

Report of the Statutory Auditors on the reduction of capital stock through the cancellation of shares

(Ninth resolution)

As the Statutory Auditors of VINCI, and in accordance with the terms of the assignment provided for by Article 225-209, subsection 4, of the French Code of Commerce in the event of a reduction in capital stock through the cancellation of repurchased shares, we hereby submit our report to advise you of our understanding of the reasons for and conditions of the capital reduction envisaged.

We conducted our review in accordance with professional standards applicable in France. Those standards require us to plan and perform our work so as to examine whether the reasons for and conditions of the capital reduction envisaged are in order. This transaction is part of your Company's programme to repurchase its own shares up to a maximum of 10% of its capital stock in accordance with the provisions of Article 225-209, subsection 4, of the French Code of Commerce. Moreover, this authorisation is proposed to your Shareholders Meeting in its seventh resolution, to be valid for a period of 18 months as of the date of this meeting, and cancelling and replacing the authorisation granted by the Ordinary and Extraordinary Shareholders Meeting of 6 June 2002 in its eleventh resolution.

Your Board of Directors requests that you entrust it, for a period of 18 months, with the task of implementing the authorisation to purchase the Company's own shares, with a view to cancelling the shares purchased, in one or several stages, up to a maximum of 10% of the capital stock, and by successive rolling periods of 24 months.

We have no comments to make on the reasons for and conditions of the capital reduction proposed, bearing in mind that the reduction can only be effected in the event of the prior approval by the VINCI Shareholders Meeting of the repurchase of its own shares.

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

Special report of the Statutory Auditors on the grant of stock subscription options and stock purchase options to employees and/or executive directors

(Tenth resolution)

As the Statutory Auditors of VINCI, and in accordance with the provisions of Article L. 225-177 of the French Code of Commerce and Article 174-19 of the Decree dated 23 March 1967, we hereby submit our report on the grant of stock subscription options and stock purchase options to employees and/or executive directors.

Your Board of Directors is responsible for the preparation of a report on the reasons for the grant of stock subscription options and stock purchase options and also on the terms and conditions proposed for determining the subscription or purchase price. Our role is to express an opinion on the terms and conditions proposed for determining the subscription or purchase price.

We conducted our review in accordance with professional standards applicable in France. Those standards require us to plan and perform our work so as to verify that the terms and conditions proposed for determining the subscription or purchase price are mentioned in the report of the Board of Directors, that they are in conformity with legislative provisions, are expressed so as to clarify the position for shareholders, and that they do not appear manifestly inappropriate.

We have no comments to make on the terms and conditions proposed.

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

Supplementary report of the Statutory Auditors on the capital increase reserved for employees under the Group Savings Scheme

(Decision taken by the Board of Directors on 6 June 2002)

As the Statutory Auditors of VINCI, and in accordance with the provisions of Article 155-2 of the Decree dated 23 March 1967, we hereby submit the supplementary report to our report of 30 October 2001 on the issuing of shares reserved for VINCI employees under the Group Savings Scheme, authorised by your Ordinary and Extraordinary Shareholders Meeting of 12 December 2001.

That Shareholders Meeting entrusted your Board of Directors with setting out and implementing the terms and conditions of the share issue.

In application of the powers thereby vested in it, your Board of Directors decided, at its meeting on 6 June 2002, to issue new shares reserved for VINCI employees under the France Castor Group Savings Scheme. The amount of the capital increase will correspond to the nominal value of shares actually subscribed by group employees. For this operation, the subscription period runs from 1 September 2002 to 31 December 2002.

The subscription price is set at 80% of the average opening prices quoted at the twenty Paris stock exchange sessions preceding 6 June 2002, i.e. €55.75, representing a nominal value of €10 and €45.75 in additional paid-in capital.

This operation shall not exceed 10% of the Company's capital stock on the day the Board of Directors made its decision, for all capital stock increases carried out since the Ordinary and Extraordinary Shareholders Meeting of 12 December 2001 as part of the issuing of shares reserved for VINCI employees participating in the Group Savings Scheme.

We have verified that the terms and conditions of the operation are in conformity with the authorisation given by the Ordinary and Extraordinary Shareholders Meeting of 12 December 2001 and with the information provided to that meeting, and we have no comment to make on the subject.

We have also verified the information provided in the supplementary report of the Board of Directors on the choice of components used to calculate and set the issue price, and we have also verified the figures provided in that report, performing the work we considered necessary according to professional standards applicable in France.

The figures provided in the report were taken from the consolidated financial statements at 31 December 2002, which we have audited.

In our opinion, the figures taken from the Company's financial statements and the information given in the supplementary report of the Board of Directors give a true and fair view of its financial position.

We have no comments to make on the proposal to cancel preferential subscription rights, on which you decided earlier, or on the choice of the components used to calculate and set the issue price.

We have no comments to make as to the presentation of the impact that the issue could have on the shareholders' position, as assessed with respect to shareholders' equity and the value of the share on the Paris stock exchange.

Paris and Neuilly sur Seine, 13 June 2002
The Statutory Auditors

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

Supplementary report of the Statutory Auditors on the capital increase reserved for employees of foreign subsidiaries under the Group Savings Scheme

(Decision taken by the Board of Directors on 6 June 2002)

As the Statutory Auditors of VINCI, and in accordance with the provisions of Article 155-2 of the Decree dated 23 March 1967, we hereby submit the supplementary report to our report of 30 October 2001 on the issuing of shares reserved for employees of foreign subsidiaries of the VINCI group under the Group Savings Scheme, authorised by your Ordinary and Extraordinary Shareholders Meeting of 12 December 2001.

That Shareholders Meeting entrusted your Board of Directors with setting out and implementing the terms and conditions of the share issue.

In application of the powers thereby vested in it, your Board of Directors decided, at its meeting on 6 June 2002, to issue new shares reserved for VINCI employees under the Group Savings Scheme. The amount of the capital increase will correspond to the nominal value of shares actually subscribed by group employees. For this operation, the subscription period will end on 31 December 2002, at the latest.

– For those countries where the principles of a discount and of an employer lump sum contribution are recognised, the subscription price is set at 80% of the average opening prices quoted at the twenty Paris stock exchange sessions preceding 6 June 2002, i.e. €55.75, representing a nominal value of €10 and €45.75 in additional paid-in capital.
– For certain other countries, the subscription price is set at the average of the opening prices quoted at the twenty Paris stock exchange sessions preceding 6 June 2002, i.e. €69.68. In respect of these countries, the absence of a discount and of an employer lump sum contribution may be compensated for at a later date by the grant of bonus shares to be issued for the benefit of employees of these subsidiaries. This potential compensation will be restricted to the gross amount of the discount and employer lump sum contribution awarded to employees of the French and/or foreign subsidiaries concerned by the preceding clause.

This operation shall not exceed 10% of the Company's capital stock on the day the Board of Directors made its decision, for all capital stock increases carried out since the Ordinary and Extraordinary Shareholders Meeting of 12 December 2001 as part of the issuing of shares reserved for VINCI employees participating in the Group Savings Scheme; the capital increase reserved for employees in the United States may nor exceed 1% of the capital stock.

We have verified that the terms and conditions of the operation are in conformity with the authorisation given by the Ordinary and Extraordinary Shareholders Meeting of 12 December 2001 and with the information provided to that meeting, and we have no comment to make on the subject.

We have also verified the information provided in the supplementary report of the Board of Directors on the choice of components used to calculate and set the issue price, and we have also verified the figures provided in that report, performing the work we considered necessary according to professional standards applicable in France.

The figures provided in the report were taken from the consolidated financial statements at 31 December 2002, which we have audited.

In our opinion, the figures taken from the Company's financial statements and the information given in the supplementary report of the Board of Directors give a true and fair view of its financial position.

We have no comments to make on the proposal to cancel preferential subscription rights, on which you decided earlier, or on the choice of the components used to calculate and set the issue price.

We have no comments to make as to the presentation of the impact that the issue could have on the shareholders' position, as assessed with respect to shareholders' equity and the value of the share on the Paris stock exchange.

Paris and Neuilly sur Seine, 13 June 2002
The Statutory Auditors

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

Supplementary report of the Statutory Auditors on the capital increase reserved for employees the Group Savings Scheme

(Decision taken by the Board of Directors on 17 December 2002)

As the Statutory Auditors of VINCI, and in accordance with the provisions of Article 155-2 of the Decree dated 23 March 1967, we hereby submit the supplementary report to our report of 30 October 2001 on the issuing of shares reserved for VINCI employees under the Group Savings Scheme, authorised by your Ordinary and Extraordinary Shareholders Meeting of 12 December 2001.

That Shareholders Meeting entrusted your Board of Directors with setting out and implementing the terms and conditions of the share issue.

In application of the powers thereby vested in it, your Board of Directors decided, at its meeting on 17 December 2002, to issue new shares reserved for VINCI employees under the France Castor Group Savings Scheme. The amount of the capital increase will correspond to the nominal value of shares actually subscribed by group employees. For this operation, the subscription period runs from 1 January 2003 to 30 April 2003.

The subscription price is set at 80% of the average opening prices quoted at the twenty Paris stock exchange sessions preceding 17 December 2002, i.e. €45.95, representing a nominal value of €10 and €35.95 in additional paid-in capital.

This operation shall not exceed 10% of the Company's capital stock on the day the Board of Directors made its decision, for all capital stock increases carried out since the Ordinary and Extraordinary Shareholders Meeting of 12 December 2001 as part of the issuing of shares reserved for VINCI employees participating in the Group Savings Scheme.

We conducted our review in accordance with professional standards applicable in France. Those standards require that we plan and perform our work so as to verify:

- The figures taken from the interim consolidated accounts at 30 June 2002 prepared by the Board of Directors in conformity with the same accounting methods and following the same presentation of the latest consolidated accounts, except for the change of method relating to the presentation of the special concession amortisation of motorway concession companies. In accordance with professional standards applicable in France, we carried out a limited review of these interim accounts;
- The conformity of the terms and conditions of the operation with the authorisation given by the Shareholders Meeting and with the information provided in the supplementary report of the Board of Directors on the choice of components used to calculate and set the issue price.

We have no comment to make on:

- The truth and fairness of the figures taken from the Company's financial statements and the information given in the supplementary report of the Board of Directors;
- The conformity of the terms and conditions of the operation with respect to the authorisation given by the Ordinary and Extraordinary Shareholders Meeting of 12 December 2001 and with the information provided to that meeting;
- The proposal to cancel preferential subscription rights, on which you decided earlier, the choice of components used to calculate and set the issue price, and its definitive amount;
- The presentation of the impact that the issue could have on the shareholders' position, as assessed with respect to shareholders' equity and the value of the share on the Paris stock exchange.

Paris and Neuilly sur Seine, 20 December 2002
The Statutory Auditors

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

Supplementary reports of the Board of Directors

Supplementary report of the Board of Directors on the capital increase reserved for employees under the Group Savings Scheme

This supplementary report has been drawn up in accordance with Article 155-2 of Decree No 67-236 dated 23 March 1967.

Under the terms of the fourteenth resolution of the Ordinary and Extraordinary Shareholders Meeting of 12 December 2001, you authorised the Board of Directors to issue shares, on one or several occasions, over a five-year period, to be subscribed exclusively by the employees of VINCI and/or its subsidiaries under the Group Savings Scheme established at the initiative of the company.

The Board of Directors has decided to issue new shares with a nominal value of €10 each under the following conditions:

- For the next operation, the subscription period will run from 1 September 2002 and terminate on 31 December 2002. Shares, to be subscribed through the Accueil mutual fund, will be fully paid up on subscription, registered in named accounts and qualify for dividends as of 1 January 2002;
- The subscription price has been set at 80% of the average opening prices quoted at the twenty Paris stock exchange sessions preceding 6 June 2002, being €55.75, comprising €10 nominal value and €45.75 of additional paid-in capital. The amount of the capital increase will therefore be limited to the nominal value of shares subscribed through the mutual fund;
- After the operation, the Board of Directors will ensure that, in compliance with the provisions of the fourteenth, fifteenth and sixteenth resolutions of the Ordinary and Extraordinary Shareholders Meeting of 12 December 2001 and of the sixteenth resolution of the Ordinary and Extraordinary Shareholders Meeting of 6 June 2002, the mutual funds have not together subscribed, after that date, to capital increases representing more than 10% of the company's capital stock. The increase in capital for employees resident in the United States may not exceed 1% of the capital stock;
- The maximum number of shares that could be issued on the basis of the capital stock on 31 May 2002 is as follows:

	Number of shares	%
Capital stock on 31 May 2002	85,425,775	100.0
Maximum authorisation granted by the Ordinary and Extraordinary Shareholders Meeting of 12 Dec. 2001	8,542,577	10.0
Shares issued since 12 Dec. 2001	905,878	1.1
Maximum number of shares that could be issued	**7,636,699**	**8.9**

This issue is concurrent with that reserved for employees of subsidiaries outside France. The limit for subscription of 10% of the company's capital stock is cumulative and applies to the two mutual funds together.

These figures will be adjusted for changes in the capital stock.

The impact of issuing the maximum 7,636,699 shares is as follows:

- A shareholder with a 1% holding of VINCI capital stock who does not subscribe to the capital increase would see his or her interest reduced to 0.92% of the capital stock:

	VINCI Number of shares	Shareholder Number of shares	%
Capital stock on 31 May 2002	85,425,775	854,257	1.00
Maximum increase authorised	7,636,699	—	
Capital stock after issue	**93,062,474**	**854,257**	**0.92**

- Consolidated shareholders' equity at 31 December 2001, related to the total shares outstanding on 31 May 2002, amounts to €27.77 per share. For a shareholder who does not subscribe to the capital increase, this figure would amount to €30.07:

	Number of shares (at 31 May 2002)	Shareholders' equity €K	Amount per share in €
Consolidated shareholders' equity at 31 December 2001 (before allocation of earnings for the period)	85,425,775	2,372,700	27.77
Maximum increase authorised	7,636,699	425,746	55.75
Shareholders' equity after issue	**93,062,474**	**2,798,446**	**30.07**

- Given the issue price and volume, the operation should not have a significant impact on the share's market value.

The Board of Directors
6 June 2002

Supplementary report of the Board of Directors on the capital increase reserved for employees of subsidiaries outside France under the Group Savings Scheme

This supplementary report has been drawn up in accordance with Article 155-2 of Decree No 67-236 dated 23 March 1967. Under the terms of the fourteenth and fifteenth resolutions of the Ordinary and Extraordinary Shareholders Meeting of 12 December 2001, you authorised the Board of Directors to issue shares, on one or several occasions, over a five-year period, to be subscribed exclusively by the employees of VINCI and/or its subsidiaries under the Group Savings Scheme established at the initiative of the company.

The Board of Directors has decided to issue new shares with a nominal value of €10 each under the following conditions:

- For the next operation, the subscription period will terminate on 31 December 2002, at the latest. Shares will be fully paid up on subscription, registered in named accounts and qualify for dividends as of 1 January 2002;
- For countries where the principles of a discount and an employer lump sum contribution are recognised, the subscription price has been set at 80% of the average opening prices quoted at the twenty Paris stock exchange sessions preceding 6 June 2002, being €55.75, comprising €10 nominal value and €45.75 of additional paid-in capital. The amount of the increase in capital will therefore be limited to the nominal value of shares subscribed through the VINCI Actionnariat International mutual fund;
- For a number of other countries, the subscription price has been set at 80% of the average opening prices quoted at the twenty Paris stock exchange sessions preceding 6 June 2002, being €69.68, with the absence of discount and employer lump sum contribution in these countries where necessary being offset by the grant of bonus shares in favour of the employees of these subsidiaries, up to the limit of the gross benefit awarded to employees of French subsidiaries and/or employees of subsidiaries outside France to which the provisions of the previous clause are applicable;
- After the operation, the Board of Directors will ensure that, in compliance with the provisions of the fourteenth, fifteenth and sixteenth resolutions of the Ordinary and Extraordinary Shareholders Meeting of 12 December 2001 and of the sixteenth resolution of the Ordinary and Extraordinary Shareholders Meeting of 6 June 2002, the mutual funds have not together subscribed, after that date, to capital increases representing over 10% of the company's capital stock. The increase in capital for employees resident in the United States may not exceed 1% of the capital stock;
- The maximum number of shares that could be issued on the basis of the capital stock on 31 May 2002 (i.e. the maximum impact by reference to the alternative option provided, which depends on the regulations applicable) was as follows, bearing in mind that this issue is concurrent with that reserved for employees of French subsidiaries and also that the limit for subscription of 10% of capital stock applies to the combined subscriptions of the two mutual funds:

At a price of €55.75

	Number of shares	%
Capital stock on 31 May 2002	85,425,775	100.0
Maximum authorisation granted by the Ordinary and Extraordinary Shareholders Meeting of 12 Dec. 2001	8,542,577	10.0
Shares issued since 12 Dec. 2001	905,878	1.1
Maximum number of shares that may be issued	**7,636,699**	**8.9**
of which the maximum number that may be issued in the United States	***854,257***	***1.0***

At a price of €69.68 and grant of free bonus shares

	Number of shares	%
Capital stock on 31 May 2002	85,425,775	100.0
Maximum authorisation granted by the Ordinary and Extraordinary Shareholders Meeting of 12 Dec. 2001	8,542,577	10.0
Shares issued since 12 Dec. 2001	905,878	1.1
Maximum number of shares that may be issued, including free bonus shares	**7,636,699**	**8.9**
Maximum number of shares that may be issued	**6,363,916**	**7.4**
Maximum number of free bonus shares that may be issued	**1,272,783**	**1.5**

These figures will be adjusted for changes in the capital stock.

The impact of issuing the maximum 7,636,699 shares, depending on the circumstances:

- A shareholder with a 1% holding of VINCI capital stock who does not subscribe to the capital increase who would see his or her interest altered to the following percentage amounts:

	VINCI Number of shares	Shareholder Number of shares	%
Capital stock at 31 May 2002	85,425,775	854,258	1.00
Maximum increase authorised	7,636,699	–	
Capital stock after issue	**93,062,474**	**854,258**	**0.92**

- Consolidated shareholders' equity as at 31 December 2001, related to the total shares outstanding on 31 May 2002, amounts to €27.77 per share. For a shareholder who does not subscribe to the capital increase, this amount would be altered as follows:

At a price of €55.75

	Number of shares (at 31 May 2002)	Shareholders' equity €K	Amount per share in €
Consolidated shareholders' equity at 31 Dec. 2001 (before allocation of earnings for the period)	85,425,775	2,372,700	27.77
Maximum increase authorised	7,636,699	425,746	55.75
Shareholders' equity after issue	**93,062,474**	**2,798,446**	**30.07**

At a price of €69.68 and allocation of free bonus shares

	Number of shares (at 31 May 2002)	Shareholders' equity €K	Amount per share in €
Consolidated shareholders' equity at 31 Dec. 2001 (before allocation of earnings for the period)	85,425,775	2,372,700	27.77
Maximum increase authorised	7,636,699	443,463	58.07
Shareholders' equity after issue	**93,062,474**	**2,816,163**	**30.26**

- Given the issue price and volume, the operation should not have a significant impact on the share's market value.

The Board of Directors
6 June 2002

Supplementary report of the board of Directors on the capital increase reserved for employees under the Group Savings Scheme

This supplementary report has been drawn up in accordance with Article 155-2 of Decree No 67-236 dated 23 March 1967.

Under the terms of the fourteenth resolution of the Ordinary and Extraordinary Shareholders Meeting of 12 December 2001, you authorised the Board of Directors to issue shares, on one or several occasions, over a five-year period, to be subscribed exclusively by the employees of VINCI and/or its subsidiaries under the Group Savings Scheme established at the initiative of the company.

The Board of Directors has decided to issue new shares with a nominal value of €10 each under the following conditions:

- For the next operation, the subscription period will run from 1 January 2003 to 30 April 2003. Shares, to be subscribed through the Castor Relais 2003-1 mutual fund – the intention being that this fund will merge with the VINCI Actionnariat mutual fund upon completion of the capital increase - will be fully paid up on subscription, registered in named accounts and qualify for dividends as of 1 January 2003;
- The subscription price has been set at 80% of the average opening prices quoted at the twenty Paris stock exchange sessions preceding 17 December 2002, being €45.95, comprising €10 nominal value and €35.95. The amount of the increase will therefore be limited to the nominal value of shares subscribed through the mutual fund;
- After the operation, the Board of Directors will ensure that, in compliance with the provisions of the fourteenth, fifteenth and sixteenth resolutions of the Ordinary and Extraordinary Shareholders Meeting of 12 December 2001 and of the sixteenth resolution of the Ordinary and Extraordinary Shareholders Meeting of 6 June 2002, the mutual funds have not together subscribed, after that date, to capital increases representing over 10% of the company's capital stock;
- The maximum number of shares that could be issued on the basis of the capital stock on 30 November 2002 was as follows:

	Number of shares	%
Capital stock on 30 Nov. 2002	85,947,960	100.0
Maximum authorisation granted by the Ordinary and Extraordinary Shareholders Meeting of 12 Dec. 2001	8,594,796	10.0
Shares issued since 12 Dec. 2001	1,137,494	1.3
Maximum number of shares that may be issued	**7,457,302**	**8.7**

These figures will be adjusted for changes in the capital stock.

The impact of issuing the maximum 7,457,302 new shares is as follows:

• A shareholder with a 1% holding of VINCI capital stock who does not subscribe to the capital increase would see his or her interest reduced to 0.92% of the capital stock:

	VINCI Number of shares	Shareholder Number of shares	%
Capital stock on 30 Nov. 2002	85,947,960	859,480	1.00
Maximum increase authorised	7,457,302	–	
Capital stock after issue	**93,405,262**	**859,480**	**0.92**

• Consolidated shareholders' equity at 30 June 2002, related to the total shares outstanding on 30 November 2002, amounts to €28.95 per share. For a shareholder who does not subscribe to the capital increase, this figure would amount to €30.31:

	Number of shares (at 30 Nov. 2002)	Shareholders' equity €K	Amount per share in €
Consolidated shareholders' equity at 30 June 2002	85,947,960	2,488,300	28.95
Maximum increase authorised	7,457,302	342,663	45.95
Shareholders' equity after issue	**93,405,262**	**2,830,963**	**30.31**

• Given the issue price and volume, the operation should not have a significant impact on the share's market value.

The Board of Directors
17 December 2002

Resolutions submitted for approval to the Shareholders Meeting

Presentation of the resolutions

Approval of the financial statements

The first items on the agenda concern the approval of the consolidated financial statements (first resolution) and of the financial statements of the parent company (second resolution) for the year ended 31 December 2002, the appropriation of net income and payment of a dividend of €1.80 (third resolution), the approval of the regulated agreements presented in the Special Report of the Statutory Auditors (fourth resolution) and final discharge to the Board of Directors for management actions taken during 2002 (fifth resolution).

Appointment of a director

We propose that you appoint as director Mr François David, Chairman and Chief Executive Officer of Coface (sixth resolution).

Share buy-back programme

In the seventh resolution, we propose that you authorise the Board of Directors, in compliance with the provisions of Article L. 225-209 of the French Code of Commerce, to buy back up to 10% of the shares making up the capital stock. The shares purchased by VINCI may be distributed to holders of securities giving rights to company shares, distributed as payment or by way of exchange, used to stabilise the market price of the stock, used to purchase or sell shares in response to movements on the stock market, allocated as part of stock purchase option plans, or cancelled. The maximum price for the buy-back of shares is set at €80 a share. The minimum price for selling the shares is set at €50 per share in respect of those shares not allocated to cover the share purchase option plans. The maximum amount authorised by the Shareholders Meeting for the buy-back of shares is set at €700 million. This authorisation is granted for a period of 18 months.

Issuance of ordinary bonds and other securities

In the eighth resolution, it is proposed that you renew for five years the authorisation given to the Board of Directors to issue all debt instruments, in particular bonds and other securities, up to a maximum nominal amount of €1.5 billion.

Delegation to the Board of Directors of the power to reduce the capital stock through the cancellation of stock held in treasury

Under the terms of the ninth resolution, we propose, in accordance with the provisions of Article L. 225-209 of the French Code of Commerce, that you authorise the Board of Directors to cancel, at its own initiative, shares acquired by virtue of authorisations given to the company to buy back its own shares, with a view to reducing its capital stock. The number of shares thus cancelled cannot exceed 10% of the capital stock over successive rolling periods of 24 months. The validity of this authorisation is set at 18 months.

Delegation to the Board of Directors of the power to put in place stock option subscription or purchase plans for employees and/or executive directors

Under the terms of the tenth resolution, we propose that you renew the authorisation given to the Board of Directors to allocate to the employees and executive directors of the VINCI group option plans to subscribe or purchase the company's stock. Stock options are a good means of increasing holders' loyalty by interesting them in the management of their company, thus improving their personal motivation. The number of purchase options likely to be allocated cannot, at any time, lead to the company holding a number of shares exceeding 10% of the capital stock. The number of subscription options likely to be allocated cannot pertain to a number of shares to subscribe exceeding 5% of the number of shares making up the capital stock. The issue or purchase price of the shares cannot be set at below 80% of the average prices quoted during the 20 stock market sessions preceding the day of the meeting of the Board of Directors during which the options are allocated. It should be added that, in regard to purchase options, the purchase price of the share on the day when the options are allocated may not be below the average purchase price of the shares already held by the company. This authorisation is granted for a period of 38 months.

Resolutions requiring the approval of the Ordinary Shareholders Meeting

First resolution

Approval of the 2002 consolidated financial statements

The Shareholders Meeting, having taken note of the Board of Directors' report on the management of the group and the Statutory Auditors' report on the 2002 consolidated financial statements, hereby approves the operations of and the consolidated financial statements for the year ended 31 December 2002, as submitted to it, establishing net income after minority shareholders at **€477,770,000.**

Second resolution

Approval of the 2002 financial statements of the parent company

The Shareholders Meeting, having taken note of the Board of Directors' report and the Statutory Auditors' general report, hereby approves the operations of and the financial statements for the year ended 31 December 2002, as submitted to it. In particular, it approves the amount of non-deductible charges (Article 39.4 of the French General Tax Code) mentioned in the Report of the Board of Directors.

Third Resolution

Appropriation of net income for the 2002 financial year

The Shareholders Meeting notes that net income for 2002 amounts to **€338,138,252.48** and hereby approves the appropriation proposed by the Board of Directors to:

- distribute €141,679,204.20 to shareholders;
- allocate the balance, namely €196,459,048.28 to retained earnings.

Consequently, the net dividend to be paid with respect to each of the 78,710,669 shares qualifying for a dividend on 1 January 2002 comes to €1.80. A 50% tax credit, i.e. €0.90, is added to this dividend, giving a total of €2.70 per share. Based on current legislation and depending on the status of the shareholder, the tax credit may be reduced to 10%, i.e. €0.18, giving total income per share of €1.98. The dividend will be payable as of 27 June 2003.

The Shareholders Meeting notes that on 22 February 2003 the capital stock was made up of **82,910,368** shares divided as follows:

- 78,710,669 shares with no restrictions as to the rights attached and qualifying for dividends on 1 January 2002;
- 4,199,699 shares held in treasury by the Company.

Should the Company hold a number other than 4,199,699 of its own shares on the day the dividend becomes payable, the sum corresponding to the dividends not paid, or paid, on these shares will be added to, or deducted from, retained earnings, as the case may be.

In accordance with legal provisions, it is noted that the dividends for 1999, 2000 and 2001 were as follows:

Year	Number of qualifying shares	Net dividend	Tax credit	Total income
1999	36,933,365	€1.60	€0.80 or €0.64*	€2.40 or €2.24*
2000	73,399,020	€1.65	€0.825 or €0.4125*	€2.4750 or €2.0625*
2001	77,208,271	€1.70	€0.85 or €0.255*	€2.55 or €1.955*

* Depending on the status of the shareholder.

Fourth resolution

Approval of the Special Report of the Statutory Auditors

The Shareholders Meeting, having heard the Special Report of the Statutory Auditors on agreements covered by Article L. 225-38 and subsequent articles of the French Code of Commerce, hereby approves the Special Report and the agreements mentioned therein.

Fifth resolution

Discharge of the Board of Directors' liability

Having approved the parent company and consolidated financial statements for the year ended 31 December 2002, the Shareholders Meeting gives final discharge to the Board of Directors for management actions taken up to the end of 2002.

Sixth resolution

Appointment of a Director

The Shareholders Meeting, ruling on the basis of the requisite quorum and majority conditions for an Ordinary Shareholders Meeting, and having taken note of the proposition of the Board of Directors, appoints Mr François David as a Director of the company for a six-year term expiring at the Shareholders Meeting convened to approve the financial statements for 2008.

Seventh resolution

Delegation to the Board of Directors of the power to allow the Company to purchase its own shares

The Shareholders Meeting, having taken note of the Board of Directors' report and of the information notice certified by the COB, hereby authorises the Board of Directors, in compliance with the provisions of Article L. 225-209 of the French Code of Commerce, to purchase up to 10% of the shares making up the capital stock. The Shareholders Meeting specifies that the 10% limit is currently calculated on the basis of the number of shares that make up the capital stock on the date of the present Shareholders Meeting, and that, at a later date during the period in which the present authorisation remains valid, it will be calculated on the basis of the number of shares that actually make up the capital stock at the time. The Shareholders Meeting hereby decides that treasury shares can, in order of priority, be:

- distributed to holders of securities giving rights to Company shares through redemption, conversion, exchange, presentation of a warrant or through any other means;
- distributed in payment of or in exchange for shares in other companies as part of acquisitions;
- used to stabilise the market price of the share by undertaking transactions that systematically seek to counteract the share price trend;
- used to purchase or sell shares in response to movements on the stock market;
- allocated to employees and/or senior executives of VINCI group companies as part of stock purchase option plans;
- cancelled as part of the Company's financial policy, subject to the approval of the ninth resolution by the present Shareholders Meeting.

The maximum price authorised by the Shareholders Meeting for the purchase of shares is set at €80 a share. The minimum price for selling the shares is set at €50 per share in respect of those shares not allocated to cover the share purchase option plans from which certain group employees and senior executives benefit. In the case of shares allocated to these plans, the selling price is to be the price at which the options granted may be exercised, between €33.70 and €63.65 per share.

The Shareholders Meeting delegates to the Board of Directors the power to adjust the share purchase or sale price in the event of a financial transaction concerning the Company. In particular, in the event of a capital increase through the capitalisation of reserves and the distribution of bonus shares, the prices defined above shall be adjusted on the basis of a multiple equal to the ratio between the total number of shares before and after the transaction.

The maximum amount authorised by the Shareholders Meeting for the purchase of shares is set at €700 million. The shares may be acquired, sold, transferred or exchanged through any means on or off the market, including through block transactions or the use of derivatives, notably through the sale of put options or the issue of negotiable warrants. Block transactions can represent an unlimited percentage of the share buy-back programme. The transactions may take place at any time, including during a takeover bid, in compliance with legal provisions in force.

The Shareholders Meeting gives full powers to the Board of Directors, with the ability to delegate, to place all purchase orders on the market, sign all divestment or transfer contracts, enter into all agreements, carry out adjustments in accordance with Articles 174-1 and 174-9-A of the decree dated 23 March 1967 concerning the purchase of shares for a price exceeding the stock exchange price, make the necessary statements and carry out all formalities.

The present authorisation is granted for a period of 18 months beginning on the day of the present Shareholders Meeting. It cancels and replaces the authorisation contained in the eleventh resolution adopted by the Ordinary and Extraordinary Shareholders Meeting of 6 June 2002.

Eighth resolution

Authorisation given to the Board of Directors to issue all types of securities, notably bonds and bond equivalents

The Shareholders Meeting, ruling on the basis of the requisite quorum and majority conditions for an Ordinary Shareholders Meeting and having taken note of the Board of Directors' report, hereby authorises the Board of Directors to issue all types of securities, notably bonds and bond equivalents, such as redeemable or perpetual subordinated notes, representing a maximum total of €1.5 billion or the equivalent in any other currency or monetary unit based on a basket of currencies. The Shareholders

Meeting authorises the Board to exercise this power at its own initiative, in France or abroad, when and to the extent it deems appropriate. The issue or issues may be denominated in euros or in any other currency or monetary unit based on a basket of currencies and may include a mortgage security or any other guarantee. The Shareholders Meeting authorises the Board to determine the characteristics, yield and terms of the issue.
The Shareholders Meeting gives full powers to the Board of Directors, including the right to subdelegate, to carry out the issue or issues and to determine the terms and characteristics of the securities as it sees fit. The securities may notably offer a fixed or a variable coupon and a fixed or variable redemption premium above par value, said premium being added to the €1.5 billion ceiling. Securities issued in a currency other than the euro are included in the issue ceiling, based on the currency's exchange rate on the day of the issue.
The present authorisation is granted for a period of five years beginning on the day of the present Shareholders Meeting. It cancels and replaces the authorisation granted by the first resolution adopted by the Ordinary and Extraordinary Shareholders Meeting of 12 December 2001.

Resolutions requiring the approval of the Extraordinary Shareholders Meeting

Ninth resolution

Delegation to the Board of Directors of the power to reduce the capital stock through the cancellation of shares held in treasury

The Shareholders Meeting, having taken note of the Board of Directors' report and the Special Report of the Statutory Auditors and in accordance with the provisions of Article L. 225-209 of the Code of Commerce, hereby authorises the Board of Directors to cancel, at its own initiative, once or in several stages, shares acquired by virtue of authorisations given to the Company to purchase its own shares, with a view to cancelling some or all of those shares. The number of shares thus cancelled cannot exceed 10% of the capital stock over successive rolling periods of 24 months.
The Shareholders Meeting hereby sets the duration of this authorisation at 18 months as from the date of this Shareholders Meeting. The Shareholders Meeting confers full powers on the Board of Directors, including the right to subdelegate to the Chairman of the Board, to make all the decisions necessary to effect the share cancellation and reduction, assign the difference between the share's purchase price and its nominal value to the reserve category of its choice, including to additional paid-in capital, to sign all the documents, undertake all the formalities and make all the statements necessary for the finalisation of capital reductions carried out by virtue of this authorisation and to make the necessary changes to the corporate statutes. The present resolution cancels and replaces the twelfth resolution adopted by the Ordinary and Extraordinary Shareholders Meeting of 6 June 2002.

Tenth resolution

Delegation to the Board of Directors of the power to issue share purchase or subscription warrants for Company employees and/or senior executives, in compliance with the provisions of Article L. 225-177 and subsequent articles of the French Code of Commerce

The Shareholders Meeting, ruling on the basis of the requisite quorum and majority conditions for an Extraordinary Shareholders Meeting and having taken note of the Board of Directors' report and the Special Report of the Statutory Auditors, hereby:
• authorises the Board of Directors, in compliance with Article L. 225-177 and subsequent articles of the French Code of Commerce,

to grant options giving rights to subscribe new VINCI shares issued as part of a capital increase, or existing VINCI shares purchased by the Company under the conditions specified by law, to employees and/or senior executives of VINCI group companies in France or abroad or of groups related to the VINCI group, as per the conditions defined in Article L. 225-180 of the French Code of Commerce and as defined by the Board of Directors;

• limits the total number of options granted as follows:
  – the allocation of stock purchase options may not result in the Company holding more than 10% of capital stock on the date the Board grants the options.
  – total stock subscription options granted may not open rights to over 5% of capital stock on the date the Board grants the options.

• grants the present authorisation for a period of 38 months beginning on the day of the present Shareholders Meeting.

• decides that, in compliance with the law, the issue price or the purchase price of the shares must be at least equal to 80% of the average opening share price over the 20 trading days prior to the date of the Board Meeting that grants the options. Furthermore, in compliance with Articles L. 225-208 and L. 225-209 of the French Code of Commerce, in the case of stock purchase options, the exercise price on the day the option is granted must be at least equal to the average price paid by the Company for the shares in its possession on the day the options are granted.

• decides that the options must be exercised within ten years as of the day they are granted;

• notes that the present authorisation requires that shareholders expressly renounce their preferential subscription rights to the shares that will be issued as the options are exercised and that they add the resulting capital increases to the capital increases authorised by the thirteenth, fourteenth and sixteenth resolutions of the the Ordinary and Extraordinary Shareholders Meeting of 12 December 2001.

The Shareholders Meeting gives full power to the Board of Directors within the limits defined above to:

• define the conditions in which the options are granted; determine the modalities governing dividend rights, and, if necessary, the right to sell the underlying shares, bearing in mind that these modalities may include clauses prohibiting the sale of all or part of the shares over a given period, that may not, however, exceed three years as from the day the option is exercised; add any clause or make any modification as needed;

• establish the list of beneficiaries from the above-mentioned categories;

• determine the conditions under which the price and number of shares may be adjusted, notably according to the hypothetical situations described in Articles 174-8 to 174-16 of decree no. 67-236 dated 23 March 1967;

• define the period(s) during which the options thus granted may be exercised;

• anticipate the possibility of temporarily suspending the exercise of options for a period of three months at most in the event of financial transactions that involve the exercise of rights attached to the shares;

• carry out, directly or by delegation, all of the formalities for the successful initiation and conclusion of the issues made by virtue of this resolution, modify the corporate statues as needed and do all that is necessary;

• at its own initiative, allocate the costs of a capital increase to share premium and deduct from the premium the amount needed to maintain the legal reserve at 10% of capital stock after each share increase.

The Shareholders Meeting notes that capital stock will increase as share subscription options are exercised and new shares subscribed. This will occur automatically whenever an option exercise statement is filed and the underlying shares are fully paid up, either in cash or through a deduction from funds owed by the Company to the option holder. At the first Board Meeting following the end of the previous financial year, the Board of Directors, or the Chairman by delegation, will take stock, if necessary, of the number and price of shares issued during the previous financial year as a result of options exercised and will modify the corporate statutes accordingly.

Eleventh resolution

Authority to carry out formalities

The Shareholders Meeting hereby gives full authority to the bearer of a copy or extract of the minutes of this Ordinary and Extraordinary Shareholders Meeting to make all the registrations and publications required by law.

General information about the Company

1. A brief history of the VINCI group

Société Générale d'Entreprises, now called VINCI, was created in 1908 with the assets of Giros et Loucheur, a company founded in 1899 by Alexandre Giros and Louis Loucheur. SGE experienced strong growth in the years preceding World War I. It contributed to France's defence during the war and to the country's reconstruction afterwards. In the twenties and thirties, SGE's main source of growth was electrical power, but the nationalisation of the company's electrical power assets in 1946 forced it to redeploy in building and civil engineering. In the post-war decades, SGE became the leader in France in civil engineering.

In 1966, the group became part of Compagnie Générale d'Electricité (now called Alcatel). In 1970, it moved into motorway concessions and was one of the founders of Cofiroute, which was set up to finance, build and operate the A10 (Paris-Orléans) and A11 (Paris-Le Mans) motorways. In 1982, when SGE was focused mainly on the French market, it merged with Sainrapt-et-Brice, a company specialised in prestressed concrete with a very active export business.

In 1984, Compagnie de Saint-Gobain became the group's majority shareholder and launched a wide-ranging restructuring process: SGE became a holding company, whose main subsidiary Sogea resulted from the merger of SGE-BTP and Saint-Gobain's construction business. With the acquisition of Bourdin-Chaussé in 1977 and Cochery in 1982, roadworks became SGE's second-largest business. Electricité Saunier Duval (now called SDEL), Tunzini and Wanner Isofi formed its third core business (electrical power and air conditioning).

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 (building and maintenance).

The year 1997 was marked by large-scale operations between SGE and its majority shareholder. SGE transferred its household waste treatment business and most of its water distribution and property development activities to Compagnie Générale des Eaux. In exchange, the latter transferred electrical contracting activities 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 and information, roads and construction) and continued its acquisitions programme, targeting businesses with recurring income and high value added. 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 International and Menard Soltraitement, Freyssinet became the world leader in geotechnical engineering.

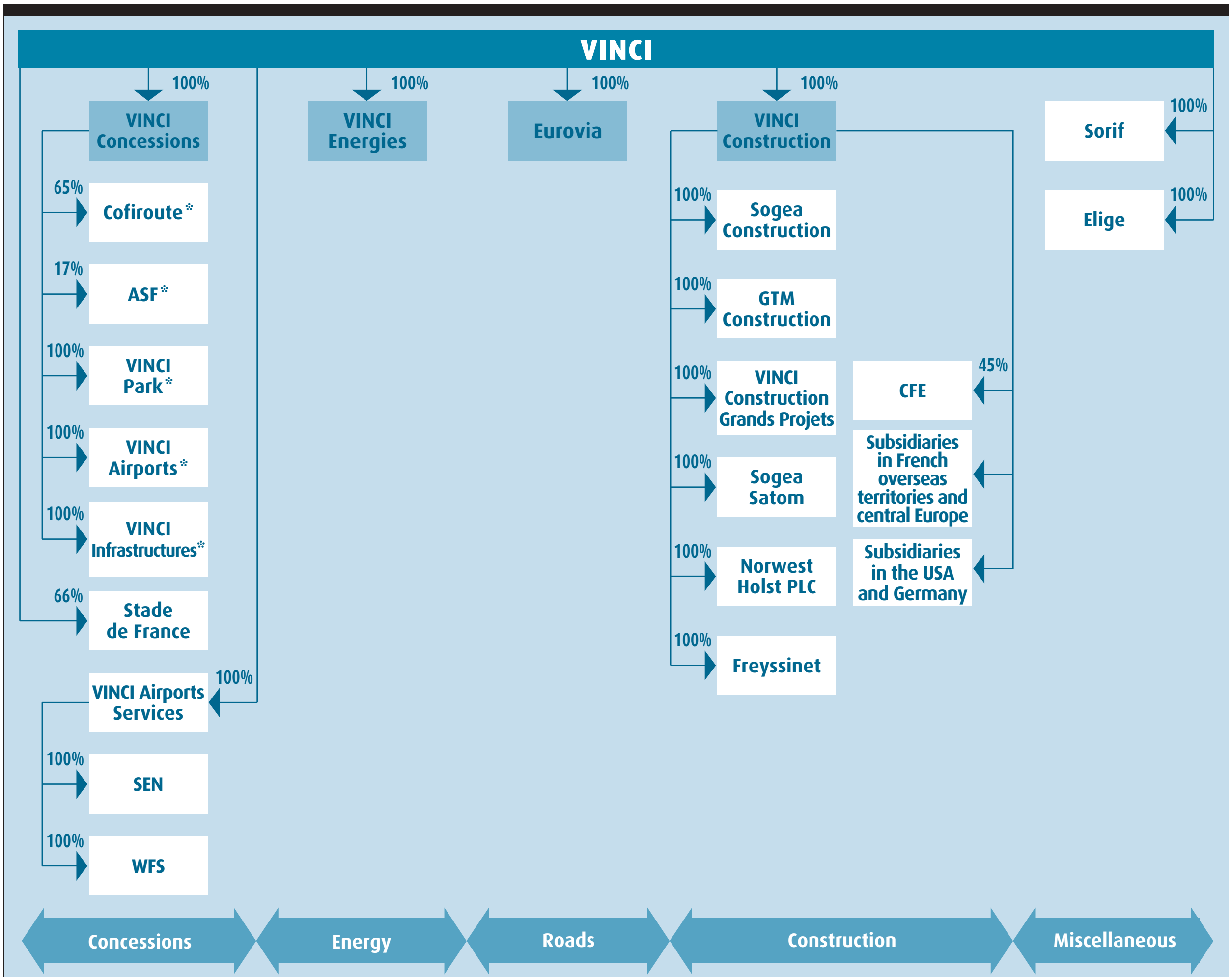
SGE became independent in 2000. In February of that year, Vivendi Universal (formerly Compagnie Générale des Eaux) sold most of its shares in SGE to institutional investors, keeping only 17% of the capital stock. In May, SGE changed its name to VINCI. In July, VINCI launched a share-funded takeover bid on GTM, and the subsequent merger of VINCI with GTM in December gave rise to the world leader in concessions, construction and related services.

In 2001, Vivendi Universal and Suez, GTM's former majority shareholder, both withdrew almost entirely from VINCI's capital. VINCI continued to grow, acquiring WFS, a world leader in airport support services, and TMS, an Austrian company specialising in automated manufacturing systems for the automotive industry. In the wake 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 motorway concession company Autoroutes du Sud de la France (ASF) 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.

2. Organisation chart

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



* See list of concessions on page 17.

3. Corporate name and statutes

Corporate name: VINCI

Registered office: 1 cours Ferdinand-de-Lesseps, 92851 Rueil-Malmaison Cedex, France

Type of company: French public limited company ("Société Anonyme") with a Board of Directors

Legal provisions: French legislation

Date of formation: 1 July 1908

Legal term of existence: The initial duration was set at 99 years and was extended by another 99 years on 21 December 1979. The date of expiry is thus 21 December 2078, unless the term of existence is extended once again or the company is liquidated at an earlier date

Financial period: From 1 January to 31 December of each year

Registration number: RCS 552 037 806 Nanterre – Siret no. 552 037 806 00585 – Code NAF: 74.1J

Inspection of documents: Legal documents relating to VINCI are available for inspection at its registered office and at the Clerk's Office of the Nanterre Commercial Court

Corporate purposes (Article 2 of the corporate statutes)

"The Company has the purpose of:

- Undertaking all forms of civil engineering: in particular, development of the goodwill originally contributed by Sainrapt-et-Brice and continuation of the business of that company, specialising in all types of underground works, foundations, hydraulics and reinforced concrete; and
- More generally, all industrial, commercial, financial, securities and property operations directly or indirectly related to the purposes specified above.

The company may carry out these operations in mainland France, in overseas French departments and territories, as well as outside France, either alone, or in partnership, on a trading basis, or in any other form whatsoever, either directly, or indirectly through transfer, leasing arrangements or under licence, either on a brokerage or commission basis.

In addition, it may implement any measures, either alone or by any other means, create any partnerships or companies, make any contributions in kind to existing companies, merge or enter into alliances with them, subscribe, purchase and resell any shares or other corporate rights, take all orders and extend any loans, credits and advances."

Statutory appropriation of income (from Article 19 of the corporate statutes)

"A legal reserve fund is constituted at the end of each financial year, on the basis of at least 5% of the income for that year, after deduction of any previous year's losses. This ceases to be obligatory when the reserve fund reaches an amount equal to 10% of the capital stock. This process is to resume when the reserve falls below this 10% level.

The income available for distribution consists of the income for the year (after deduction of previous years' losses as well as any amounts set aside in reserves in application of the law or corporate statutes) and retained earnings.

The Shareholders Meeting allocates the following from this distributable income:

- Any amounts considered by the Board of Directors as appropriate for constituting or supplementing any ordinary or special reserves, or for carrying over to the next year as retained earnings;
- The amount required for distribution to shareholders by way of a first dividend, equal to 5% of the amounts of their fully paid and acquired shares. Shareholders cannot, however, claim this dividend against the income of subsequent years, should the income of a given year be insufficient for the dividend payment;
- The balance available after these allocations is distributed in respect of all shares, in proportion to the amount of the capital stock they represent.

Following a proposal from the Board of Directors, the Shareholders Meeting may decide to distribute amounts taken from available reserves. In such a case, the decision must indicate the specific reserves from which the amounts are to be taken.

Except in the case of a capital decrease, a distribution to shareholders cannot be made if the shareholders' equity is (or would be following such a distribution) less than the amount of the capital stock plus any reserves whose distribution is not permitted under the law or corporate statutes.

The conditions for payment of dividends agreed by the Shareholders Meeting are determined by the Shareholders Meeting or, failing that, by the Board of Directors. The payment of dividends must occur within nine months of the year-end, unless this deadline is extended by a Court decision.

The Shareholders Meeting may offer each shareholder, for all or for part of the dividend or interim dividend distributed, the choice between payment in cash and payment in shares."

Shareholders Meetings (from Articles 8 and 17 of the corporate statutes)

"Shareholders meetings are called and take place under the conditions set out in prevailing legislation and regulations. The meetings are held either at the registered office or at another location specified in the notice of the meeting.

All shareholders may, regardless of the number of shares they own, participate in meetings personally or by proxy, on producing evidence of their identity and shareholding in the form of either:

- A personal registration of the shares in their own name; or
- For bearer shares, a certificate from an authorised intermediary, as provided for in Decree no. 83-359 of 2 May 1983, declaring that the shares remain unavailable for trading up until the date of the meeting.

These formalities must be completed at least two days before the meeting. However, the Board of Directors may shorten or remove this deadline, provided any such decision applies to all shareholders.
Individual shareholders can also attend the Shareholders Meeting by videoconference or by other means involving telecommunications, subject to the conditions and restrictions set out by legislative and regulatory provisions in force, provided the Board of Directors authorises this at the time the meeting is convened. Shareholders attending in these circumstances are considered present and are included in the calculation of the quorum and the majority.
Postal votes are treated under the terms and conditions set out in legislative and regulatory provisions. Shareholders may send proxy forms and postal votes for every Shareholders Meeting by mail, under the conditions set out in legislative and regulatory provisions, or by fax, if the Board of Directors authorises this in the notice of the meeting.
Shareholders Meetings are chaired by the Chairman of the Board of Directors or, in his or her absence, by the Vice-Chairman of the Board of Directors, if a Vice-Chairman has been designated, or by a member of the Board of Directors specifically appointed by the Board of Directors to that effect.
Failing that, the Shareholders Meeting elects its own Chairman.
The minutes of the Shareholders Meetings are drawn up and the copies thereof are certified and delivered in compliance with legislative and regulatory provisions in force."
"In addition to the voting right attached to it under the law, each share also gives the right to a proportion (on the basis of the number and nominal value of outstanding shares) of the Company's assets, earnings and liquidating dividends."

Statutory threshold provisions (from Article 10b of the corporate statutes)

"In addition to the obligations relating to declaration thresholds set out in paragraph 1 of Article L. 233-7 of the Code of Commerce, any individual or legal entity, acting alone or in concert, who comes to hold or ceases to hold a proportion of the capital stock, voting rights or securities giving future access to the Company's capital stock, equal to or greater than 2%, or a multiple thereof, including a multiple exceeding the reporting threshold as defined by legislative and regulatory provisions in force, must inform the company within 15 days starting with the date of crossing one of these thresholds of the total number of shares, voting rights or securities giving future access to the Company's capital stock, that it holds on its own account directly or indirectly, or in concert.
Failure to meet this obligation will be sanctioned by the loss of the voting rights attached to the shares exceeding the undeclared proportion, at any Shareholders Meeting held within two years of the date of the due notification provided for above. This sanction is applied if so requested by one or several shareholders holding at least 5% of the Company's capital stock and if the request is entered in the minutes of the Shareholders Meeting."

Shareholder identification (from Article 10b of the corporate statutes)

"The Company is entitled to ask the securities clearing body, under the conditions defined by the regulations in force, for the name, nationality and address of individuals or legal entities holding securities that confer, now or in the future, voting rights at Shareholders Meetings; for the number of securities held by each individual or legal entity; and, where applicable, for the restrictions attached to the securities."

4. General information concerning VINCI capital stock

All changes in capital stock or in the rights attached to the shares are subject to general legal provisions. The corporate statutes do not provide for additional conditions (except as regards capital thresholds, see above).
Subscribed capital: On 31 December 2002, VINCI capital stock amounted to €828,733,670, divided into 82,873,367 shares, each with a nominal value of €10 and fully paid-up. On 31 January 2003, following capital increases due to the exercise of stock options and to the group savings scheme, VINCI capital stock amounted to €828,784,480 divided into 82,878,448 shares. VINCI shares are registered or bearer shares and can be traded freely.

Movements in capital stock over five years

	Date of decision by Board or Shareholders Meeting	Capital increase/ (reduction) (in €)	Additional paid-in capital from contributions or mergers (in €)	Number of shares issued	Capital stock in number of shares	Capital stock (in €)
Contribution of GTIE and Santerne shares	**30/01/97**	**122,991,660**	**108,522,053**	**9,491,440**	**39,865,616**	**516,585,288**
GSS	**01/04/97**	**518,404**		**40,006**	**39,905,622**	**517,103,692**
GSS	**18/06/97**	**2,603,827**		**200,941**	**40,106,563**	**519,707,519**
GSS and options exercised	**04/03/98**	**2,809,188**	**576,421**	**216,789**	**40,323,352**	**522,516,707**
Position at 31 Dec. 1997					**40,323,352**	**522,516,707**
GSS and options exercised	02/09/98	9,792,266	3,345,407	755,683	41,079,035	532,308,973
GSS and options exercised	08/10/98	3,839,090	2,086,686	296,268	41,375,303	536,148,063
GSS and options exercised	09/03/99	1,457,198	1,558,231	112,454	41,487,757	537,605,261
Position at 31 Dec. 1998					**41,487,757**	**537,605,261**
Conversion of capital stock into euros	10/05/99	1,735,580	—	—	41,487,757	539,340,841
Share cancellations	10/05/99	(26,967,200)	(57,564,299)	(2,074,400)	39,413,357	512,373,641
GSS and options exercised	07/09/99	6,448,468	6,584,987	496,036	39,909,393	518,822,109
GSS and options exercised	11/01/00	3,873,883	4,434,029	297,991	40,207,384	522,695,992
GSS	08/03/00	697,307	1,064,734	53,639	40,261,023	523,393,299
Position at 31 Dec. 1999					**40,261,023**	**523,393,299**
Options exercised	08/03/00	457,158	497,697	35,166	40,296,189	523,850,457
GSS and options exercised	03/10/00	9,413,651	16,181,243	724,127	41,020,316	533,264,108
GTM shares exchanged	03/10/00	476,391,084	1,639,884,693	36,645,468	77,665,784	1,009,655,192
Options exercised	08/03/01	616,213	804,681	47,401	77,713,185	1,010,271,405
Merger with GTM	19/12/00	12,728,352	75,273	979,104	78,692,289	1,022,999,757
Reduction of nominal value from €13 to €10	19/12/00	(236,076,867)	236,076,867	—	78,692,289	786,922,890
GSS and options exercised	08/03/01	4,623,120	14,465,459	462,312	79,154,601	791,546,010
Position at 31 Dec. 2000					**79,154,601**	**791,546,010**
Options exercised	08/03/01	654,270	1,064,407	65,427	79,220,028	792,200,280
GSS and options exercised	14/05/01	1,073,430	1,862,954	107,343	79,327,371	793,273,710
GSS and options exercised	05/06/01	11,490,510	40,211,962	1,149,051	80,476,422	804,764,220
GSS and options exercised	27/09/01	4,488,970	13,440,444	448,897	80,925,319	809,253,190
Merger with Sogeparc	12/12/01	2,447,880		244,788	81,170,107	811,701,070
Merger with Sogepag	12/12/01	123,400		12,340	81,182,447	811,824,470
Options exercised	17/12/01	784,490	1,450,703	78,449	81,260,896	812,608,960
GSS	09/01/02	14,821,760	60,695,107	1,482,176	82,743,072	827,430,720
GSS and options exercised	25/01/02	1,368,390	5,614,537	136,839	82,879,911	828,799,110
Position at 31 Dec. 2001					**82,879,911**	**828,799,110**
GSS and options exercised	12/03/02	16,179,780	63,873,321	1,617,978	84,497,889	844,978,890
GSS and options exercised	06/06/02	9,278,860	36,453,399	927,886	85,425,775	854,257,750
GSS and options exercised	18/09/02	3,542,010	11,303,008	354,201	85,779,976	857,799,760
GSS and options exercised	17/12/02	1,111,800	5,580,049	111,180	85,891,156	858,911,560
Capital reduction	17/12/02	(30,835,930)	(164,629,763)	(3,083,593)	82,807,563	828,075,630
Options exercised	05/03/03	658,040	100,158	65,804	82,873,367	828,733,670
Position at 31 Dec. 2002					**82,873,367**	**828,733,670**
Options exercised	05/03/02	50,810	71,155	5,081	82,878,448	828,784,480
Position at 31 Jan. 2003					**82,878,448**	**828,784,480**

Authorisations granted to the Board of Directors to carry out financial transactions

The following authorisations include authorisations that the Board of Directors currently has or are to be submitted to the Shareholders General Meeting for approval:

	Date of Shareholders Meeting granting authorisation	Date of expiry	Maximum increase of capital stock (nominal value)
Issuance of bonds or other debt securities	14/05/03 (1) (Eighth resolution)	14/05/08	€1,500 million
Capital increase through capitalisation of reserves	06/06/02 (Fifteenth resolution)	06/06/07	(2)
Issuance of marketable securities, with or without warrants, maintaining shareholders' preferential subscription rights	06/06/02 (Thirteenth resolution)	06/08/04	€600 million (3) (shares) €1,500 million (4) (debt securities)
Issuance of marketable securities, with or without warrants, with no preferential subscription rights for shareholders	06/06/02 (Fourteenth resolution)	06/08/04	€600 million (3) (shares) €1,500 million (4) (debt securities)
Capital increase reserved for employees of VINCI and its subsidiaries under group savings schemes	12/12/01 (Fourteenth and fifteenth resolutions)	12/12/06	10% of capital (5) (6)
Capital increase reserved for employees of VINCI subsidiaries in the United States under group savings schemes	06/06/02 (Sixteenth resolution)	06/06/07	1% of capital (6) (7)
Capital increase reserved for a financial institution under group savings schemes for employees of VINCI and its subsidiaries	12/12/01 (Sixteenth resolution)	12/12/03	10% of capital (6)
Stock subscription or purchase option plans	14/05/03 (1) (Tenth resolution)	14/07/06	5% of capital (8)
Share buy-back	14/05/03 (1) (Seventh resolution)	14/11/04	€700 million 10% of capital
Capital reduction	14/05/03 (1) (Ninth resolution)	14/11/04	10% of capital over a period of 24 months

(1) Second notice.
(2) Total amount of reserves that may be capitalised.
(3) The amounts are not cumulative; €600 million is the ceiling for the two resolutions combined.
(4) The amounts are not cumulative; €1,500 million is the ceiling for the two resolutions combined.
(5) Capital increases initiated before 6 June 2002 and those made in December 2001 and January 2002 under the leveraged savings scheme Castor Avantage are not taken into account in the ceiling.
(6) The amounts are not cumulative; 10% is the maximum ceiling for all four resolutions combined.
(7) This specific 1% ceiling is included in the general 10% ceiling for increases in capital stock in connection with saving schemes.
(8) Subscription options: the number of options granted by virtue of this authorisation cannot result in the creation of more than 5% of capital stock on the date the Board grants the options. Purchase options: the number of options granted cannot result in the purchase by VINCI of more than 10% of capital stock on the date the Board grants the options.

Potential capital

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

At 31 January 2003, the conversion of all bonds into new shares and the exercise of all stock subscription options would lead to the creation of 22,167,074 VINCI shares, which would dilute the VINCI capital by 27%.

At 31 Dec. 2003	Total shares	% of capital
Capital stock	**82,878,448**	–
OCEANE bond issue, July 2001	5,750,000	6.9%
OCEANE bond issue, April 2002	5,558,334	6.7%
Subscription options	10,858,740	13.1%
Total	*22,167,074*	*26.7%*
Diluted capital	**105,045,522**	–

OCEANE bond issues

There have been two issues of OCEANE bonds:

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

This issue was the subject of a prospectus approved by the COB on 11 July 2001 (reference number 01-954).

• In April 2002, VINCI issued 5,538,334 bonds convertible into and/or exchangeable for new and/or existing shares (OCEANE bonds) for €500 million The bonds carry a 2% coupon and will be fully redeemed on 1 January 2018 at €125.46, representing 139.40% of the issue price (€90). The bonds can be converted at any time on the basis of one VINCI share for one bond. As at 31 January 2003, no bond had been converted.

The issue was the subject of a prospectus approved by the COB on 23 April 2002 (reference number 02-432).

Stock options

Please refer to the special report by the Board of Directors on stock subscription or purchase options on page 100.

Breakdown of capital stock and voting rights

At 31 January 2003, there were 78,678,749 voting rights for 82,878,448 shares. There were no double voting rights.

To the company's knowledge, at 31 January 2003 the breakdown of VINCI shares and voting rights was as follows:

Capital stock	31/01/2003 Number of shares	31/01/2003 as %	31/12/2002 as %	31/12/2001 as %	31/12/2000 as %
Suez	0	0.0	0.0	0.0	17.1
Vivendi Environnement	1,551,294	1.9	1.9	8.2	8.6
Treasury stock	4,199,699	5.1	5.1	8.6	7.3
Employees (GSS)	7,503,889	9.1	9.1	7.0	4.2
Mobil Oil France	0	0.0	0.0	1.1	1.2
Other	69,623,566	83.9	83.9	75.1	61.6
Total	**82,878,448**	**100**	**100**	**100**	**100**

Voting rights	31/01/2003 Number of voting rights	31/01/2003 as %	31/12/2002 as %	31/12/2001 as %	31/12/2000 as %
Suez	0	0.0	0.0	0.0	18.4
Vivendi Environnement	1,551,294	2.0	2.0	9.0	9.3
Treasury stock	0	0.0	0.0	0.0	–
Employees (GSS)	7,503,889	9.6	9.6	7.6	4.5
Mobil Oil France	0	0.0	0.0	1.2	1.3
Other	69,623,566	88.4	88.4	82.2	66.5
Total	**78,678,749**	**100**	**100**	**100**	**100**

The total number of VINCI shareholders is estimated at 117,000, of which 74,000 individual shareholders accounting for 9% of capital, plus 40,000 employees with shares through the Castor and Castor Avantage group savings schemes accounting for 9.1% of capital. At 31 January 2003, VINCI had 835 shareholders registered directly and 456 registered through nominees.
To the company's knowledge, there is no shareholders' agreement.The main events that resulted in changes in the breakdown of VINCI's capital stock and voting rights over the last three years are as follows:

Withdrawal of Vivendi Universal and Suez

• In February 2000, Vivendi Universal sold 13 million VINCI shares through a private placement with institutional investors, thereby reducing its interest in the company from 49.2% to 16.9%. The GTM exchange offer diluted Vivendi Universal's interest in the company to 8.6% and it continued its withdrawal in February 2001 by issuing bonds redeemable in VINCI shares (maturing in March 2006, with a redemption value of €88.81) in respect of its entire remaining shareholding. Vivendi sold 5.266 million shares in July 2002, reducing its interest in VINCI to 1.55 million shares or 1.9% of capital stock at 31 January 2003. The remaining shares are held by Vivendi Environnement subsidiary Dalkia.

• In early October 2000, after the GTM exchange offer, Suez, which was GTM's majority shareholder, became VINCI's largest shareholder, with 23.7% of the capital. Suez then reduced its interest to 17.1% by selling three million shares to institutional investors in October 2000 and two million shares to VINCI as part of the latter's share buy-back programme in December 2000. In April 2001, Suez further reduced its interest to 5% by selling 8.5 million shares to institutional investors and one million shares to VINCI. It also issued bonds redeemable in VINCI shares (maturing in November 2003, with a redemption value of €80.79). By 31 December 2001, Suez had divested all of its VINCI shares, including the three million shares held to cover the conversion of bonds into VINCI shares. It bought two million shares in May 2002 as partial coverage of its bonds. These shares were sold at the end of 2002.

Employee shareholders

The Castor savings scheme, which was opened to employees of British and German subsidiaries in early 2001 and to employees in other countries in 2002, and the leveraged savings scheme Castor Avantage launched in December 2001, were again successful in 2002. The percentage of capital held by employees increased from 7% on 31 December 2001 to over 9% on 31 January 2003. Employees are VINCI's largest shareholder group.

Share buy-backs

At 31 December 2001, VINCI held 7,083,390 of its own shares in treasury. Under the share buy-back plan renewed in 2002, VINCI acquired 691,690 additional shares in 2002 and sold 491,788 shares over the same period, as options granted to senior executives and employees of VINCI were exercised. At 31 January 2003, following a capital reduction by cancellation of 3,083,593 shares, VINCI held 4,199,699 of its own shares in treasury to cover stock options granted to senior executives or other employees. The Shareholders Meeting convened to approve the financial statements for 2002 will be asked to renew the authorisation granted to the Board of Directors to buy back shares (see seventh resolution, page 175). The new share buy-back programme will be described in detail in a prospectus that will be submitted to the COB for approval. If approved, the purpose of the programme will be, in order of importance, to:

• Distribute shares to holders of securities with rights to company shares attached, through redemption, conversion, exchange, presentation of a warrant, or any other means, upon the exercise of these rights;
• Distribute shares as payment, or in an exchange offer, particularly during acquisitions;
• Stabilise the stock's price by undertaking transactions that systematically seek to counteract the share price trend;
• Purchase or sell shares in response to movements on the stock market;
• Distribute shares to senior executives or other employees as part of stock option plans;
• Cancel shares acquired under the buy-back programme, within the framework of VINCI's financial policy.

VINCI shares

VINCI shares are listed on the Paris stock exchange and are included in the CAC 40, Euronext 100, DJ Stoxx and Next Prime indexes.

Changes in the stock price and in trading volumes over the last 24 months were as follows (source: Euronext Paris):

		Average [1] (in €)	High [2] (in €)	Low [2] (in €)	Transactions [3] (in number of shares)	Value of transactions [3] (in €m)
2001	January	62.90	67.15	59.00	3,765,178	236.2
	February	64.00	66.90	56.30	6,012,161	373.2
	March	66.53	70.60	62.40	7,869,500	527.9
	April	66.88	70.00	63.50	7,928,339	529.1
	May	70.19	73.50	66.20	5,655,039	394.3
	June	72.97	76.00	69.05	8,621,485	628.2
	July	73.62	75.90	69.85	5,991,065	439.8
	August	69.33	73.00	65.00	9,990,464	685.0
	September	63.28	69.10	55.40	8,792,097	552.0
	October	64.37	67.00	60.80	7,265,604	464.3
	November	65.23	67.45	61.85	7,056,957	459.4
	December	63.76	66.10	61.75	5,478,882	349.1
2002	January	66.30	70.00	61.30	5,915,061	392.0
	February	70.94	72.45	68.50	5,535,371	392.5
	March	72.02	74.90	69.55	9,890,565	714.2
	April	72.24	74.80	70.40	14,723,892	1,065.6
	May	70.16	72.75	66.20	12,740,721	894.5
	June	68.36	71.20	65.05	14,290,362	973.8
	July	64.04	68.90	55.35	16,617,968	1,070.2
	August	60.20	63.90	55.75	8,731,194	525.2
	September	62.85	65.75	58.70	9,759,124	612.1
	October	59.12	62.65	55.75	12,432,658	734.9
	November	58.43	60.25	56.10	7,492,674	437.0
	December	54.87	58.60	52.20	9,572,736	524.4
2003	January	55.60	58.85	53.00	12,433,495	696.0

(1) Average of the closing prices. (2) Price during trading sessions. (3) Excluding divestments by Vivendi Universal and Suez.

See also "Share price data and shareholder base", pages 58 to 60.

5. Employee profit-sharing and Group Savings Schemes

The Castor group savings scheme, established on 1 January 1995, is designed to allow employees to participate in the formation of a collective portfolio of VINCI shares by subscribing to reserved capital increases at a 20% discount on the stock price. Castor is funded by employee profit-sharing and voluntary contributions, supplemented by a contribution from the company of up to €1,900 a year per employee.

Castor has been open to the employees of VINCI's French subsidiaries, ever since it was created. Almost half of those employees have participated to date, with an average holding of over €5,500 at 31 January 2003.

The plan was offered to employees of subsidiaries in Germany and the UK in 2001, and to employees of three other countries (Morocco, the Netherlands and Austria) in 2002. Over 70 subsidiaries in these five countries participated in the international savings scheme, giving 3,300 employees the opportunity to become shareholders: more than one out of five employees decided to take advantage of that opportunity.

The second round of subscription to the Castor Avantage leveraged savings scheme took place in January 2002. Castor Avantage is offered to employees of VINCI's French subsidiaries. The plan was designed to give employees at every level the opportunity to participate. It offers subscribers:

- A leverage effect that multiplies the employee's own contribution by 10;
- A company contribution of up to €150;
- A guarantee for the employee of recovering his or her contribution;
- 25% return on investment over 5 years;
- A 72% share of capital gains realised on all shares subscribed.

The goal to widen participation has been achieved: 70% of Castor Avantage's 20,000 subscribers are non-managerial staff. The scheme resulted in the creation of 2.9 million VINCI shares (of which 1.5 million in December 2001 and 1.4 million in January 2002).

Around 40,000 employees (i.e. 30% of total) are now VINCI shareholders through the Castor plans (France and International) and Castor Avantage.

Together, they held 9.1% of capital on 31 January 2003, and are the largest VINCI shareholder group.

Group savings schemes

At 31/01/2003	Number of shares	% of capital stock
Castor France	3,475,133	4.2%
Castor France (former GTM savings scheme)	996,650	1.2%
Castor International 2002	127,361	0.2%
Castor Germany 2001	57,468	0.1%
Castor UK 2001	33,444	—
Castor Avantage	2,813,833	3.4%
Total	**7,503,889**	**9.1%**

A new mutual fund called VINCI Mix, made up of monetary securities, was introduced for employees in France but has received no subscriptions to date. During 2003, therefore, VINCI intends to offer an alternative investment solution not based on its own shares. Ten percent of the new fund will be invested in VINCI bonds and the rest of the portfolio in bonds and monetary securities. From 1 January to 31 December 2002, employee contributions, all savings plans included, totalled €52 million, versus €65.3 million in 2001 and €33.3 million in 2000. Since Castor was created in 1995, VINCI has contributed an additional €38.3 million to employee savings (after payment of CSG and CRDS taxes in France).

Employee contributions

in millions of euros	1995-1997	1998	1999	2000	2001	2002	Total
Castor (France and International)	11.7	13.7	14.2	33.3	59.1	45.9	**177.9**
Castor Avantage	—	—	—	—	6.2	6.1	**12.3**
Total	11.7	13.7	14.2	33.3	65.3	52.0	**190.2**

Net employer contribution

in millions of euros	1995-1997	1998	1999	2000	2001	2002	Total
Castor	2.0	1.2	1.4	9.7	15.2	1.4	**30.9**
Vivendi Universal Group savings scheme*	1.4	1.8	1.7	—	—	—	**4.9**
Castor Avantage	—	—	—	—	1.3	1.2	**2.5**
Total	3.4	3.0	3.1	9.7	16.5	2.6	**38.3**

* VINCI employees have not been able to participate in the Vivendi Universal group savings scheme since February 2000.

6. Mandates and functions of VINCI Directors

The following table lists the terms of office and functions exercised in 2002 by VINCI Directors, namely:
– Antoine Zacharias, Chairman and CEO of VINCI;
– Bernard Huvelin, Co-Chief Operating Officer of VINCI;
– Xavier Huillard and Roger Martin, Co-Chief Operating Officers of VINCI;
– 13 other VINCI Directors;
– François David, whose appointment is proposed to the next Shareholders Meeting.

The term of office of VINCI Directors is six years. For each Director, the years of commencement of the first term and of the end of the current term of office are given under the name, together with the number of registered shares held (in italics).

Antoine Zacharias Age: 63 • 1990-2008 *54,995*	**Chairman and CEO of VINCI** (since 1997) *Functions within VINCI:* Director of GTIE Thermique, VINCI Concessions, VINCI PLC and VINCI Park; permanent representative of VINCI on the Boards of Directors of Cofiroute and VINCI Energies; Chairman of the Supervisory Board of VINCI Deutschland; member of the Supervisory Board of G+H Montage; Vice-Chairman of the Supervisory Board of VINCI Innovation; Chairman of the Fondation d'entreprise VINCI pour la Cité. *Functions in other companies:* member of the Supervisory Boards of Nexity, Vivendi Environnement, Générale des Eaux, and Prodith; Director of Nexity Topco, Banque Saint Olive and Martiniquaise des Eaux.
Dominique Bazy Age: 51 • 1996-2008 *600*	**Chairman and CEO of UBS Holding France** Dominique Bazy is also a member of the Supervisory Boards of ATOS Origin and GrandVision.
Philippe Brongniart* Age: 64 • 2000-2006 *250*	**Director and adviser to the Chairman of Suez** Philippe Brongniart is also a Director of Ondeo, Degrémont, Elyo, Groupe Fabricom, Hisusa, Lyonnaise des Eaux France, Ondeo, Société Générale de Belgique, Sita, Sociedad General de Aguas de Barcelona, Société Monégasque de l'Electricité et du Gaz, Suez Industrial Solutions and Suez University. He is a Director and member of the Executive Board of Ondeo Nalco.
François David** Age: 61 • 2003-2009	**Chairman and CEO of Coface** François David is also Chairman and CEO of Coface SCRL Participations and Coface SCRL; Chairman of the Board of Directors of Coface Expert, Viscontea Coface; Chairman of the Supervisory Board of AKC (Allgemeine Kreditverisicherung Aktiengesellschaft Coface).
Guy Dejouany Age: 82 • 1987-1988 and 1990-2006 *3,169*	**Honorary President of Vivendi Universal** Guy Dejouany is also a Director of Vivendi Universal Publishing; member of the Supervisory Boards of Dalkia and Compagnie des Eaux et de l'Ozone; permanent representative of Vivendi Universal on the Board of Directors of UGC. He was Chairman of the VINCI Supervisory Board from 1988 to 1990, and Chairman and CEO of VINCI from 1990 to 1996.

* Philippe Brongniart resigned from the Board of Directors on 1 April 2003.
** Appointment proposed to the Shareholders Meeting.

Alain Dinin Age: 52 • 1997-2008 *335*	**Chairman of the Executive Board of Nexity** Alain Dinin is also Chairman of the Compagnie Générale d'Immobilier George V; member of the Executive Board and General Manager of Nexity Topco; member of the Executive Board of CAPSUD; Chairman and CEO of George V Gestion (until 1 October 2002), Crédit Financier Lillois, Nevalor (until 20 December 2002); Director of SARI Participations (amalgamated in February 2002); Vice Chairman of the Supervisory Board of Vivolio (until 24 June 2002); Manager of Nexity Services, CIPP GSO Services, Immobilière du Bois Vert, Critère, Macba, and SAIF. He is also the permanent representative of Anjou Services, CGI George V, CIPP GSO Services, CIPPP, Sari Investissement, SNC Anjou Services, Nexim 1, Foncier Aménagement , George V Est, George V Gestion, George V Régions, Nevalor, Nexity and SIG 30 participations in relation to the management of numerous subsidiaries of these companies.
Patrick Faure Age: 56 • 2000-2006 *875*	**Chairman of Renault Sport and Deputy General Manager of Renault** Patrick Faure is also Chairman of the Board of Directors of Renault F1 Team and Director of Cofiroute, Grigny UK, Renault Agriculture and AB Volvo.
Dominique Ferrero Age: 56 • 2000-2006 *250*	**CEO of Crédit Lyonnais** Dominique Ferrero is also a member of the Executive Board of Crédit Lyonnais; Director of AGF (since 14 May 2002), Crédit Lyonnais Capital Investissements (until 1 March 2002) and Gallimard (until 19 March 2002); member of the Supervisory Board of Atos.
Xavier Huillard Age: 49 *101,809*	**Co-Chief Operating Officer of VINCI and Chairman and CEO of VINCI Energies** Xavier Huillard is also Director of VINCI Concessions, VINCI Construction, VINCI Construction Grands Projets, VINCI Park, Fournié-Gropaud, Garczynski Traploir, Santerne, SDEL, Soletanche, GTIE Sweden AB, GTIE UK, VINCI Investments Limited, VINCI PLC; Member of the Supervisory Board of GTIE Netherlands BV; member and Chairman of the Supervisory Board of TMS ProduktionsSysteme GmbH.
Bernard Huvelin Age: 66 • 1983-1988 and 2000-2006 *56,870*	**Co-Chief Operating Officer of VINCI** *Functions within VINCI:* Chairman and CEO of Consortium Stade de France; Chairman of the Supervisory Board of VINCI Innovation; Chairman of the Board of Directors of VINCI Rueil 2000; Director of VINCI Energies, SORIF (until 5 July 2002), SORIF Investissement (until 5 July 2002), VINCI Airports, VINCI Concessions, VINCI Construction Grands Projets and VINCI Park; sole Director and Vice-Chairman of VINCI USA Holdings; Manager of SALF and Semana; permanent representative of Gepec on the Board of Directors of CBC, of Semana on the Board of Directors of Eurovia, of Snel on the Board of Directors of Elige Participations, of Sogepar on the Board of Directors of Cofiroute; of SGPF as Co-Manager of Gestion Construction Services, of VINCI on the Boards of Directors of VINCI Construction, GTIE Thermique, Transmanche EIG and Rueil 2000 SEML. *Functions in other companies:* Chairman of EGF-BTP, a professional organisation in the French construction sector; Director of Cofido, Electro Banque and Soficot.

Roger Martin Age: 60 *3,366*	**Co-Chief Operating Officer of VINCI and Chairman and CEO of Eurovia** Roger Martin is also Director of VINCI Park, VINCI Energies, VINCI Concessions, Sade-CGTH, Hubbard Construction Company, Blythe Construction Inc., Construction DJL Inc., Probisa Technologia y Construccion, Probisa Chile, Bitumix, Infra Gabon, SCEBC; Chairman of the Supervisory Board of Eurinter, Financière Eurinter, Eurovia GmbH; Chairman and CEO of Cadesa; Chairman of the Board of Directors of Hubbard Group and Gecos; Chairman of Asphaltex Holding SA; member of the Executive Board of Ringway Group Ltd; member of the Supervisory Board of VINCI Innovation, VINCI Deutschland GmbH; permanent representative of VINCI Construction on the Board of Directors of Cofiroute.
Serge Michel Age: 76 • 1984-2008 *436*	**Chairman and CEO of Soficot** Serge Michel is also Vice-Chairman of the Supervisory Board of Vivendi Environnement; Director of Eiffage; Chairman of the Supervisory Board of Segex; Chairman and CEO of CIAM and Carré des Champs Elysées; permanent representative of EDRIF on the Supervisory Board of CGE; member of the Supervisory Boards of Compagnie des Eaux de Paris and Compagnie des Eaux de Deauville; Director of VINCI Construction, DB Logistique, STBB and LCC; member of the Supervisory Board of G+H Montage; permanent representative of SARP on the Board of Directors of SARP Industries and of CEPH on the Supervisory Board of Sedibex. He is also Director of Fomento de Construcciones y Contratas, FCC Construcciones and Cementos Portland. He was Chairman and CEO of SGE (1984 to 1988), Chairman of the Executive Board of SGE (1988 to 1990) and Director of Sogea (until 12 December 2001).
Alain Minc Age: 53 • 1985-1986 and 2000-2006 *250*	**Chairman of AM Conseil and Société des lecteurs du *Monde*** Alain Minc is also Chairman of the Supervisory Board of Le Monde SA; Director of FNAC and Ingenico (until 14 November 2002); member of the Supervisory Boards of Valeo and Pinault Printemps Redoute. He was COO of SGE (1982 to 1985) and Director and COO of SGE (1985 to 1986).
Henri Proglio Age: 53 • 1997-2008 *345*	**Chairman of the Management Board of Vivendi Environnement** Henri Proglio is also Chairman and CEO of CGEA Connex, CGEA Onyx and Vivendi Water; Director of CNES, EDF International, SARP Industries, Safise, Dalkia International, Société des Eaux de Marseille, Esterra, Anjou Recherche and CREED; Chairman of the Supervisory Board of Dalkia France; member of the Supervisory Boards of Elior, SARP, CEO, CFSP and Société des Eaux de Melun; Manager of Compagnie Générale des Eaux and permanent representative of CGEA Connex and CGEA Onyx on the Boards of Directors of those companies' subsidiaries.
Henri Saint Olive Age: 59 • 2000-2006 *974*	**Chairman and CEO of Banque Saint Olive** Henri Saint Olive is also Chairman of the Supervisory Board of Saint Olive et Cie; Chairman of the Boards of Directors of Enyo and CIARL; Manager of CB Participations, CF Participations, LP Participation and Segipa; member of the Supervisory Boards of Prodith and MGA; Director of Rue Impériale de Lyon, Centre Hospitalier Saint-Joseph et Saint-Luc, Association de l'Hôpital Saint-Joseph and of companies in the Monceau group (Monceau Assurances and Groupe Monceau MAA).

Yves-Thibault de Silguy Age: 54 • 2000-2006 *250*	**Executive Vice President of Suez in charge of International Affairs and Institutional Relations** Yves-Thibault de Silguy is also Director of Ondeo, Ondeo-Degrémont, Ondeo Services, Société Générale de Belgique, Sita, CDE, EEC, Marama Niu, Socif 4 and Unelco Vanuatu; Chairman of the Board of Directors of Sino French Holding; member of the Supervisory Boards of Sofisport and Elyo; Chairman and CEO of Société Polynésienne d'Eau et d'Assainissement (SPEA), Electricité et Eaux de Calédonie, Marama Niu, and Electricité de Tahiti (EDT).
Willy Stricker Age: 60 • 2000-2006 *250*	**Chairman and CEO of CDC Ixis Private Equity** Willy Stricker is also Director of Canal+ and Pierre et Vacances; member of the Supervisory Board of Club Méditerranée.
Denis Vernoux Age: 56 • 2002-2008 *0*	**Director elected by employees** Denis Vernoux is an employee of VINCI Construction Grands Projets. He is also Chairman of the Supervisory Board of FCP VINCI Levier France and of the joint Supervisory Board of FCP VINCI Actionnariat and Castor Relais.

Individuals responsible for the annual report and for auditing the financial statements

1. Signed statement of officer responsible for the annual report

"To the best of my knowledge, the information contained in this annual report gives a true and fair view of the group. It includes all the statements necessary for investors to form an opinion of the assets, business, financial situation, financial results and prospects of VINCI. There are no omissions liable to alter the significance of those statements."
Chairman and Chief Executive Officer
Antoine Zacharias

2. Signed statement of statutory auditors

Statutory auditors

RSM Salustro Reydel
8 avenue Delcassé, 75008 Paris, France
represented by Bernard Cattenoz and Benoît Lebrun
Date of first mandate: 23 June 1989
Expiry of present mandate: subsequent to the Shareholders Meeting that will approve the financial statements for 2006.

Deloitte Touche Tohmatsu
185 avenue Charles de Gaulle, 92200 Neuilly sur Seine, France
represented by Thierry Benoit and Dominique Descours
Date of first mandate: 30 May 2001
Expiry of present mandate: subsequent to the Shareholders Meeting that will approve the financial statements for 2006.

Alternate auditors

François Pavard
8 avenue Delcassé, 75008 Paris, France
Date of first mandate: 16 June 1995
Expiry of present mandate: subsequent to the Shareholders Meeting that will approve the financial statements for 2006.

BEAS SARL
7–9 villa Houssay, 92200 Neuilly sur Seine, France
Date of first mandate: 30 May 2001
Expiry of present mandate: subsequent to the Shareholders Meeting that will approve the financial statements for 2006.

Auditors' statement

As the Statutory Auditors of VINCI, and in compliance with Regulation 98-01 of the French Securities and Exchange Commission (COB), we have audited the financial information reported in this annual report concerning the financial position and past financial statements of this Company, in accordance with professional standards applicable in France.
The Board of Directors is responsible for the preparation of the report. Our role is to express an opinion, based on our audit, as to whether this document gives a fair presentation of the company's financial position and financial statements.
We have conducted our audit in accordance with professional standards applicable in France, which require that we plan and perform the audit to obtain reasonable assurance that the information concerning the company's financial position and statements is presented fairly. An audit consists of verifying that the information is consistent with the financial statements the report is based on. It also consists of examining other information in the report to identify, if necessary, significant inconsistencies with the financial position and accounts of the company and to draw attention to clear misstatements identified on the basis of the general knowledge of the company that we have acquired in performing our assignment. This report contains no isolated forecast data determined under structured procedures.
We have audited, according to professional standards applicable in France, the parent company and consolidated financial statements for the years ended 31 December 2000, 31 December 2001 and 31 December 2002, prepared by the VINCI Board of Directors, and have no reservations to express.

Our report on the consolidated financial statements for the year ended 31 December 2002 draws attention to Note B to the accounts, which describes two changes in accounting method. These concern the presentation of special concession amortisation provided by motorway concession companies; and of deferred expenses related to site installation costs.
We have also audited the pro forma consolidated financial statements for the year ended 31 December 2000, prepared under the responsibility of the VINCI Board of Directors and presented in this document, in accordance with professional standards applicable in France. We have prepared a report on the subject in which we express no reservations.

On the basis of our audit, we have no further comments to make on the fair presentation of the financial position of the company or on the financial statements included in this annual report.

Paris and Neuilly sur Seine, 17 April 2003
The Statutory Auditors

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

3. Fees of Statutory Auditors

The fees for 2002 of the Statutory Auditors and members of their international organisations were as follows:

Audit of the parent company and consolidated accounts

	DTT network		RSM Salustro Reydel network		Others	
	Amount	%	Amount	%	Montant	%
Audit						
Statutory audits, including examination of parent company and consolidated accounts	4,967	78.07%	5,109	94.87%	3,536	71.43%
Related assignments and other audit engagements	933	14.67%	276	5.13%	710	14.34%
Subtotal	5,900	92.74%	5,385	100.00%	4,246	85.78%
Other services						
Legal, tax and social security	223	3.51%	–	0.00%	549	11.09%
Information technology	–	0.00%	–	0.00%	11	0.22%
Internal audit	–	0.00%	–	0.00%	10	0.20%
Other	239	3.76%	–	0.00%	134	2.71%
Subtotal	462	7.26%	0	0.00%	704	14.22%
Total	**6,362**	**100.00%**	**5,385**	**100.00%**	**4,950**	**100.00%**

4. Officers responsible for financial information

Christian Labeyrie, Vice-President and Chief Financial Officer, member of the Executive Committee and secretary of the Board of Directors (+33 1 47 16 48 65)
Pierre Coppey, Vice-President, Corporate Communication, Human relations and Synergies, and member of the Board of Directors (+33 1 47 16 35 41)

COB

In accordance with regulation no. 98-01, this document was filed with the COB (the French securities and exchange commission) on 4 April 2003, and an update was submitted on 17 April. It may be used in support of a financial transaction only if it is supplemented by a prospectus on the transaction officially approved by the COB.

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