Annual Report 2006




Real success is the success you share

annual report **2006** contents

Group profile

VINCI is the world's leading integrated construction and concession group[1]. Its 142,500[2] employees' task is to finance, design, build and operate infrastructure that enhances everyone's life. Examples include schools, hospitals, housing, offices, roads, bridges, urban developments, telecommunications and power transmission networks, motorway and car parks. From its beginnings, VINCI adopted an integrated concession and construction business model. It has built its growth on that model and a decentralised management structure that encourages each subsidiary to perform to its best and enables all employees to make the most of their potential. VINCI has launched a long-term economic and social responsibility programme with the aim of sharing its success with employees, clients, shareholders and the community at large.

(1) Source: ENR, December 2006
(2) Including the 4,000 employees of Soletanche Bachy, which VINCI announced it intended to acquire at the beginning of 2007

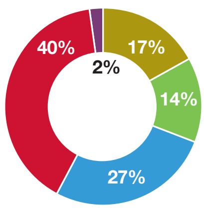
Key figures 2006

Workforce	Revenue (pro forma)	Market capitalisation
142,500*	**€26 billion**	**€25 billion**
employees worldwide		at 31 January 2007

** Including the 4,000 employees of Soletanche Bachy, for which VINCI made an acquisition proposal in 2007*

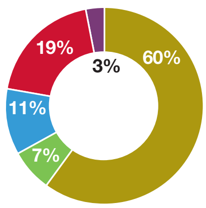
Pro forma data: full consolidation of ASF and ESCOTA from 1 January 2006

Revenue by business line



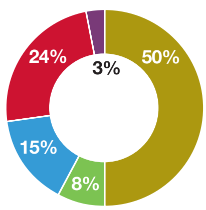
Concessions	4,292
Energy	3,654
Roads	7,235
Construction	10,617
Property	565

Operating profit from ordinary activities by business line



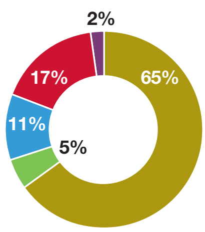
Concessions	1,580
Energy	192
Roads	288
Construction	496
Property	73

Net profit attributable to equity holders of the parent by business line



Concessions	694
Energy	111
Roads	202
Construction	342
Property	49

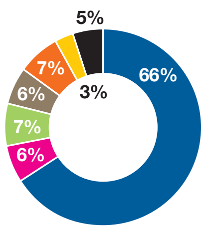
Cash flow from operations*



Concessions	2,624
Energy	229
Roads	426
Construction	680
Property	74

** Before tax and cost of debt*

Revenue by geographical area



France	17,223
Germany	1,662
United Kingdom	1,714
Central & Eastern Europe	1,704
Rest of Europe	1,710
North America	687
Rest of the world	1,332
Total	26,032

In € millions

Operations in

75 countries*

Pro forma net profit attributable to equity holders of the parent

€1.3 billion

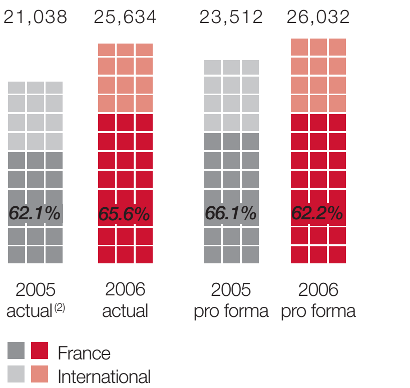
Number of projects

260,000*

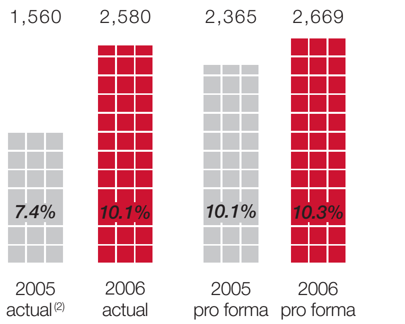
** Including Soletanche Bachy*

** Estimate of projects in progress*

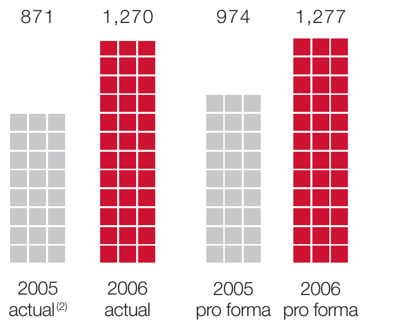
Revenue [3] **+11%** [1]



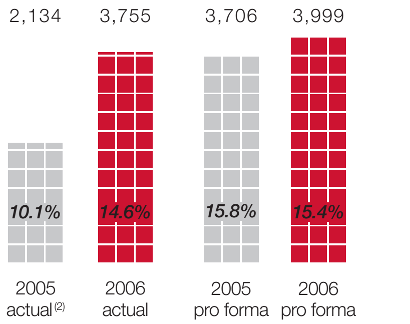
Operating profit from ordinary activities [3] **+13%** [1]



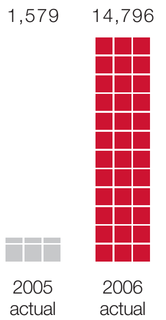
Net profit attributable to equity holders of the parent **+31%** [1]



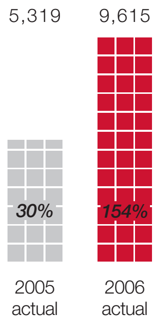
Cash flow from operations [3] [4] **+8%** [1]



Net financial debt at 31 December **€14.8** billion



Equity including minority interest



In € millions

(1) The changes indicated relate to pro forma data

(2) 2005 actual: after restatement of activities sold or discontinued in 2006
Pro forma data: full consolidation of ASF and ESCOTA from 1 January, both in 2005 and 2006
Actual data including ASF and ESCOTA from 9 March 2006, the date on which VINCI acquired control

(3) In € millions and as a percentage of revenue

(4) Before tax and cost of net financial debt

Concessions

VINCI Concessions draws on its expertise in project design, structuring, engineering, financing and turnkey contruction to build and operate transport infrastructure (motorways, bridges, tunnels, car parks and airports) under long-term concession contracts or public-private partnerships. Its dual competency of builder and concession operator is also applied to major public facilities such as the Stade de France.

Energy

VINCI Energies is market leader in France and a major player in Europe in energy and information technology services, providing the interface between equipment manufacturers and users. Operating in the energy infrastructure, manufacturing, service and telecommunications sectors, where it develops solutions that are both local and global, VINCI Energies supports its clients world-wide at every stage of their projects, from design and engineering to implementation, operation and maintenance.

Roads

Eurovia builds, renovates and maintains road and motorway infrastructure, carries out urban, industrial and retail development projects, and is expanding into complementary environmental and service business activities. Ranked among the world's leading players in roadworks and recycling, Eurovia is also the biggest producer of aggregates in France and one of Europe's major producers of roadworks materials with 210 quarries, 445 production plants and 134 recycling units.

Construction

Market leader in France[1] and a major player in the world construction market[2], VINCI Construction brings together an outstanding combination of capabilities in building, civil engineering, hydraulic engineering, multi-technical maintenance and services. With strong roots in its local markets in France, Europe and Africa through its networks of subsidiaries, VINCI Construction also plays a leading role in the world market for major design-build and specialised, technically sophisticated civil engineering projects, as well as dredging.

(1) and (2) Source: *Le Moniteur,* December 2006

Corporate governance

Board of Directors

Chairman

Yves-Thibault de Silguy
Chairman of VINCI

Directors

Dominique Bazy
Vice-Chairman Europe
UBS Investment Bank

Robert Castaigne*
Chief Financial Officer
Total

François David
Chairman and CEO
Coface

Quentin Davies
Member of Parliament
United Kingdom

Patrick Faure
Chairman
Patrick Faure et Associés

Dominique Ferrero
CEO
Natixis

Xavier Huillard
CEO
VINCI

Bernard Huvelin
Vice-Chairman
of the Board
VINCI

Jean-Bernard Lévy**
Chairman
of the Management Board
Vivendi

Henri Saint Olive
Chairman of the Board
Banque Saint Olive

Pascale Sourisse*
President of
Alcatel Alenia Space

Denis Vernoux
Design Engineer
Chairman of the Supervisory Board of Castor corporate mutual funds

Audit Committee

It advises the Board and monitors the accuracy and fair presentation of VINCI's consolidated and parent company financial statements, as well as the quality of financial information.

Composition:
- Dominique Bazy (chairman)
- Quentin Davies
- Henri Saint Olive

Strategy and Investments Committee

It helps the Board develop the Group's strategy. It examines proposed contracts, investments and divestments that could have a material impact on the Group's scope, activities, results or stock market performance.

Composition:
- Yves-Thibault de Silguy (chairman)
- François David
- Patrick Faure
- Denis Vernoux

Remuneration Committee

It proposes the terms and conditions of remuneration of company officers to the Board.

Composition:
- Quentin Davies (chairman)
- Dominique Bazy
- Patrick Faure
- Dominique Ferrero

Appointments Committee

It examines all candidacies for appointments to the Board and senior management, and expresses an opinion and/or recommendation to the Board as regards these candidacies.

Composition:
- Yves-Thibault de Silguy (chairman)
- Bernard Huvelin
- Henri Saint Olive

*Co-opted by the Board of Directors on 27 March 2007, subject to the approval of the Shareholders Meeting on 10 May 2007
** Co-opted by the Board of Directors on 27 February 2007, subject to the approval of the Shareholders Meeting on 10 May 2007

Message from the Chairman
Guaranteeing VINCI's long-term future

Yves-Thibault de Silguy
Chairman of VINCI's Board of Directors

VINCI separated the functions of chairman and chief executive officer in 2006. On 1 June, following the resignation of Antoine Zacharias, the Board of Directors designated me as chairman and confirmed Xavier Huillard in his functions as director and chief executive officer. Our complementary experience and the confidence we've built in each other in just a few months are two of the strengths that will guarantee VINCI's long-term success.

As chairman, I am responsible for ensuring good corporate governance. Accordingly, I had an audit carried out by an independent consulting firm during the second half of 2006. On the basis of the recommendations received, I decided to modernise the way the Board operates. To that end, I changed the internal rules and revised the composition of the specialist committees in order to add greater depth to their understanding of the Group's markets and strengthen their involvement in developing its strategy. In addition, in line with my commitment, I added a female director to the Board and diversified the origins and areas of competence of Board members. To keep the Board fully informed and to bring it closer to the realities on the ground and to the Group's senior executives, I convened the Board 10 times meetings following my appointment in June. The October session was held in Prague so that the directors could meet our employees in the region and see for themselves the challenges and opportunities presented by the markets of Central and Eastern Europe.

For VINCI, 2006 was a year of proving and strengthening its strategy. The rapid and successful integration of Autoroutes du Sud de la France gives greater breadth to our integrated concessions and construction model. The adoption of an ambitious three-year plan gives the markets a very clear idea of how the Group's four core businesses are going to evolve. The plan, developed under Xavier Huillard's leadership, was examined and adopted unanimously by the Board.

2006 was also the year of growth. Over the past 12 months, VINCI's internal growth was outstanding, which is reflected in the increased number of public-private partnership (PPP) projects. And there was plenty of external growth too, with takeovers at the rate of one a week. This momentum led to the acquisition of Soletanche Bachy at the beginning of 2007, which will augment VINCI's offering in special foundations and geotechnical engineering. It also led to VINCI increasing its shareholding in Cofiroute to 82.4%. The Board of Directors has every confidence in the quality of VINCI's business mix, the Group's potential for growth and the relevance of its integrated concession and construction model in a European market with immense infrastructure needs.

Lastly, VINCI's stock market performance in 2006 and the revaluation process launched early in the year – our share price increased from €72.10 on 1 June 2006 to €110 at the beginning of 2007 – bears witness to the confidence of shareholders and markets alike.
The strengthening of our principal shareholders, both French and foreign, and the increase in the number of individual shareholders are proof that they share our long-term vision. Our dividend policy, reflected in our decision to distribute 50% of the year's net profit, also makes our share more attractive. Furthermore, our employees are our biggest shareholder block, with more than 8% of the capital at 31 December 2006. Involving employees in the Group's results is a source of motivation and cohesion. It is also a source of improvements in the performance of the Group's companies and a stabilising factor for the future. We are determined to see this situation continue.

VINCI has a balanced business portfolio, a clear mission to develop as an integrated concession and construction operator, a top quality management team and 142,500 motivated employees. Thanks to these factors, and to the excellent economic climate in all its markets, VINCI's outlook is one of sustainable and profitable growth.

Yves-Thibault de Silguy

Message from the CEO
“Let’s share our success”

Xavier Huillard
Director and Chief Executive Officer

What is your overall impression of 2006?
For VINCI, 2006 was a year of both continuity and new impetus.

We see continuity in the ongoing growth momentum of our companies, which builds on the trend established in previous years. Our revenue rose 11%, mainly as a result of organic growth. Our order book reached a historic high in 2006, increasing 13% in one year. There are three things that are noteworthy about this growth. First, it is balanced: our business activity grew in all four of our business lines and in all of our markets – longstanding, new, local and global. Second, it is profitable: operating profit outpaced revenue. And lastly, it is enduring: it is part of the steady improvement in our performance year after year. All this shows that our model is effective. Our model has demonstrated its ability to weather economic downturns, and it naturally generates strong growth and profits in an economy that is buoyant over the long term, such as the one in which we are now operating.

The new impetus stems from our acquisition of Autoroutes du Sud de la France. The merger brought us back to our concession and construction model. It raised the share of our business activity generated by concessions compared with our three other major business lines – energy, roads and construction. It broadened our recurring revenue base: concessions now account for two-thirds of our cash flow. It strengthened our profile as an integrated concessions and construction operator and gave us the critical mass and new resources we need to accelerate our expansion in markets that will be bolstered over the long term by the growth of public-private partnerships.

“We intend to go full steam ahead with our economic model, which is based on our construction and concessions business lines fuelling each other.”

What is VINCI projecting in terms of growth and what role will public-private partnerships play in that growth?
Because our business has become more predictable, we can now set medium-term objectives. That’s what we did when, for the first time, we presented a three-year strategic plan. It identifies a revenue target of €30 billion for 2009 – and the €26 billion we generated in 2006 shows that we’re ahead of schedule on this.

VINCI’s plan also includes an annual objective of winning new PPP or concession projects representing a total Group-share commitment of approximately €1 billion. This sends a clear message: we intend to go full steam ahead with our economic model, which is based on our construction and concessions business lines fuelling each other. Our business environment has never been as favourable. Concessions and PPPs are now extending beyond transport infrastructure to embrace projects of all sizes and all sorts – hospitals, gendarme stations, public lighting management, etc. Whole segments of urban programmes and major public facility works are covered. This is a long-term trend that will boost all our activities and strengthen all their long-term components, especially maintenance. The new contracts we picked up in 2006 are a harbinger of things to come, and 2007 is shaping up as a promising year, with VINCI in first place on what could become the largest concession contract in the company’s history – the construction and operation of a 365 km motorway in Greece, in which the total value of construction work exceeds €2 billion.

In other words, don’t change a model that works?
Correct, especially not when the model is so closely aligned with the long-wave trends in our markets. The fundamentals that have driven VINCI’s success for the past 10 years or so are the levers of its future growth: our economic model, which we will be enhancing by continuing to expand in our four business lines; our managerial model, which gives us exceptional agility in our markets; and our management principles, which emphasise margin over volume and focus on added value and the quest for recurring revenue streams – not only in concessions, but also in our other business lines, our core businesses rooted in their local markets.

What do you think of VINCI’s advertising campaign, which includes the Manifesto that you signed?
In the Manifesto, we affirm our deep-seated conviction and our strength: we believe that long-term economic success requires ambitious human goals. At VINCI, we will always give priority to people over systems. We bank on the creativity, independent initiative and responsibility of each and every one of our employees. Because we know that long-term success must be collective, we have built openness and generosity to others into our management principles. This “human chemistry” is our stock in trade – and ultimately it gives us our competitive edge, since it is the hardest thing to copy.

In other words, the VINCI machine is forging ahead and can not be judged merely by its economic performance. That’s the message we convey in our film showing the “human bridge” and it’s the meaning of our motto “Real success is the success you share”. We want to share our success with our employees, clients, shareholders and the community at large. We are proud of being the world’s leading construction and concession group, and we intend to be worthy of that position.

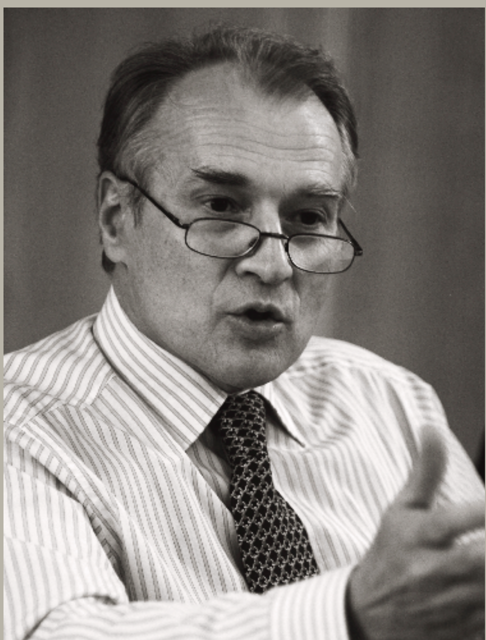
Management and Co-ordination Committee

2007 Executive Committee

The Executive Committee is responsible for managing VINCI. It met 28 times in 2006.

Roger Martin
Senior Executive Vice-President of VINCI
Chairman and CEO of Eurovia

Jacques Tavernier
Senior Executive Vice-President of VINCI
Chairman and CEO of VINCI Concessions



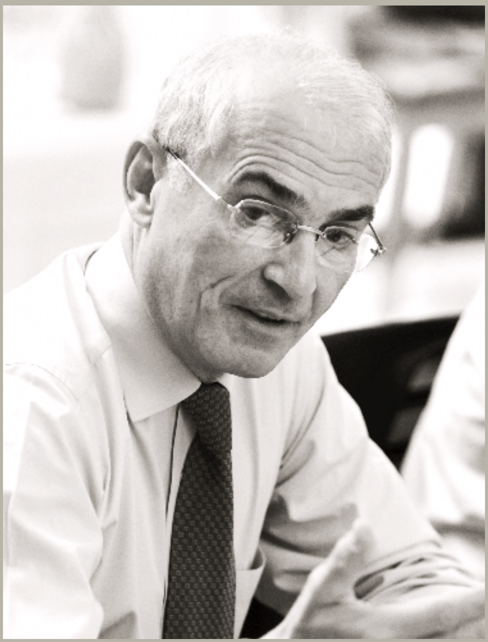
Xavier Huillard
Director and CEO
VINCI

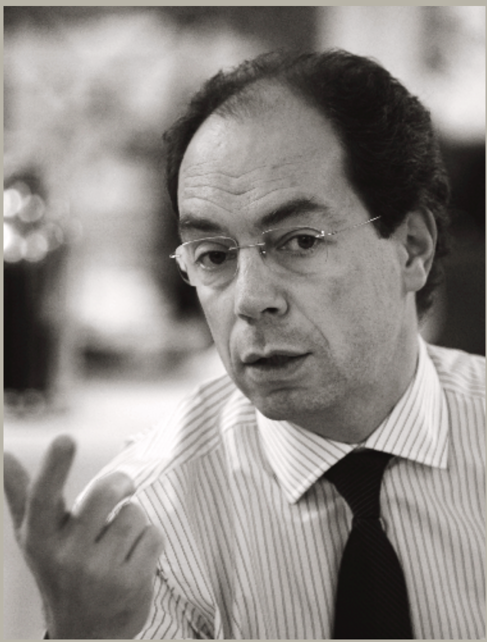
David Azéma
Co-Chief Executive Officer
VINCI Concessions

Jean-Luc Pommier
Business Development Director
VINCI

Jean-Yves Le Brouster
Chairman and CEO of VINCI Energies

Richard Francioli
Chairman of VINCI Construction





Christian Labeyrie
Executive Vice-President of VINCI,
Vice-President and Chief Financial Officer

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

Corporate management structures

The Management and Co-ordination Committee brings together the members of the Executive Committee and senior VINCI executives. Its remit is to ensure broad discussion of the company's strategy and development.

Renaud Bentegeat
Managing Director of CFE

Pierre Berger
Chairman of VINCI Construction Grands Projets

Jean-Marie Dayre
Deputy Managing Director of VINCI Energies

Bruno Dupety
Chairman of Freyssinet

Denis Grand
Chairman and CEO of VINCI Park

Robert Hosselet
Vice-Chairman of VINCI Construction France

Olivier de La Roussière
Chairman and CEO of VINCI Immobilier

Patrick Lebrun
Deputy Managing Director of VINCI Energies,
Chief Operating Officer of VINCI Assurances

Jean-Louis Marchand
Senior Executive Vice-President of Eurovia

Yves Meignié
Deputy Managing Director of VINCI Energies

Sébastien Morant
Chairman of VINCI Construction Filiales Internationales

Daniel Roffet
Exeuctive Vice-President International of Eurovia

Jean Rossi,
Chairman of VINCI Construction France

John Stanion
Chairman of VINCI PLC

Henri Stouff
Chairman and CEO of Cofiroute

Philippe Touyarot
Deputy Managing Director of VINCI Energies

Guy Vacher
Executive Vice-President France of Eurovia

Human goals

A company can only succeed if its people succeed: VINCI's commitments

The VINCI Manifesto,
which was published in the daily press in November 2006, summarises VINCI's commitments to employees and job creation. The message was then taken up in the four magazine advertisements shown on the opposite page.

At the end of 2006 and beginning of 2007, VINCI ran an original press and TV campaign in French and other European media. Through its slogan, "Real success is the success you share", VINCI expressed its ambition to pursue both economic and human goals, together and over the long term.
Accompanying the campaign's launch, VINCI published a manifesto in the daily press summarising its commitments to employees and job creation. Following on from that, it ran a series of advertisements in magazines portraying VINCI employees and illustrating its model of corporate social responsibility. The model embraces employee shareholding, equal opportunities, civic involvement and training. The campaign also featured an allegorical film depicting the construction of a human bridge.

1
Creating long-term jobs
We recruited 9,000 people in France in 2005, and 11,000 in 2006. We hire and train young people without qualifications.
→ We commit to recruiting 12,000 people under unlimited-term contracts in 2007.

2
Offering training for all employees
Training is a right for our employees, wherever they are in the world. Between 2004 and 2006, we increased our training budget by 50% to 2 million hours.
→ We commit to offering a personalised training package to every member of our workforce within two years, and to stepping up our investment in training so that everyone can benefit.

3
Promoting diversity and guaranteeing equal opportunities
Women account for a growing proportion of our workforce; we promote people of immigrant origin and recruite disabled persons: it is our duty to set an example.
→ We commit to training our managers in best practices so that they can fight all forms of discrimination during recruitment and within our company, and to publishing an annual audit carried out by an independent organisation.

4
Helping all employees to become shareholders
At the end of December 2006, 62,000 VINCI employees owned 8.4% of the Group's capital. They are already its main shareholders and so have a stake in its performance.
→ We commit to facilitating our employees' access to VINCI's capital by paying each one an employer's contribution of up to €3,500 in 2007.

5
Encouraging our employees' civic involvement
The VINCI Foundation for the Community helps non-profit and other job creation organisations sponsored by Group employees.
→ We have doubled the foundation's budget and commit to supporting 150 non-profit and other job creation organisations in 2007.


her mother's nose
her father's smile
a professional eye
At VINCI, know-how is handed down from generation to generation. Every year, we hire young people without qualifications under unlimited-term contracts and provide them with training and a career plan. In 2005, we devoted 2 million hours to training. We commit to offering all our employees a personalised training programme within the coming two years.
VINCI
real success is the success you share


Algerian on her mother's side
French on her father's side
engineer on the VINCI side
At VINCI, we take care to promote employees on the basis of their skills and merit, irrespective of their diplomas or origins. We commit to training our managers in best practices and to combat all forms of discrimination during recruitment and in selection for training and promotion so that all employees have the same opportunities for growth within the Group.
VINCI
real success is the success you share


stone mason since 1976
third-generation trade union official
a shareholder since joining VINCI
At VINCI, employees are the main shareholders: 62,000 of them own 8.7% of the Group's capital. We believe that tying employees into the Group's performance is a source of motivation and cohesion. We commit to facilitating every employee's access to the VINCI's capital by paying an employer's contribution of up to €3,500 in 2007.
VINCI
real success is the success you share


runs on petrol
runs on diesel
runs on generosity
At VINCI, many employees dedicate a little of their time and a lot of their know-how fighting exclusion. VINCI's Corporate Foundation for the Community helps non-profit and other job creation organisations sponsored by Group employees. With double the budget, the foundation will support 150 such organisations in 2007.
VINCI
real success is the success you share

strategy

Concessions and construction, a new idea over 100 years old

01 **ASF's integration**
at the beginning of 2006 increased the Group's motorway network under concession to 4,687 km.

02 **The top-down approach**
to building the Espace Béthune in Lille is an illustration of the continuous innovation that characterises the construction industry.

A business model driven by the growth of public-private partnerships

VINCI has been growing for over a century by applying the integrated concessions and construction model, which is complementary on three fronts:
– economic, with the concessions business cycle being measured in decades while that of construction is measured in years;
– financial, with capital intensive concessions generating revenue and recurring cash flows while construction business activities are less capital intensive;
– operational, with the concessions and construction business lines working together upstream to design, finance, build and operate all types of infrastructure and public facilities.

This model has been applied for many years to major infrastructure projects such as the A86 West tunnel near Paris. The Group is currently building the tunnel and will operate it from 2007. The model is now picking up new momentum, driven by the increasing number of public private-partnerships, which extend to new forms of contract – including the French partnership contract (*contrat de partenariat*) – and projects of every size and scope. Examples include transport infrastructure, hospitals, schools, security facilities, and comprehensive management of urban lighting and car parks.

This trend, which underpins VINCI's strategy, is seen in most of its markets, especially in Europe, due to a lack of public funds to meet significant infrastructure needs. One of the objectives in the Group's 2006–2009 strategic plan is therefore to win new PPP and concession contracts representing a total financial investment of €1 billion a year (including any debt associated with the projects). With its expertise as a concession operator and builder, the complementary nature of its know-how and the quality of its geographical footprint, VINCI is well positioned to support concession granting authorities – whether national or local – by making their complex and varied projects a reality. The new PPP contracts won in 2006 as a result of the synergies between VINCI's business lines are a promising illustration of how this strategy works.

Effective integration of ASF

The acquisition of Autoroutes du Sud de la France (ASF) at the beginning of 2006 is fully consistent with VINCI's strategic model. It augments the Group's recurring revenue streams and gives it the financial structure needed to accelerate its growth in France and the rest of Europe. The alliance between ASF and VINCI Concessions generates revenue synergies based on their complementary networks and expertise, as well as to the development of joint projects, in particular in the field of services. In parallel, it creates costs synergies through the exchange of best practices (purchasing and investments, for example) and centralisation of business development resources.

Continued growth in all business lines

VINCI's goal is to expand all its business lines: concessions, energy, roads, construction and property. In addition to the usual flow of acquisitions in each one, external growth opportunities aimed at enhancing their structure will be sought, mainly in construction activities that generate recurring revenue streams and in transport infrastructure concessions. Geographically, VINCI will focus mainly on Europe, particularly the more recent European Union member states where it has already developed strong positions; Russia, Ukraine and other high-potential countries near the borders of the European Union; and France, where the density of its networks guarantees the Group a strong presence in local markets. VINCI will also seek growth opportunities in the oil-producing countries of the Middle East and in North America, targeting toll motorways, roadworks and specialised civil engineering projects.

Lastly, with a view to strengthening the profitability of its business lines, VINCI will continue to apply the longstanding policy that combines strict risk control, a management style that generates profitability and synergies, and the quest for productivity improvements.

01


02

Milestones

1891
Creation of Grands Travaux de Marseille (GTM).

1899
Creation of Girolou, a company that built electricity generating stations and networks. Its first concession contract was the Lille–Roubaix–Tourcoing tramway.

1908
Creation, as part of Girolou, of Société Générale d'Entreprises (SGE).

1908-1920
SGE experienced rapid growth until World War I, when it participated in the war effort and then in post-war reconstruction. The company became renowned for major projects such as building dams and power stations.

1920-1946
SGE grew by focusing mainly on electricity. When that sector was nationalised in 1946, the company moved into building and civil engineering.

1966
Compagnie Générale d'Electricité acquired a controlling interest in SGE.

1970
SGE participated in the creation of Cofiroute, which financed, built and now operates the A10 (Paris–Orleans) and A11 (Paris–Le Mans) motorways.

1984
Compagnie de Saint-Gobain became SGE's majority shareholder.

1988
Saint-Gobain sold its interest in SGE to Compagnie Générale des Eaux, which contributed its construction and civil engineering subsidiaries, Campenon Bernard and Freyssinet, as well as Viafrance, its roadworks subsidiary.

The 1990s
Several acquisitions gave SGE a European dimension.

1996
SGE was reorganised into four core businesses: concessions, energy, roads and construction.

1997
Compagnie Générale des Eaux reduced its holding in SGE to 51%. SGE sold its waste and water service assets to Compagnie Générale des Eaux and, in exchange, acquired GTIE and Santerne in electrical engineering and CBC in construction.

1999
The Group carried out a friendly takeover of Sogeparc, the leading French car park operator.

2000
Vivendi completed its withdrawal from SGE's share capital. SGE changed its name to VINCI and made a friendly takeover bid for GTM; Suez contributed its majority shareholding. The merger of the two companies formed the world's leading group in concessions, construction and related services.

2002
VINCI entered the CAC 40 index and acquired 17% of ASF's share capital.

2003-2004
VINCI increased its holding in ASF to 23%.

2005
The French government selected VINCI to acquire ASF as part of the programme to privatise motorway companies.

2006
VINCI, the world's leading integrated concession and construction group, generated revenue of €26 billion and set a €30 billion objective for 2009 in its plan, "VINCI 2009".

Stock market and shareholder base
Real economic achievements are those that last

The VINCI share outperformed the CAC 40 in 2006, rising 36%. In line with its commitment, VINCI is sharing the rewards of growth with its shareholders and continuing to apply its development strategy.

Strong growth in dividend

The dividend proposed to the Shareholders Meeting is €2.65 per share, which represents a 33% increase on the previous year. In line with the decision of the Board of Directors on 5 September, this amounts to a 50% pay-out ratio on the net profit attributable to equity shareholders and a yield of 2.7% compared with the share price on 31 December 2006. Taking account of the interim dividend of €0.85 per share paid on 21 December 2006, the final dividend to be paid on 14 May 2007 is €1.80 per share.

VINCI and its shareholders

The number of individual VINCI shareholders increased 50% during the year to 165,000 at 31 December 2006. VINCI's shareholder relations department set up a free-phone number for callers using a landline in France, as well as a shareholders' page on the VINCI website (www.vinci.com) that gives shareholders direct access to information about VINCI's business and financial performance. They can also register to receive press releases in real time and become members of the Shareholders' Club. A newsletter (available in French only) keeps shareholders up to date about the Group's news and outlook. With a view to increasing the opportunities to meet and talk to shareholders, VINCI will organise 10 regional meetings in France in 2007.

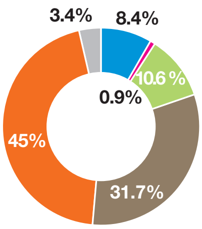
VINCI Shareholders' Club benefits

The VINCI Shareholders' Club, which had 8,500 members at 31 December 2006, provides a variety of benefits and additional meeting opportunities. One of the benefits is a pass for the Château de Versailles, where VINCI is restoring the Hall of Mirrors. For 2007, the club's programme includes visits to the Stade de France, Eurovia's research centre at Bordeaux-Mérignac, the A86 West construction site near Paris and ASF's traffic control centre near Avignon. Club members also receive a discount on books published by VINCI. Anyone who owns registered shares or holds at least one bearer share can apply to the shareholder relations department to become a member and benefit automatically from these special offers.

Institutional investors and financial analysts

VINCI's communication policy as regards institutional investors and financial analysts is based on the determination to maintain constant dialogue with the financial community. The policy's aim is to provide regular information to analysts and investors so that they can better understand VINCI's strategy and financial situation, as well as events that could have an impact on the Group's performance.
In 2006, VINCI's communication with the financial community included:
– information meetings when annual and interim results were published;
– participation of senior managers in events (general or on specific subjects) organised by financial institutions;
– organisation of sector-focused presentations for financial analysts, as well as regular one-to-one meetings;
– telephone conferences when quarterly revenue data was published or to coincide with specific events;
– road shows held in Europe's major financial centres and the United States so that VINCI's senior management could meet investors (about 20 days in 2006);
– individual meetings between the financial department and institutional investors (about 100 in 2006).
In addition, VINCI organised five days of road shows in Europe when the hybrid bonds were issued in February 2006.
In total, excluding conferences, VINCI's management met almost 800 investors and analysts during 2006.

91% of shares publicly held



1. Employees		8.4%
2. Treasury shares		0.9%
3. Individual shareholders[1]		10.6%
4. French institutional shareholders[1]		31.7%
5. Other institutional shareholders[1]		45%
of which:		
North America	*19.8%*	
United Kingdom	*13.3%*	
Continental Europe	*10.8%*	
Rest of the world	*1.1%*	
6. Artémis[2]		3.4%
Total		100%

Employees remained VINCI's leading shareholder group at 31 December 2006, with 67,000 people holding over 8% of the share capital. Individual shareholders accounted for almost 11% of the share capital. Institutional investors represented about 80% of VINCI's share capital, with a balanced spread between France, the rest of Europe and North America.

(1) Estimate
(2) On 18 January 2007, Artemis declared it held 5.1% of VINCI's share capital

VINCI Shareholder Relations Department
1 cours Ferdinand de Lesseps
92851 Rueil Malmaison Cedex, France

Shareholders' page on www.vinci.com

Individual and institutional shareholders
Tel: +33 1 47 16 45 39
Fax: +33 1 47 16 36 23

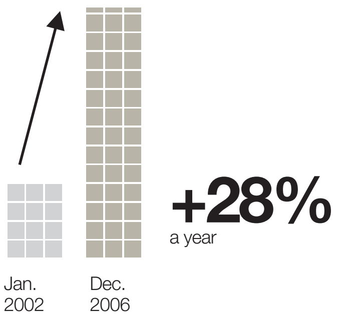
VINCI ranks 20th by capitalisation in the CAC 40

€25 billion

at 31 January 2007

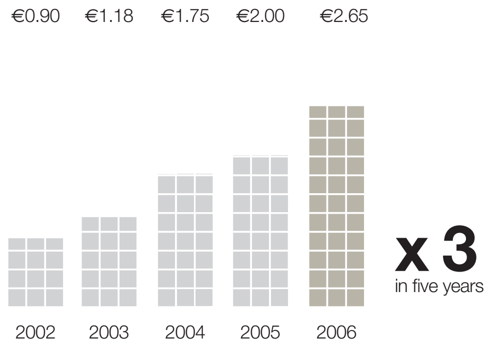
VINCI's market capitalisation increased €10 billion within the space of one year, reaching €25 billion at the end of January 2007. This made VINCI the 20th biggest company in the CAC 40 by market capitalisation, compared with 28th at the end of January 2006.

Shareholder return on investment in VINCI shares over five years



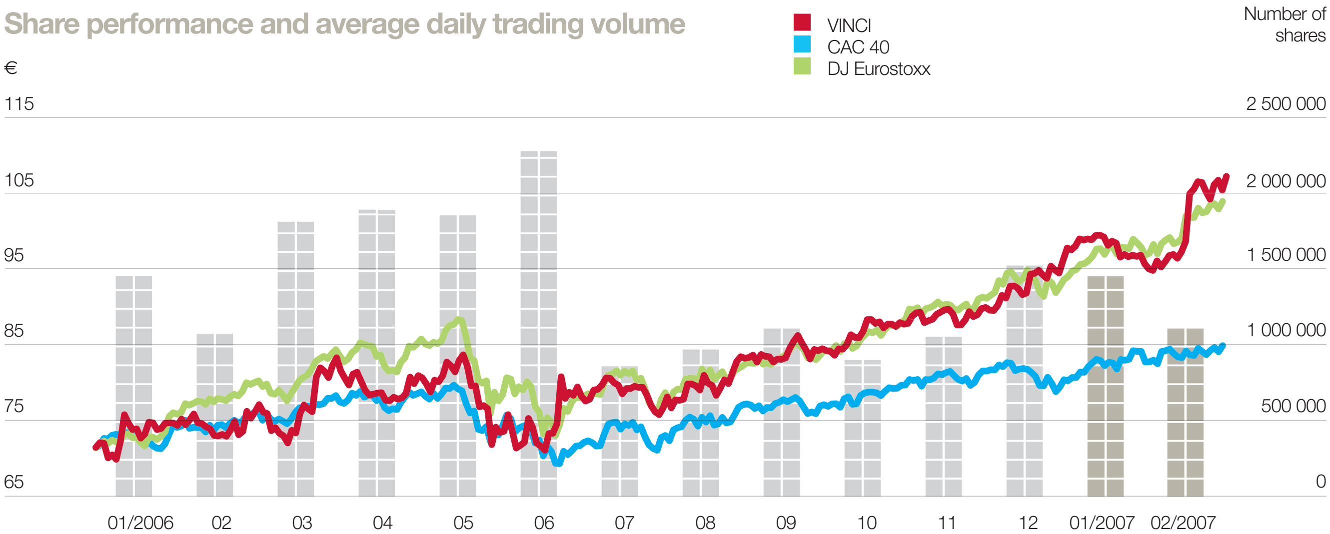
Someone who invested €1,000 in VINCI shares on 1 January 2002 and reinvested all the dividends received (including tax credit until 31 December 2004) in the purchase of further shares would have an investment of €3,409 at 31 December 2006. This represents an average annual return of 28%.

Dividend tripled in five years



The dividend paid by VINCI has almost tripled in five years. The 2006 dividend proposed to the Shareholders Meeting is €2.65 per share, representing a 33% increase over the 2005 dividend.

Share performance and average daily trading volume



Between 1 January and 31 December 2006, VINCI's share price rose 36% while the CAC 40 increased 17% and the European construction index 37%. On 26 February 2007, the share reached a record high of €110.71 during trading and closed at €110.55. In 2006, 1.4 million VINCI shares were traded on average daily, up 20% on the volume traded in 2004.

Profile

VINCI Concessions is Europe's leading operator of transport infrastructure concessions*: motorways, bridges and tunnels, car parks and airports. The acquisition of ASF in 2006 was part of the Group's strategic plan. It strengthened VINCI Concessions' profile as an integrated concession-construction operator with the capacity to design, finance, build and operate transport infrastructure and facilities under long-term contracts to meet the needs of public authorities.

In France, VINCI Concessions holds a very strong position. It has 4,300 km of motorway under concession to ASF, ESCOTA, Cofiroute and Arcour (which holds the concession for the A19 between Artenay and Courtenay). It also has 480,000 car park spaces managed by VINCI Park, of which 290,000 under concession or freehold. In addition, it has shareholdings in several concessionaires and infrastructure operators: the Prado–Carénage tunnel operator (Marseilles); Openly, the operator of the northern ring road around Lyons, Seag and Seaca, the operators of Grenoble and Chambéry airports respectively; and the Stade de France consortium.

VINCI Concessions' operations outside France include the bridges over the River Severn, Dartford Crossing and Newport Southern Distributor Road in the United Kingdom; the bridges over the River Tagus in Portugal; Charilaos Trikoupis Bridge (Rion–Antirion) in Greece; the Fredericton–Moncton motorway and Confederation Bridge in Canada; the SR-91 and I-394 Express Lanes in the United States; Toll Collect, the electronic toll system in Germany; three airports in Cambodia; a section of motorway in Jamaica; and 380,000 parking spaces managed in 11 countries.

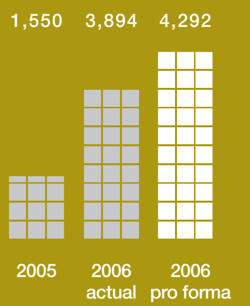
In addition to operating a unique portfolio of concessions, VINCI Concessions develops and structures new concession projects. It is therefore particularly well placed to benefit from the rise in popularity of public-private partnerships (PPPs). This is driven both by huge needs for infrastructure on the part of public authorities, which are resorting increasingly to this type of arrangement, and by the abundance of private capital available to invest in this new form of asset.

To boost its service activities, VINCI Concessions is introducing innovations that optimise the operation of the infrastructure under its control as concessionaire or operator. Through its socially responsible approach to managing public services, the business line is focused on meeting the expectations of its 600 million end-customers.

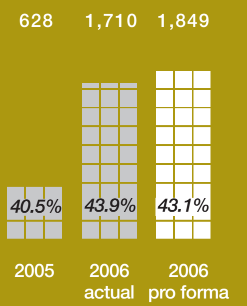
** Source: internal study*

concessions

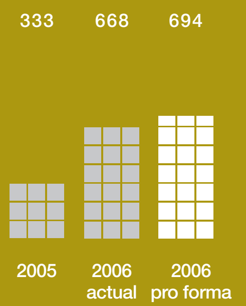
Revenue



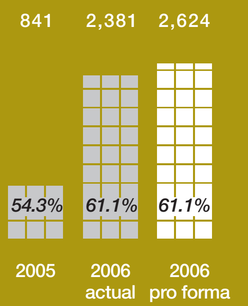
Operating profit from ordinary activities*



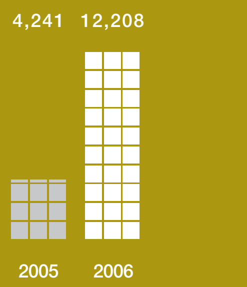
Net profit attributable to equity holders of the parent



Cash flow from operations**

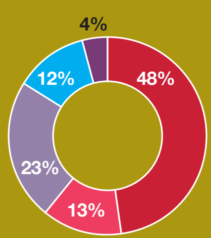


Net financial debt***



In € millions and as a percentage of revenue
2005: after restatement of assets sold or discontinued in 2006 (IFRS 5)
2006 actual: consolidation of ASF and ESCOTA from 9 March 2006, when VINCI took control
2006 pro forma: full consolidation of ASF and ESCOTA from 1 January 2006
* Before amortisation of the goodwill assigned to ASF's and ESCOTA's contracts (€218 million for 2006 actual and €268 million for 2006 pro forma)
** Before tax and cost of debt *** At 31 December 2006

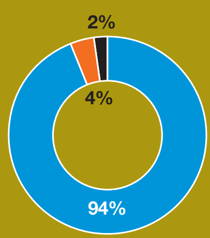
Revenue by business line*



ASF	48%
ESCOTA	13%
Cofiroute	23%
VINCI Park	12%
Other infrastructure	4%
Total	100%

** Pro forma data*

Revenue by geographical area*



France	94%
Rest of Europe	4%
Rest of the world	2%
Total	100%

concessions photo essay

01 **Secure truckstop**
Opened in 2006 near the A9 motorway, the Béziers Truck Etape in the south of France is the first secure HGV parking facility built off the concession network in France.

02 **Fast track**
Services are an important component of the concession operator's business. From autumn 2007, motorists will be able to use their Liber-t motorway toll tag to pay for parking in VINCI Park facilities.

03 **World leader in car parks under concession**
VINCI Park manages 860,000 parking spaces in 12 countries.

01

02


VINCI PARK
PAIEMENT PAR CARTE BANCAIRE
CB
Introduisez ici votre CB ou votre ticket puis votre CB.

Traffic over the Gulf of Corinth
Charilaos Trikoupis Bridge (Rion–Antirion), which was opened in August 2004, recorded an average of 12,368 crossings a day in 2006.

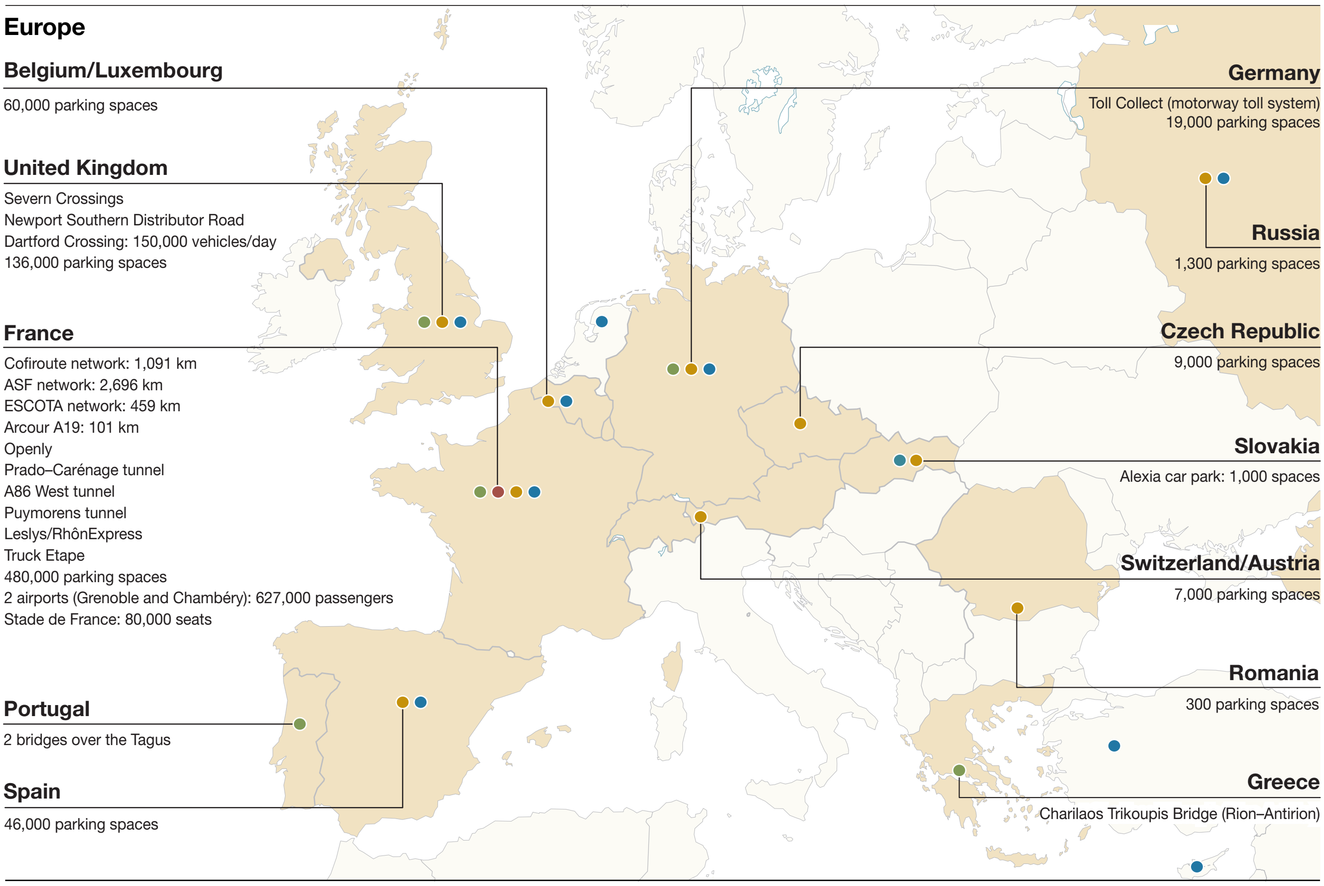
01 **A third airport in Cambodia**
VINCI was already operating the airports at Phnom Penh and Siem Reap, which serves the Angkor temple site and is pictured here, when it won the concession for Sihanoukville airport in mid-May. The new airport was opened at the beginning of 2007.

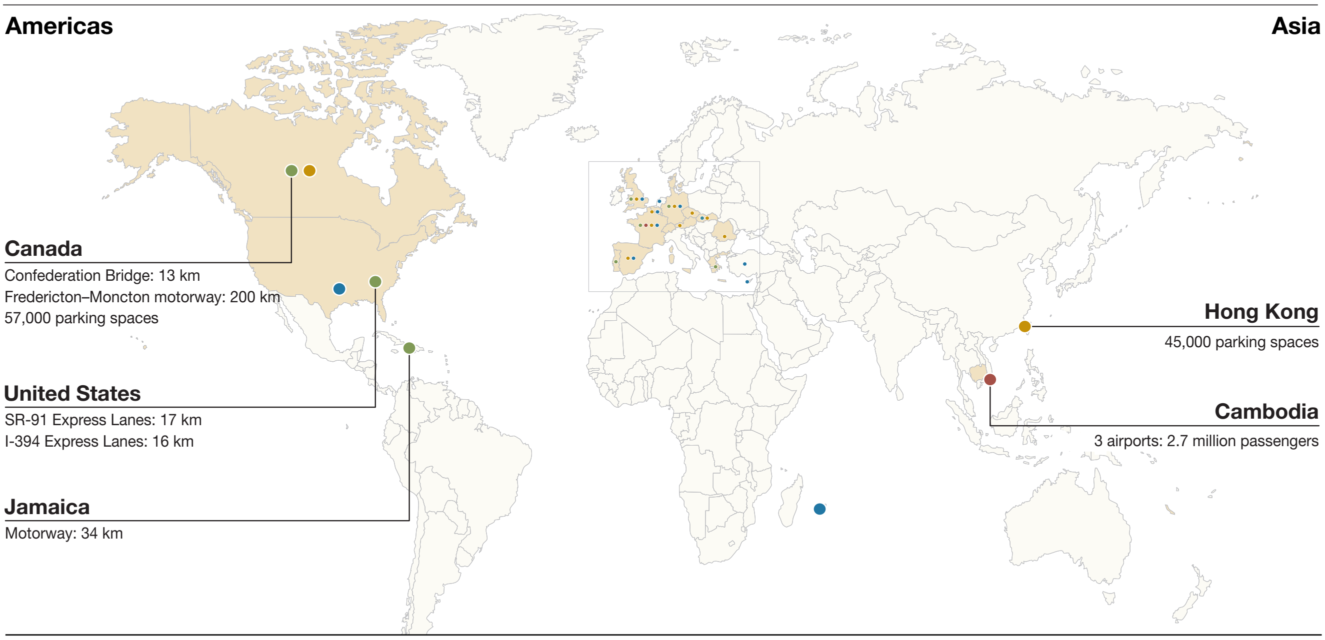
02 **Record number of tickets sold at the Stade de France**
VINCI, operator of the Stade de France until 2025, has developed a dynamic management model that takes full advantage of the site by combining major sports and cultural events, as well as associated activities. The Stade de France set a new record in 2006, with 1.6 million tickets sold.

01

02

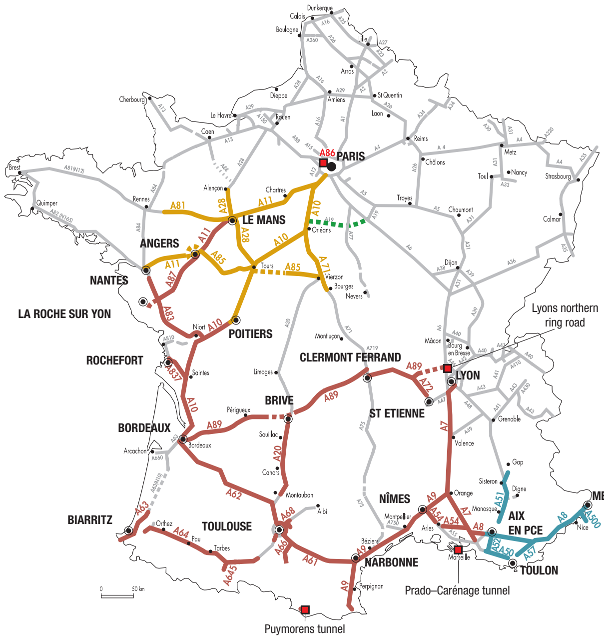
VINCI Concessions around the world





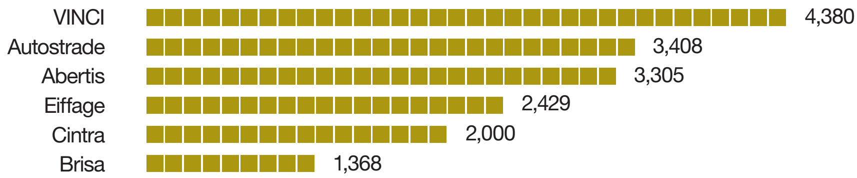
- Rail, road and motorway infrastructure
- Car parks
- Airports
- Infrastructure projects under study

VINCI road concessions in France



- ASF
- Cofiroute intercity network
- ESCOTA
- Arcour (A19)
- Other networks

Motorway network under concession in Europe (in km)



Source: company press releases

VINCI's concessions

Structure		Description	Country	Capital held (in %)	Revenue at 100% (in € millions)	Residual term of concession (in years) from 31 Dec. 2006
Motorways		**Network under concession**				
Cofiroute intercity network		1,091 km	France	82%(1)	966	24
ASF network (2)		2,696 km	France	100%	2,082	26
ESCOTA network		459 km	France	99%	543	20
A19 motorway (3)		101 km	France	100%	-	64
Newport Southern Distributor Road		10 km	United Kingdom	50%	8	36
Fredericton–Moncton motorway		200 km	Canada	12%	-	22
Bridges and tunnels						
Charilaos Trikoupis Bridge (Rion–Antirion)	Peloponnese–mainland		Greece	53%	43	33
Tagus bridges	Two bridges in Lisbon		Portugal	31%	60	24
Prado–Carénage tunnel	Tunnel in Marseilles		France	33%	31	19
Severn Crossings	Two bridges over the Severn		United Kingdom	35%	106	10
Confederation Bridge	Prince Edward Island–mainland		Canada	19%	21	26
A86 tunnels (4) (Cofiroute)	Rueil Malmaison–Versailles	17.5 km	France	82%(1)	-	70(5)
Puymorens tunnel (ASF)	Pyrenees	5.5 km	France	100%	-	31
Car parks		**Number of spaces**				
VINCI Park		860,000	France / Europe, Canada, Hong Kong	100%	523	27(6)
Airports		**2006 traffic (passengers)**				
Cambodia (three)		2.7 million	Cambodia	70%	43	34
Chambéry-Savoie		194,000	France	50%	3	5(7)
Grenoble-Isère		433,000	France	50%	6	2(7)
Stade de France		80,000(8)	France	67%	122	19

(1) VINCI increased its holding in Cofiroute from 65% to 82% by acquiring Eiffage's shares in the company at the beginning of 2007
(2) Including the Lyons–Balbigny section
(3) Under construction
(4) Opening scheduled for October 2007
(5) From the date on which the tunnels go into full service
(6) Average residual term for 344,000 spaces under concession
(7) Service contracts
(8) Seating capacity

A new dimension for VINCI's concessions business line

01 **A86 West: an innovative design**
The first section of the A86 tunnel near Paris will be opened to traffic in October 2007. It consists of two superposed one-way traffic levels for light vehicles only. Variable road charging will be applied as a complement to its traffic management system.

2006 was the year of integrating ASF within VINCI. The company's acquisition was finalised during the first six months and it has been a wholly owned subsidiary of VINCI since 9 November 2006. This was achieved by purchasing the French government's majority holding and launching a standing market offer for the remaining 26.6% of the share capital. These operations were followed by a public buyout offer and then a compulsory buyout for the final 2.52%. This merger gave VINCI Concessions and the entire Group a new dimension, enabling it to expand in France and the rest of Europe by taking advantage of the increasing use of PPPs as a solution to public authorities' inability to fund all their infrastructure needs.

Exploiting synergies

To speed up the merging process and maximise synergies rapidly, especially within the motorway division consisting of the ASF, ESCOTA and Cofiroute networks, VINCI Concessions launched the "Confluences" programme in spring 2006. The programme's aim is to identify and push forward joint projects to be implemented with a view to broadening and harmonising commercial offerings, extending electronic toll collection (ETC), developing joint motorway radio services and applying common purchasing policies and operating systems, etc. Twinning arrangements were also set up between the operations divisions of Cofiroute, ASF and ESCOTA for the purpose of exchanging best practices. In addition, senior managers were moved between VINCI Concessions subsidiaries in 2006 with the same aim of exchanging experiences and blending corporate cultures.

Revenue synergies will be generated by developing common services. Examples include VINCI Park fee payment using the Liber-t motorway toll tag, secure HGV parking facilities, and improving the commercial offering in service areas. Total synergies expected from the merger are estimated at €70 million by the end of 2007.

Current projects

Following the ASF-VINCI Concessions merger, the two companies combined their business development teams in April 2006. In parallel, to take greater advantage of the networks and skills synergies between VINCI's business lines, a new department was created to focus on projects in the development stage. This gave rise to intense commercial activity, leading to several projects in 2006 that are significant by virtue of their size or uniqueness:

– VINCI Concessions and VINCI Construction France were selected by the local chamber of commerce and industry to build and operate a business complex for car rental firms at Nice-Côte d'Azur airport within the framework of a PPP (a French lease giving temporary authorisation to use public land and granting real property rights). The 32-year contract calls for the financing, construction and operation of a building with a surface area of 60,000 sq. metres, designed to meet the rapid growth expected in the car rental business over the coming years. Nice-Côte d'Azur already accounts for 22% of all revenue generated by car rental firms at French airports, on a par with Charles de Gaulle airport in Paris. The lease agreement represents an investment of about €40 million for 2,500 spaces, and includes building maintenance and property management. VINCI Construction companies will execute the construction and engineering components of the contract.

– RhônExpress, a joint-venture company consisting of VINCI Concessions, Caisse des Dépôts et Consignations, Veolia Transport, Vossloh and Cegelec, won the concession for Leslys, the light rail system project in Lyons. The 30-year concession contract, awarded by the Rhône general council, represents an investment of about €100 million. It covers the financing, construction and operation of a 23 km express line between Lyons' Part Dieu railway station and Saint Exupéry airport. VINCI Construction and Eurovia will do all the infrastructure engineering work (9 km of track to be built between Meyzieu and the airport), with VINCI Energies and Cegelec in charge of the electrical engineering.

– At the end of 2006, the consortium led by VINCI Concessions was designated preferred bidder for the final north-west link of the Antwerp ring road in Belgium. The 35-year concession includes a 2 km tunnel under the River Escaut, a 1.2 km cable stayed bridge with two levels, and 30 km of motorway (two-lane and six-lane dual carriageway), equipped with slip roads and toll stations.

– The Greek government selected Aegean Motorway Group, the joint-venture company in which VINCI Concessions has a 13.75% interest, to modernise and operate a 230 km section of the motorway between the country's two biggest cities, Athens and Thessaloniki. This 30-year concession contract strengthens VINCI Concessions' position in Greece, where it is operating Charilaos Trikoupis Bridge (Rion–Antirion), which was built by VINCI. It could be followed soon by another success: the Athens–Patras–Corinth–Tsakona motorway.

– VINCI Concessions was shortlisted at the end of the year for the final stage of the competition for the M25 project in the United Kingdom. The project involves widening 100 km of motorway to four lanes in each direction and then operating the London Orbital, including the Dartford Crossing, for 30 years. Cofiroute and Ringway currently operate the Dartford Crossing.

– At the beginning of 2007, a consortium comprising VINCI Concessions and VINCI Energies won the PPP contract for the comprehensive management of public lighting and traffic lights in Rouen. The aim of the contract, worth €100 million over 20 years, is to make public areas in the city safe. It covers lighting (15,700 lighting points), traffic management systems and CCTV surveillance.
VINCI Concessions also competed on a dozen other tenders for transport infrastructure and public facilities throughout Europe. Lastly, VINCI Concessions' expertise was a contributory factor to other Group subsidiaries winning several PPP contracts, including those for INSEP (France's National Institute of Sport and Physical Education) and public lighting in Thiers.

VINCI Concessions, an innovative player in mobility

Over and beyond the PPP and concession projects on which it bids, VINCI Concessions is actively seeking new business opportunities to meet new mobility needs:

– Lorry-Rail: ASF, Caisse des Dépôts et Consignations, SNCF, Modalohr and the Luxembourg railways operator launched the HGV rolling motorway project at the end of 2005, backed by the ministers of transport in France and Luxembourg. Lorry-Rail, the company created by the five partners, will provide a daily piggyback service in each direction between Le Boulou (near Perpignan in south-west France) and Bettembourg (in Luxembourg). Each train will carry about 40 unaccompanied trailers over a distance of more than 1,000 km;

– Truck Etape: the Béziers Truck Etape in the south of France was opened near the A9 motorway in 2006. It is the first secure HGV parking facility built off the concession network in France. The fenced site is patrolled by security guards and fitted with CCTV, meeting the new anti-theft clause of insurance policies. It provides 350 parking spaces over 8 hectares. Designed to ensure the security of HGVs carrying valuable loads for long and short stays, Truck Etape also provides drivers with a range of services, encouraging them to comply with rest break regulations and guaranteeing optimal recovery: a restful environment, top-quality personal hygiene facilities, a restaurant and public telephones.
A similar facility is to be built near Valenciennes on the A2 motorway in northern France. Due to its experience, Truck Etape, a VINCI Concessions subsidiary, has been shortlisted with partners by the European Union's Directorate-General for Energy and Transport for a call for project proposals on the subject of secure HGV parking facilities. The project's objective is the Europe-wide study and construction of pilot sites across Europe.

Autoroutes du Sud de la France

01 **Arveyres toll station**
28 km east of Bordeaux,
on the A89 motorway.

Automation creates new opportunities

ASF continued the deployment of innovative, fully automatic toll collection equipment on motorways with light traffic and for night operation of small toll stations. The equipment, fitted with vehicle category recognition, was first installed on the A89. The company also launched trials of new generation equipment designed to increase corridor capacity by improving the performance of toll lanes. For operations personnel, automation opens new career opportunities in customer relations. In the regional department of Niort in western France, for example, the post of remote toll collector was introduced in 2006. New job opportunities were also created at the ETC account management centre that was opened at Saint Martin de Crau, about 75 km north-west of Marseilles.

Autoroutes du Sud de la France (ASF) is France's biggest motorway concessionaire*, operating a network of 2,562 km, with a further 140 km under construction. Its network forms the main corridor between the Iberian Peninsula and Northern Europe, carrying heavy long-distance traffic – both freight and tourist – as well as substantial regional traffic. ASF's expertise as a motorway operator covers a very wide variety of environments, from urban and suburban to rural and mountainous.

ASF's good operational and business performance was confirmed in 2006. Traffic increased 2.6% (2.1% on a constant network), with strong growth in the fourth quarter offsetting the weak start to the year. Toll receipts rose 6.2% to €2,036 million, due to the combined effect of traffic growth and the higher toll prices introduced in February in line with ASF's contract with the government. Continued efforts to improve productivity led to a further increase in the company's gross operating margin (EBITDA), which amounted to almost 65% of revenue.
ASF continued to automate toll payment while complying fully with its human resources commitments. Of the 384 million transactions in 2006, 61.5% were made in automated lanes (bank card or tag), representing 4% growth over the year. The commercial success of the "Temps libre" offering boosted the development of electronic toll collection, with 313,837 accounts at the end of 2006 and over 360,000 tags installed. 2006 was also dedicated to preparing for the launch of the electronic toll collection system for heavy goods vehicles, which will be operational in April 2007.

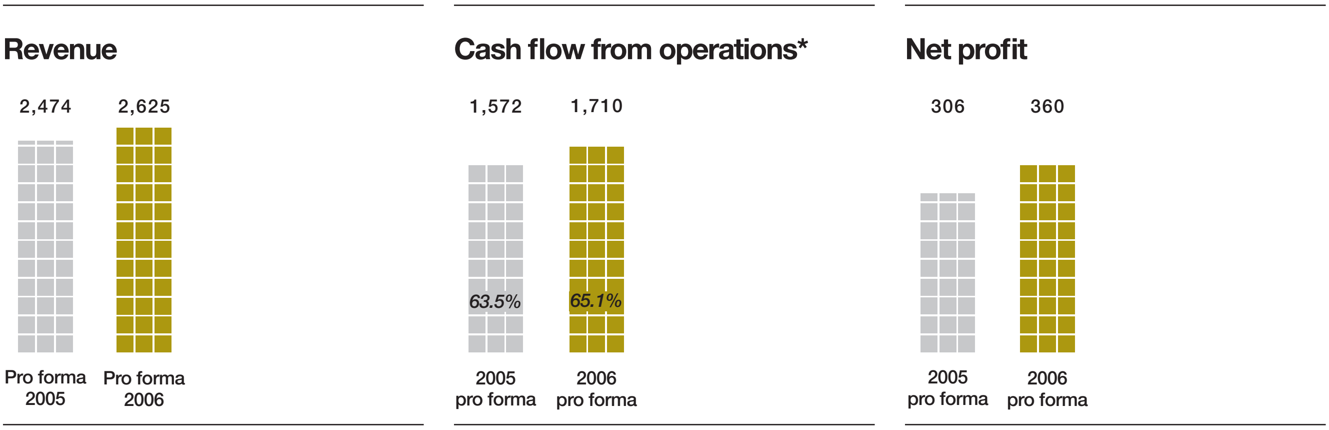
ASF reorganised its central services, creating an infrastructure department to bring together its project management expertise. The department will be responsible for overseeing new work and heavy maintenance associated with modernising the company's network. Discussions are ongoing on the organisation of joint purchasing with VINCI Concessions' other subsidiaries and VINCI.

During 2006, ASF opened two new sections of the A89 to traffic: Saint Julien Sancy–Combronde (52 km) and Terrasson–Brive Nord (10 km), both in central France. These sections almost complete the major corridor between Bordeaux and Clermont Ferrand. The final link, currently under construction (18 km in the Dordogne), is scheduled for opening at the beginning of 2008.
On that same corridor, as an amendment to the A89 contract, ASF was awarded the concession for a new 50 km section between Balbigny and La Tour de Salvagny, near Lyons. ASF will invest €1.2 billion in the construction of this motorway, which will complete the link between the Atlantic coastline and Rhône-Alpes region, boosting regional development. Detailed design studies and consultation with elected officials and local residents were launched in 2006. The section is scheduled for opening in 2012.
ASF's construction department secured renewal of its ISO 9001 certification in 2007.

ASF is also investing heavily in network modernisation and refurbishment. In 2006, work included strengthening the central motorway reservation in the Rhône Valley; refurbishment of three viaducts over the River Rhône north of Vienne; the installation, in partnership with Michelin, of 28 free tyre inflation units at major toll plazas. On the A7, ASF continued the deployment of its dynamic speed control system. This system is particularly useful for sections with heavy traffic as the speed indicated can be adjusted in line with road conditions (down to 110 kph, for example, instead of the usual 130 kph on French motorways). The results are very good: 38% reduction in traffic jams and 20% reduction in the number of accidents. In another effort to optimise operations, the Rhône Valley network department tested a new approach to managing major sections, having them patrolled by traffic officers from three districts of the A7 and A9.
Sub-concession contracts for the commercial facilities at 23 services stations on the A10, A61, A62 and A9 motorways were renewed, leading to a more attractive service offering and an increase in the fees received.

** Source: internal study*

ASF and ESCOTA consolidated data



In € millions and as a percentage of revenue
Pro forma: ASF and ESCOTA consolidated from 1 January 2005 and 2006 based on their contribution to VINCI's consolidated financial statements
** Before tax and cost of debt*

01

ESCOTA

01 **10,000 call-outs in 2006**
ESCOTA's emergency service and surveillance teams were called out over 10,000 times on the network in 2006. Pictured here, the A8 motorway between Mandelieu and La Bocca, not far from Cannes.

Tunnel safety upgrade

ESCOTA is refurbishing some 20 tunnels on its network between Nice and the Italian border to meet the new regulatory safety standards. The work includes boring emergency evacuation tunnels and installing technical equipment. One of the project's special features is that, due to heavy traffic, especially on the A8, the work is carried out mainly at night without closing the roads.

ESCOTA is the oldest tolled motorway concessionaire in France, operating a 459 km network (A8, A500, A50, A51, A52, A520 and A57) located entirely in the Provence-Alpes-Côte d'Azur region. The company records the highest traffic intensity per kilometre of all French motorways under concession: 38,000 vehicles a day on average and up to 143,000 on the Saint Laurent du Var–Nice Promenade section.

In 2006, on a constant network basis, traffic intensity on ESCOTA's network rose 2.5% for both light and heavy vehicles, generating 5.1% growth in toll receipts. Total revenue, including fees for commercial facilities on the network, amounted to €543.5 million, up 5.3% over the year.

Most of ESCOTA's network is urban or suburban, so it has a great many toll stations and interchanges. As a result, the company was quick to launch its automation programme. At present, 72% of tolls are paid using a bank card or electronic toll collection (ETC) system. With 25,000 new accounts (Liber-t and Héliotis) opened during the year, ETC transactions increased to 32% (about 1.5 million a week), making ESCOTA the leading motorway operator for this type of transaction. ESCOTA also deployed its new ETC system for heavy goods vehicles to all its toll stations and interchanges in 2006. This system will, in due course, replace card systems such as Caplis. Since January 2007, following a period of technical assessment, companies approved by the ETC commission can test the system under normal service and then implement it on a more permanent basis.

Substantial roadworks were started on the A8 to widen the Saint Augustin–Saint Isidore and Châteuneuf le Rouge–Saint Maximin sections to three-lane dual carriageway. This programme involves heavy earthworks aimed at guaranteeing motorway service if the River Var floods. It also includes the refurbishment of a number of bridges and tunnels because of the complex configuration of the suburban motorway. ESCOTA also carried out renovation work on several viaducts, including those at Reyran and Cabrolles on the A8, and continued the programme started several years ago aimed at upgrading safety in some 20 tunnels (see box).

At the end of 2005, sub-concession contracts on 11 of the network's 22 service areas reached their term. This was used as an opportunity to encourage significant modernisation and extension work to the commercial facilities, all costs borne by the new sub-concession operators. The new contracts also led to a major increase in fees received (€5.3 million in 2006 compared with €3.7 million in 2005).

ESCOTA continued the deployment of its new customer relations system. "Voie directe", the joint ASF and ESCOTA call centre created in 2004, was awarded the social responsibility label by France's Ministry of Employment, Social Cohesion and Housing. New features were created for customers volunteering to manage their ETC accounts via the Internet (on-line consultation of the traffic situation on tolled sections, summary of monthly accounts, special services for users of the HGV toll system). Lastly, ESCOTA prepared for the launch of a new remote ETC sales service, which will be run by external partners.


ESCOTA
ESCOTA

Cofiroute

01 **Bypass Angers soon**
The northern bypass around Angers, a city in western France on the A11, will be opened to traffic in 2008. It is 14.3 km long and includes a 532 metre viaduct over the River Maine.

Variable road charging on the A86

When it opens in October 2007, the first section of the A86 West, the tolled underground motorway for light vehicles, will have a variable road charging system to encourage motorists to avoid driving at rush hour. This will help to keep traffic moving smoothly. Prices will vary between €1.50 at night and €4.00 during morning and evening rush hours. The Activi-t subscription plan for commuters will offer a sliding scale from the thirteenth journey each month, reducing the average price to around €2.50. The pricing strategy will promote electronic toll collection, which doubles the throughput of other methods.

Cofiroute operates a 1,010 km intercity network in western France (A10, A11, A28, A71, A81 and A85 motorways) and has 81 km under construction, scheduled for opening by 2008. The company also holds a 70-year concession for the A86 West, a tolled underground motorway near Paris. The concession period will start when the entire project is opened to traffic; the first section will open in October 2007.

Cofiroute's toll receipts rose more than 7% in 2006. This strong growth, twice that recorded in 2005, is attributable to three factors: a satisfactory level of traffic on the whole network; the extension of the network (after opening the Tours–Ecommoy section in December 2005, a further 58 km were brought into service during 2006); and the toll price increase in the first quarter, which was however lower than inflation (1.62% for light vehicles, 0.8% for heavy goods vehicles). The company continued its effort to drive down operations costs, leading to a 9.4% increase in gross operating margin, which represented 68.4% of revenue.

As part of its investment programme, Cofiroute launched a €750 million issue of 15-year bonds in May 2006. The issue, carried out under satisfactory financial conditions (5%), was heavily oversubscribed.

At the end of the year, Cofiroute's ISO 9001:2000 certification was renewed for all its operations activities. Continued efforts by all parties to increase the responsiveness of the company's teams by empowering operations personnel led to the signature of a company-wide agreement with labour unions covering all operations employees, extending the agreement on supervisory positions signed in 2005.

The automation programme also helped improve productivity. During the year, 23 toll stations with low traffic levels were fitted with terminals accepting all forms of payment. The terminals obviate the need for toll collectors and are connected to the operations centre. This programme, together with the continuous promotion of the Liber-t ETC and installation of new lanes for payment by magnetic stripe cards, pushed the level of automated transactions up from 40% to 50% within the year. During the same period, the number of Liber-t tags rose 27% to 136,000 at the end of 2006. The launch of special offers combining ETC and price reductions (local "Transvienne–Poitiers" toll subscription plan, administrative fee for opening a Liber-t account not charged for a test period of three months, etc.) contributed to these good results.

Intercity network. In January 2007, Cofiroute's network in service passed the 1,010 km mark with the opening of the Bourgueil–Langeais Est section (25 km) on the A85 seven months ahead of schedule. On the same motorway, work on the final sections under construction (between Saint Romain and Druye) continued with a view to opening them to traffic at the beginning of 2008. Work on the northern Angers bypass on the A11 also progressed to schedule. This 14.3 km suburban section, which includes a 532 metre viaduct over the River Maine and a 1.7 km cut and cover, will be opened to traffic in 2008. Cofiroute will then have completed its construction programme, bringing the intercity network up to 1,091 km and making it one of France's biggest civil engineering contractors.
With the aim of providing its customers with the same high quality service across the entire network, Cofiroute developed a "visual quality charter" and launched a major programme to bring its facilities up to the specified standards. The three-year programme, which covers all toll stations, rest areas and service areas, marks a new page in the company's drive to optimise customer relations on the network, having completed in 2006 the deployment of its new signage (1,200 panels, of which 120 variable message signs). The improvement programme is also reflected in the safety and quality charter, which sets down Cofiroute's commitments in terms of information accuracy, quality of customer support and optimisation of journey time. The performance measurement system associated with these commitments showed that the company improved on each of the points in the charter in 2006.

A86. Work on the A86 West concession, the tolled underground motorway near Paris, continued apace with the approach of the opening date. A first 4.5 km section between Rueil Malmaison and the A13 will be opened to traffic in October 2007. Interior fitting out went ahead according to schedule. Tunnelling continued on the second section (5.5 km between Pont Colbert and the A13), which will be opened at the end of 2009. By the end of 2006, the tunnel was 4,000 km long.

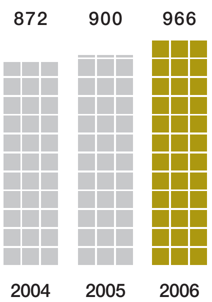
The A86 is innovative not only in design – two traffic levels reserved for light vehicles only – but also in the variable pricing and traffic control systems (see box), as well as in the level of safety equipment. Complementing an already comprehensive array of safety measures (secure, airtight shelters every 100 metres, emergency exits every 200 metres, shafts connected directly to the surface and fume extraction systems), Cofiroute decided to install Europe's first ever water fog system in a tunnel.

International expansion. In the United States, the International Bridge, Tunnel and Turnpike Association (IBTTA) presented Cofiroute and the Minnesota Department of Transportation with a Toll Excellence Award for the variable toll charging system (price adjusted in real time depending on traffic intensity, no charge for carpool users) that has been in service since 2005 on a section of the I-394. In addition, Cofiroute continued operating the 91 Express Lanes, a tolled road built down the central reservation of a free motorway) within the framework of a contract renewed for five years in 2005.

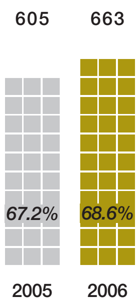
In Germany, the electronic toll system for heavy goods vehicles, designed and implemented by the Toll Collect consortium (Cofiroute, Deutsche Telekom, DaimlerChrysler Services), confirmed its good performance during its second year of operation, with less than 1.5% fraud. Annual receipts for the German government amounted to close to €3 billion. Drawing on this major reference, Cofiroute and Deutsche Telekom have proposed deploying a similar system as part of a road charging project for heavy goods vehicles in Alsace. An operational project has been presented to the relevant regional and government bodies.

Consolidated data at 100%

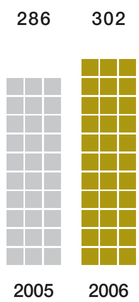
Revenue



Cash flow from operations*



Net profit



In € millions and as a percentage of revenue
** Before tax and cost of debt*

Other road and rail infrastructure

01 **Underground road in Marseilles**
Since its opening in 1993, 165 million vehicles have driven through the Prado–Carénage tunnel.

Other road and rail infrastructure

France

A19 motorway. VINCI Concessions, through its subsidiary Arcour, holds the concession for the future A19 motorway between Artenay and Courtenay (101 km), the southern link in the outer bypass around the Paris region. It will link the A10 to the A6 and A77. Arcour is prime contractor with responsibility for financing. A consortium of VINCI companies is in charge of building the road, which will be operated by Cofiroute.
2006 was the second year of the concession contract, which covers a total of 65 years. Most of the archaeological surveys were completed or well under way, to the extent that 92% of the motorway route was free of all archaeological constraints by the end of the year. As part of the land development process, 15 committees were formed by the communities through which the motorway will pass. Six of them had defined and adopted the scope of operations affecting them by the end of 2006. In parallel, negotiations successfully secured 90% of the motorway's land take. Following completion of studies and public surveys within the framework of the water law, preliminary earthworks and re-routing of roads and utilities networks were started. By the end of 2006, 10% of the earthworks and 20% of the re-routing work had been done. In the meantime, civil engineering was launched on 21 of the 102 motorway bridges and tunnels. Over 1,000 people were working on the site at that time. The motorway is scheduled for opening during the third quarter of 2009.

Prado–Carénage tunnel (SMTPC, Marseilles). Traffic increased more than 5%. Work on the new tunnel, awarded as an extension to the concession, will be completed ahead of schedule in summer 2007. Known as the Louis Rège tunnel, it is expected to generate additional traffic of about 1,000 vehicles a day.

Lyons ring road. Openly, a wholly owned subsidiary of ASF, has been operating the northern ring road around Lyons since January 2006. The 8-year public service contract includes structural repairs and refurbishment. The transfer of operations responsibility was carried out to the satisfaction of the client, the Greater Lyons authority. The northern ring road is a complex structure, comprising four tunnels (total length of over 6 km), a viaduct, seven on/off sliproads and two toll stations. It recorded traffic of 120,000 vehicles a day, of which 44,000 on the tolled section alone.

Leslys. Designated preferred bidder at the end of 2006 by the Rhône general council, VINCI Concessions signed the concession contract on 8 January 2007. The project consists of building an express light rail line from the railway station and Part Dieu district of Lyons to the airport and Saint Exupéry high-speed train station.

International

In Greece, for its second full year of operation by Cofiroute, traffic on Charilaos Trikoupis Bridge (Rion–Antirion) increased 4% and was higher than initial projections (average of 12,368 vehicles a day). The other concessions in Europe also performed satisfactorily: bridges over the River Severn (operated by a Cofiroute subsidiary) and the Newport Southern Distributor Road in the United Kingdom; Vasco da Gama and 25 April Bridges in Lisbon, Portugal.
In Jamaica, TJH (TransJamaican Highway), a subsidiary owned 34% by ASF, opened a new 11 km section in the Kingston suburbs, extending the 34 km already operated by JIO, an ASF subsidiary.

Lastly, as part of its policy of dynamic management of its concessions portfolio, the Group reduced its shareholding in the Confederation Bridge concession operator in Canada from 49.9% to 18.8%. It also sold its entire shareholding in Autopista Del Bosque, the concessionaire of the Chillán–Collipulli motorway in Chile. These disposals reduced consolidated debt by approximately €300 million.

01

01 **Traffic takes off at Grenoble**
Traffic at Grenoble-Isère airport has grown strongly over the past three years, from 200,000 to 430,000 passengers.

Airports

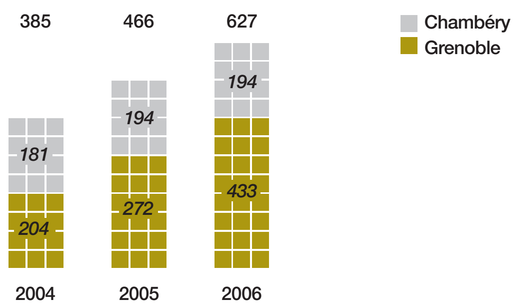
In order to refocus on its construction, financing and/or management of airports under public-private partnership arrangements, VINCI withdrew from airport services by selling its subsidiary, WFS, in 2006. This action, which was part of the asset disposal programme announced by VINCI when it acquired ASF, reduced the Group's debt by about €300 million.

France. Operated by VINCI Concessions and Keolis under public service contracts since 2004, the Grenoble-Isère and Chambéry-Savoie airports have expanded significantly. Over the past three year, Grenoble-Isère recorded the strongest growth of all French airports, with the number of passengers increasing 140% from 180,000 in 2003 to 430,000 in 2006. At Chambéry-Savoie meanwhile, passenger numbers increased 55% to almost 200,000. A proactive commercial policy aimed at airlines has made the two airports the main gateway into the Alps, with 11 new companies and 26 new service routes signed up in three years. This dynamic management approach improved revenue to €9.9 million in 2006.

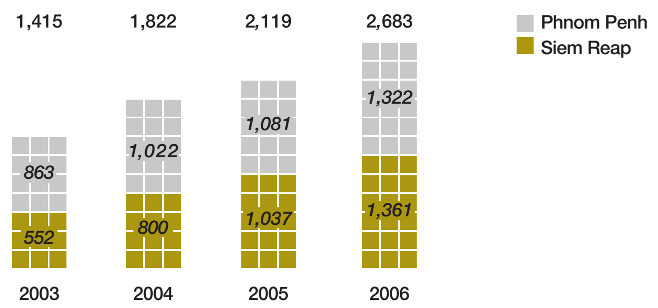
Based on these first two references in France, VINCI is well positioned for the expected gradual privatisation of regional airport management.

Cambodge. The concession awarded to SCA, the VINCI Concessions subsidiary operating the airports of Phnom Penh and Siem Reap (serving the Angkor Temple site), was extended to Sihanoukville, the country's third international airport. Upgrading this modest airport to international standard is considered key for Cambodia's economy. VINCI plans to invest about US$200 million in its expansion over the concession period so that, in time, it can handle more than 4 million passengers a year. The inclusion of the third airport led to a 20-year extension of the concession contract to 2040.
Business was brisk at the country's two other airports. In 2006, traffic increased 31% at Siem Reap, where the new international terminal was brought into service in July, and 22% at Phnom Penh, bringing the total number of passengers to 2.6 million. SCA's revenue rose 25% to US$53 million. Since the award of the initial concession contract in 1995, SCA has invested US$150 million in the development of these two airports.

Passenger traffic in France*



Passenger traffic in Cambodia*



* *In thousands of passengers*

VINCI Park

01 **Promoting intermodal transport**
VINCI Park supports towns in their efforts to coordinate journeys between different transport systems. At Strasbourg, VINCI Park won the tender issued in 2006 to operate the high-speed train station car park, which has 900 spaces for bicycles and 1,200 spaces for four-wheeled vehicles.

19,000 new spaces in Germany

One of the biggest department store chains in Germany, Karstadt Quelle, decided to outsource the management of its car parks to VINCI Park under a 15-year lease signed in July 2006. The contract covers 19,000 spaces in 66 car parks located in the centre of the country's main cities (Berlin, Hamburg, Munich, Cologne, Frankfurt, Dusseldorf and Stuttgart, for example). VINCI Park will invest about €40 million in modernising all the car parks to bring them up to the brand's standards. It expects them to generate revenue of about €40 million a year.

VINCI Park designs, builds, finances and operates car parks and on-street parking spaces. Number one in Europe and world leader in car park concessions*, the company operates 860,000 spaces in 12 countries, including 347,000 spaces under concession. The number of spaces managed increased 6% in 2006.

France

Despite only a slight increase in the occupancy rate of car parks operated by VINCI Park in 2006, the company's revenue rose 4% in Paris and 6% in the rest of the country. This achievement illustrates the momentum of its commercial strategy and the relevance of its business model, which is based on a high level of services associated with car parks and the repetition of very visible marketing campaigns.

The year was also satisfactory in terms of expansion. Following the raising of restrictions imposed by the French competition commission, 2006 was the first full year of commercial activity. As a result, VINCI Park was able to start operating in five new towns (Cagnes sur Mer, La Ciotat, La Flotte en Ré, Saint Nazaire and Royan), representing a total of 4,000 new spaces managed, of which 3,150 under concession. New contracts in towns where the company already had operations (Marseilles, Lille and Boulogne Billancourt in particular) added a further 41,000 spaces managed. On-street parking also increased, with a further 2,300 spaces in Paris, and new contracts in Lille, Limoges, Poissy and Sainte Maxime, totalling 14,800 spaces. VINCI Park strengthened its position in the hospital segment with three new car park concessions (André Mignot hospital in Chesnay, Conception hospital in Marseilles, and the Fort de France teaching hospital in Martinique) totalling 2,300 spaces, as well as in the shopping centre segment (Italie 2 and Masséna in Paris).

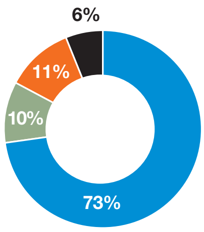
International

Europe. VINCI Park's expansion in Germany took a major step forward when it won a new management contract for 19,000 spaces in 40 towns (see above).
The company also consolidated its positions in Central Europe. In Slovakia, following the acquisition of two car parks in the centre of Bratislava in previous years, VINCI Park became market leader by acquiring Republic Parking System. In the Czech Republic, the company secured the renewal of its on-street parking management contract in Prague. In addition, from 2007, it will operate the 500-space car park of the new Europort hotel complex, built as part of the extension of Prague-Ruzyne international airport. VINCI Park also has operations in Romania through the majority shareholding acquired at the end of 2005 in Unipark Sistem, a company in Bucharest. In Moscow, Russia, by winning a first contract for 1,300 spaces at Sheremetyevo airport at the beginning of 2007 and signing an agreement with a local company, VINCI Park has positioned itself to participate in the upcoming car park infrastructure development programme.
VINCI Park increased its on-street parking services throughout Europe. With public authorities transferring enforcement to the private sector, VINCI Park won new contracts in the United Kingdom (22,600 spaces) and Belgium (Malines, 2,200 spaces), as well as Spain (Errenteria, 1,350 spaces), where the company won a significant contract in Madrid (29,000 spaces) at the end of 2005.
In the high potential hospital car park segment, the contract for a 1,400-space car park signed with the West Suffolk Hospital, about 100 km to the north of London, strengthens VINCI Park's references in that field.

Canada. VINCI Park continued its growth in central Canada. With a strong presence in Quebec, the company extended its operations to Toronto by winning a contract for 1,600 spaces.
This followed the acquisition in 2005 of an operator in Ottawa (22 car parks, 6,000 spaces). In total, VINCI Park now operates 148 car parks and 57,000 spaces in Canada.

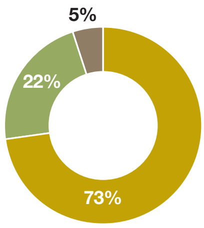
** Source: internal study*

Revenue by geographical area



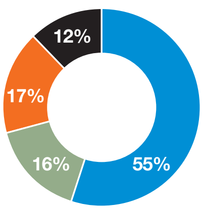
France	**73%**
United Kingdom	**10%**
Rest of Europe	**11%**
Rest of the world	**6%**
Total	100%

Revenue by type of contract



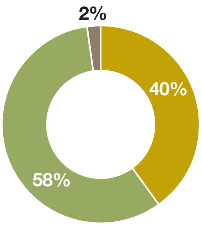
Concessions and long-term leases	**73%**
Service provider	**22%**
Freehold	**5%**
Total	100%

Parking spaces by geographical area



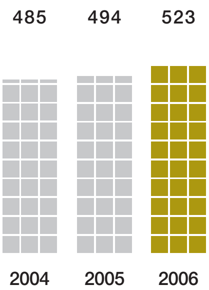
France*	**55%**
United Kingdom	**16%**
Rest of Europe	**17%**
Rest of the world	**12%**
Total	100%
** Of which Paris*	*13%*

Parking spaces by type of contract

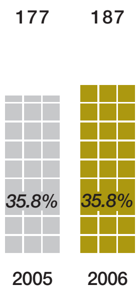


Concessions and long-term leases	**40%**
Service provider	**58%**
Freehold	**2%**
Total	100%

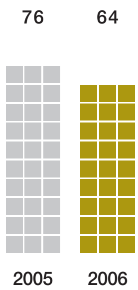
Revenue



Cash flow from operations*

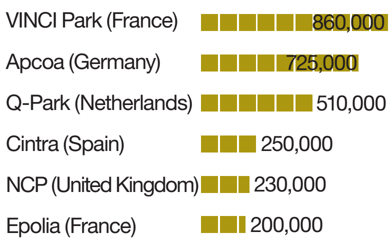


Net profit



VINCI Park, Europe's leading car park operator

(Number of spaces managed)



In € millions and as a percentage of revenue
** Before tax and cost of debt*

Source: company press releases, VINCI estimates

A business model in phase with the growth of PPPs in Europe

01 **600 million customers**
VINCI Concessions is introducing innovations that optimise the operation of the infrastructure under its control as concessionaire or operator in order to meet the expectations of its 600 million end-customers.

01

ASF and ESCOTA were integrated rapidly within VINCI in 2006, which added considerable strength to VINCI Concessions' expertise and the quality of its diversified portfolio. The company now has a broader and healthier base on which to build. This is confirmed by the new PPP contracts won in 2006 and those nearing finalisation at the beginning of 2007. With its new configuration fully operational, VINCI's concessions business line will generate new cost synergies by rationalising its structures, sharing best practices between its subsidiaries and seeking productivity improvements. The development of new services and projects across its various entities (combined motorway and car park offerings, for example, and traffic information linked to electronic payment methods) will create additional revenue opportunities. These are set down in the 2009 Performance Plan, which assigns growth and productivity objectives for the main subsidiaries (annual EBITDA of 67% for ASF and ESCOTA; 69% for Cofiroute). During spring 2007, ASF and ESCOTA will finalise negotiation of their master plans with the government for the period 2007 to 2011. These plans define the investments to be made (€2,550 million for ASF; €800 million for ESCOTA), the pricing policy and quality of service commitments, giving the two companies good visibility over the coming years.

Development of new projects

The search for new projects and new concessions will be carried out in a very favourable climate for the development of PPPs in the European Union (where the Group generates 90% of its business), Russia and the United States. In parallel, the growing complexity of projects and the gradual spread of the road charging culture will be an added advantage for major industrial operators in the sector. These strong trends will feed the business model and growth strategy of VINCI, which has set itself an objective of winning PPP projects representing a total financial commitment in the order of €1 billion a year from 2007. The projects will be for any type of transport infrastructure (motorways, urban and suburban roads, car parks, rail links or airports) or public facilities (education, health care, legal, security, sports and leisure).
VINCI Park will pursue growth in Central and Eastern Europe and will flesh out its offerings for the hospital and shopping centre segments. In France, it will seek opportunities for growth in medium-sized towns where paying to park is becoming more commonplace.

Optimisation of existing concessions

These developments will go hand in hand with the optimisation of existing concessions. ASF, ESCOTA, Cofiroute (which will bring the first section of the A86 West near Paris into service in 2007) and VINCI Park will continue to look for ways of improving customer services and the performance of their operations in France.

Profile

VINCI Energies is market leader in France and a major player in Europe in energy and information technologies*. It meets the numerous and changing needs of its customers – industries, service companies, local authorities, energy and telecommunications operators – by integrating these technologies in customised, high service content offerings. Supporting its customers at the different stages of their projects – design and engineering, implementation, operation and maintenance – VINCI Energies operates in four areas:

- **infrastructure:** power supply networks (power transmission, transformation and distribution), urban lighting and urban development, transport infrastructure (lighting, power supply and information systems);
- **industry:** power distribution and monitoring and control, mechanical engineering, air treatment, fire protection, insulation, maintenance of industrial equipment);
- **service sector:** power supply networks, climate engineering, plumbing, fire detection and protection, building automation systems, safety, multi-technical and multi-service maintenance;
- **telecommunications:** infrastructure and voice-data-image business communications.

In all these areas, VINCI Energies provides high added value offerings. These are implemented by 700 business units in Europe, which are networked mainly through six brands (see below). Together with its management system based on autonomous teams and a strong service culture, this decentralised organisation enables the company to act as a systems integrator in developing solutions that are both local and global and that support its customers in all aspects of their projects. VINCI Energies works under a great many recurring contracts, which incorporate a significant maintenance and replacement component and constitute its main line of business. With a workforce of 27,000 employees in 20 countries, mainly in Europe, VINCI Energies generates nearly 30% of its revenue outside France.

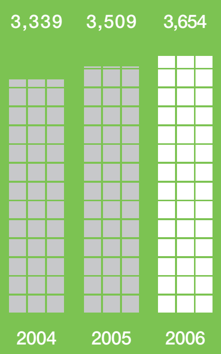
Six brand networks:

- Actemium: solutions for industry
- Axians: voice-data-image communication
- Citéos: urban lighting
- Graniou: telecommunications infrastructure
- Omexom: high voltage power transmission and transformation
- Opteor: industrial and service sector maintenance

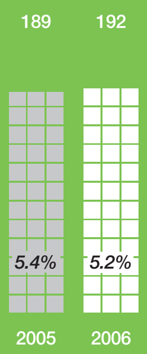
** Source: internal study*

energy

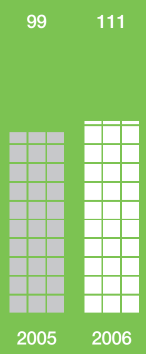
Revenue



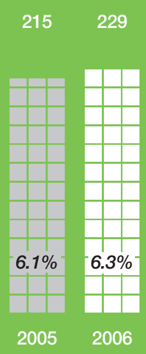
Operating profit from ordinary activities



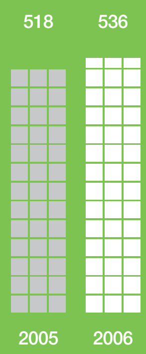
Net profit attributable to equity holders of the parent



Cash flow from operations*

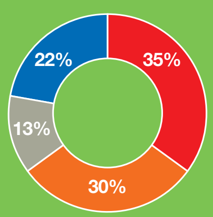


Net financial surplus**



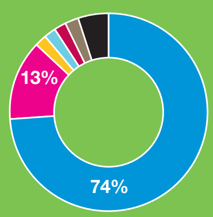
In € millions and as a percentage of revenue
* Before tax and cost of debt
** At 31 December

Revenue by business line



Industry	35%
Service sector	30%
Telecommunications	13%
Infrastructure	22%
Total	100%

Revenue by geographical area



France	74%
Germany	13%
Netherlands	2%
Sweden	2%
Spain	2%
Central & Eastern Europe	2%
Rest of the world	5%
Total	100%

energy photo essay

01 Tower lights
To illuminate the TDF Tower, nicknamed the Little Eiffel Tower by the people of Lyons, Citéos had to call in a team of mountain climbers; the project took 630 hours of work. The illumination was inaugurated during the Festival of Lights in December 2006.

02 400 kV line displacement
As part of the RTE power transmission network project aimed at reinforcing the electricity supply of the Annecy region, VINCI Energies did the work to displace the Albertville–Cornier high voltage line in the town of Montagny les Lanches in south-eastern France.

03 Marseilles, a shining example
Marseilles awarded the five-year contract to manage its public lighting facilities, comprising nearly 70,000 lighting points and heritage illumination, to a consortium led by Citéos.

01

02

energy photo essay

01 **Power station**
Isolierungen Leipzig carried out the thermal insulation and passive fire protection works at the Boxberg coal-fired power station in Germany for Vattenfall Europe.

02 **Renovation of the Grande Halle de la Villette**
VINCI Energies was responsible for the climate engineering works package (HVAC, smoke venting, plumbing, etc.) as part of the renovation of the Grande Halle de la Villette, a building used for a variety of cultural and corporate events in Paris.

03 **Fire protection**
GFA, VINCI Energies' German subsidiary, installed the sprinkler fire protection system at the new Rhenus logistics hub in Duisburg, Germany.

01

02

"Dead zone" coverage
Graniou has installed radio sites for SFR in several regions of France to provide GSM coverage in "dead zones".

Maintaining a high level of profitability in changing markets

01 **A PPP in Rouen**
In early 2007, the consortium comprising VINCI Concessions and VINCI Energies signed the 20-year *contrat de partenariat* (French form of PPP) covering centralised management for the safety of Rouen's public spaces.

02 **Light rail lighting**
In Valenciennes, VINCI Energies installed public lighting equipment on the 9 km light rail system.

01

VINCI Energies recorded revenue growth of 4.1% in 2006 despite the sale of TMS activities (outside France) and maintained a high level of operating profit (5.2% of revenue). Growth was especially strong in VINCI Energies' two main markets, France (5.2%) and Germany (9.8%). In all markets, there was a general trend towards growth in the service sector (12%), offsetting the relatively slack industrial sector. In addition, with the increasing globalisation of services, VINCI Energies is working on ever larger projects that more and more frequently include upstream design studies and downstream maintenance.
These trends bolster the market positions and organisational structure of VINCI Energies, which is developing global offerings that combine the expertise of its networked business units.

In France, growth was driven in particular by the dynamic service sector and energy and transport infrastructure markets. In industry, the company's efforts to adapt its offering enabled it to increase its business activity despite a difficult economic climate.

Excluding TMS, revenue generated outside France increased nearly 12%, or 5.3% on a comparable scope of consolidation basis, and there was significant growth in the main European markets: 13% for the division in Germany, where the Group's business units, having achieved a spectacular turnaround in preceding years, returned to growth in 2006, especially in industry; 11% in Sweden, where the improvement of Emil Lundgren's results was confirmed; 12% in the Netherlands, where profitability remained high; and in Central and Eastern Europe, where business activity was bolstered by telecommunications infrastructure, especially in Poland. Profitability remained stable in the United Kingdom, where VINCI Energies is broadening its business activities beyond the flagging industrial sector and in Spain, where Spark Iberica maintained a high level of operating profit and where the dynamic energy infrastructure market made up for the discontinuation of a loss-making telecommunications activity. In Portugal, the smooth integration of Sotécnnica, acquired at the end of 2005, contributed €44 million to 2006 revenue. Acquisitions kept pace with organic growth: 21 external growth operations, accounting for full-year revenue of €150 million, expanded VINCI Energies' network of expertise. Companies joining the group included Nohl (fire protection) in Germany; Dynamic Equipment (telecommunications infrastructure) and Promatic (industry) in Belgium; Germat (industry) in Morocco; Methec (industry) in the Netherlands; RBS (telecommunications infrastructure) in Sweden; Coteb (industrial and service sector electrical systems), Imhoff (climate engineering) and Froid 14 (industrial and retail refrigeration) in France. Imhoff and Froid 14, which account for a contribution of over €50 million in annual revenue, enable VINCI Energies to consolidate its position and expand its offering in the buoyant thermal engineering market.

Infrastructure

In France, after a difficult start to the year, the high and very high voltage network activity (Omexom) maintained its revenue (€98 million) thanks to a marked recovery in the second half. In particular, RTE, the French power transmission operator, awarded two framework contracts (design studies and works) totalling nearly €100 million to Omexom over two and a half years.

Business was also buoyant in transformer stations, with industrial (turnkey construction of a 225 kV transformer station of the Aubert & Duval steelworks) and public power supply (network interconnections between Togo and Benin) customers. The power plant construction programme, which drives the transformer station market, also benefits VINCI Energies, as in the case of two significant orders won in France at the end of the year: the new Georges Besse II nuclear enrichment plant, to be built at the site of the Tricastin power plant in south-eastern France, and the CyCoFos combined cycle power plant for Gaz de France.

➔

VINCI Energies' competitive position in its main markets

France

In 2006, VINCI Energies remained market leader in France. It boosted its operations in eastern France and expanded its expertise in the field of climate engineering (works and maintenance) with the acquisition of Imhoff. Its main competitors are Cegelec, Spie, Forclum (Eiffage), Ineo (Suez) and ETDE (Bouygues).
In electrical systems works (accounting for over 40% of VINCI Energies' business activity in France), VINCI Energies has a market share of approximately 10%.

Germany

VINCI Energies is a major player in thermal activities (insulation, fire protection, climate engineering). Its competitors are Rheinhold & Mahla (Bilfinger Berger Group) and Thyssen Krupp (Industrial Services Division) in insulation and Minimax and Total Walther (Tyco) in fire protection.

Sources: internal study and company press releases

Retail space equipment

VINCI Energies substantially strengthened its position in the retail space market at the end of the year. In Italy, the creation of a new subsidiary is supporting the development of the Zara clothing chain (Inditex Group): it installed the electrical systems at approximately 40 shops that opened during the year, generating revenue of €5 million. In France, VINCI Energies worked with VINCI Construction on the Espace Béthune project, a shopping centre in Lille. Its presence in the retail sector (shops and logistics hubs), for which it provides multi-technical services (electrical engineering, climate engineering, fire protection) is boosted by the recent acquisition of new industrial refrigeration expertise. Last but not least, VINCI Energies will be equipping the Torre Vedras shopping centre northwest of Lisbon, Portugal.

→ In Spain, business was brisk at Spark Iberica following strong growth recorded in 2004 and 2005, in a growing power infrastructure market. In local rural electrification markets, buoyant activity starting in the spring offset a difficult start to the year caused by bad weather.

In urban lighting activities, covered by the Citéos business units, growth was particularly strong, with activity increasing by more than 20% to €136 million. The dynamic market benefited the global management offerings developed by Citéos in response to demand from local authorities. The trend towards globalised services under long-term contracts accelerated at the end of 2006, with VINCI Energies winning the first French public-private partnerships in urban infrastructure. One, a 15-year contract with the city of Thiers in central France, covers maintenance of lighting facilities (3,700 lighting points), implementation of a lighting plan and festive illuminations. The second was awarded by the city of Rouen to a consortium made up of VINCI Energies and VINCI Concessions. The 20-year contract, with a value of some €100 million, covers "centralised management for the safety in public spaces" and includes lighting (15,700 lighting points), as well as traffic control and remote monitoring equipment. During the year, VINCI Energies won or renewed a large number of multi-year operating contracts (Concarneau, Condé sur Noireau, Ifs, Grand Nancy, Malemort sur Corrèze, Quimper and Salbris). Citeos business units also won several heritage enhancement projects, including lighting plans in Boulogne sur Mer, Langres, Saint Etienne, Sancerre and Toulouse.

In transport infrastructure, VINCI Energies' complementary expertise is particularly well suited to complex urban issues. The group, often in conjunction with Eurovia, took part in most of the light rail projects completed (Clermont Ferrand, Grenoble, Lyons, Paris, Saint Etienne, Valenciennes) and under way (Le Mans, Montpellier, Nantes, Nice) in 2006. VINCI Energies also implemented the unified communication network (metro first, followed later by bus and light rail) in Toulouse and took part in the renovation of the ESCOTA (high voltage power supply and technical equipment monitoring in the A8 motorway tunnels) and Cofiroute (lighting refurbishment) motorway networks. In Lyons, VINCI Energies will also be implementing the low voltage works package on the Leslys light rail system, for which the concession was awarded to VINCI.

Industry

In a difficult market, in which investments in the automobile industry are declining, industrial activity held steady at the 2005 level. The Actemium network business units (electrical engineering and automation) generated revenue of €485 million in 2006. The network, which covers some 100 business units in 12 countries, was deployed at European level in just a few years to support industrial companies in the two areas where they have requirements: local service and multi-site process solutions. The ongoing strategy, which leverages strong local roots generating a large amount of recurring business activity and a major accounts approach, has enabled VINCI Energies to make the most of buoyant markets.

2006 was a particularly satisfying year in Germany. Actemiums' revenue grew 10%, driven by strong growth in two high-potential sectors. The first is power plant equipment, which accounts for 15% of VINCI Energies' revenue in Germany, against the backdrop of the €25 billion investment programme covering the construction and renovation of conventional thermal power stations to offset the discontinuation of the nuclear programme between now and 2015. The second promising sector is biofuels. Actemium took part in the installation of seven production sites in Germany, notably for Lurgi AG and Shell, and it is supporting the Lurgi Group in the construction of three sites in Belgium and Austria.

In France, where VINCI Energies also gained a very early foothold in the emerging biofuel market, it also worked on five Diester Industrie sites and several bioethanol production sites. Again in France, European sugar group Tereos selected VINCI Energies to equip (electrical systems, instrumentation and PLCs, pipes, sprinkler fire protection) a new bioethanol production unit at its Origny Sainte Benoite site in northern France. The unit has an annual capacity of 3 million hectolitres of ethanol, which is produced by distilling sugar beets. For the same company, VINCI Energies is equipping a wheat-based bioethanol plant in Lillebonne in northern France (at which 820,000 tonnes of wheat will be processed to produce 300,000 cu. metres of ethanol annually). VINCI Energies business units are also working at the new Cristal Union (dual beet and grain processes) site in Bazancourt in northern France. Overall, VINCI Energies won approximately 15 biofuel projects in 2006.

01 **Refrigerated hub**
In Ifs, near the northern French city of Caen, VINCI Energies implemented the refrigeration equipment of a 24,000 sq. metre logistics hub (i.e. four 6,000 sq. metre "fridges") for big-box store chain U.

02 **Biofuels**
In Germany, Actemium handled the electrical systems and instrumentation works packages for Lurgi AG at the Südstärke biodiesel production site in Schrobenhausen.

01 / 02

The food processing sector (particularly in the Netherlands) and the petrochemical and natural gas industries also generated a large volume of business, especially in maintenance. The Opteor network, for example, secured the renewal of three contracts for large Total refineries in France (Normandy, Grandpuits and Donges).

Lastly, fire protection in the industrial sector grew in France and Germany against a backdrop of growing synergies with other VINCI Energies areas of expertise.

Service sector

Service sector activities confirmed their growth momentum in VINCI Energies' main European markets. Overall, the market segment recorded growth of 12% in 2006. The increase was especially strong in office space in France, and particularly in the greater Paris area. Projects completed and under way include the new conference rooms at the OECD headquarters building; a building containing 500 office suites for members of the National Assembly, which was renovated while occupied; the new PSA Peugeot-Citroën research site in Vélizy Villacoublay; the Granite and T1 Tower buildings at La Défense, Société Générale's trading rooms (for which VINCI Energies is refurbishing the active fire protection system), the interior development of the CBX Tower building for Dexia; and the Florida building renovation in Le Havre.

Business was also brisk in the other market segments: retail space (see box p. 50); banking networks (a large number of branches to be built and renovated in France); luxury hotels; public housing; major cultural sites (renovation of the Salle Pleyel concert hall, the Odéon theatre and the Grande Halle de la Villette in Paris, the André Malraux theatre in Rueil Malmaison, the Granet museum in Aix en Provence and the Fabre Museum in Montpellier, equipment of the Zénith concert hall in Nantes). In the health care sector, a market in full swing, there were many projects in France, including the teaching and research hospital in Lille, the Haguenau and Vesoul hospital, the Army hospital in Toulon, the Union clinic in Toulouse, the Le Lamentin hospital in Martinique. These will be succeeded by new orders for the cardiology unit at the Nancy teaching and research hospital, the Castres-Mazamet hospital, the refurbishment of the American Hospital in Neuilly sur Seine and the construction of the Chénieux clinic in Limoges. New contracts were also won in Sweden (Sahlgrenska hospital in Gothenburg) and Spain (Granollers hospital complex near Barcelona).

For most of these projects – the average size of which has been increasing over the years – VINCI Energies provides multi-technical services (electrical systems, thermal engineering, fire protection, etc.) that call on the complementary expertise of its business units. A major proportion of these projects is carried out together with VINCI Construction companies. These large projects complement the many smaller projects on new and existing buildings that make up the core business of the service sector activity.

Extending beyond the construction-renovation activities, multi-technical and multi-service maintenance activities (Opteor brand) continued to expand in a growing market. The mono-technical maintenance sector remains the largest maintenance activity, but VINCI Energies' combined expertise makes it possible to take advantage of the growth in the multi-technical maintenance market, particularly for regional customers. A number of multi-site contracts were signed in 2006 with local authorities and companies, one example being the maintenance contract for operator Neuf Cegetel's 400 host sites in France and for the 26 sites of fast food chain Quick.

→

Strong network maintenance activity

Graniou supports telecommunications operators in network rollout and maintenance. In 2006, all its fixed-line network maintenance contracts were renewed and several new contracts were won in this buoyant sector. In Martinique and Guadeloupe, the active equipment maintenance contract for the Digicel network (formerly Bouygues Telecom) was renewed for two years. Neuf Cegetel awarded to Graniou – in partnership with Opteor for host sites – the contract to maintain its network infrastructure throughout France. In Poland, the contract with Telekomunikacja Polska includes 7-day-a-week maintenance of over a million fixed lines. For RFF, Graniou signed the first maintenance contract for the GSM-R network in France. The contract covers approximately 30 radio sites along the pilot Paris–Bar le Duc line, and follows the construction phase, in which Graniou took part.

→ Telecommunications

Telecommunications infrastructure

Graniou's revenue stood at €250 million, up 11% thanks to acquisitions (Sweden and Belgium) and to the start-up of the brand's operations in the United Kingdom.

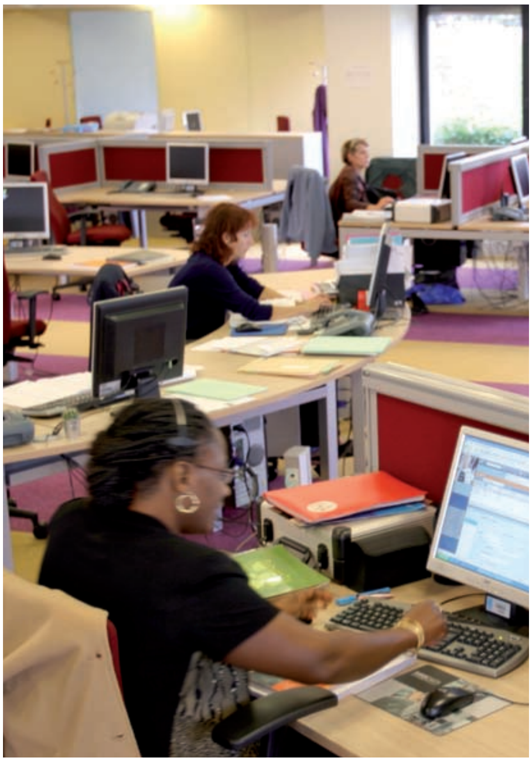
Mobile networks accounted for three-quarters of the brand's activity. Graniou supports French operators in the rollout of their 3G (UMTS) and 3G+ (offering performance 10 times greater than UMTS) networks. In addition, within the framework of the national "dead zone" coverage programme (3,000 towns with a population of less than 500 to receive service in three years), Graniou worked to set up 145 sites for SFR in 2006, under a broader responsibility arrangement (in which Graniou acts as client representative). A similar task has been undertaken in Spain for Telefonica Moviles, with 200 sites to be installed in rural and mountainous areas in Catalonia within two years. Another broad-based programme, to be carried out in two years, is the rollout of the secure network (Acropol) for the national police force in France, in which Graniou participated, supporting operator TDF in the search, negotiation and development of 350 sites (out of a total of 950). In addition, Graniou carries out network maintenance for telecommunications operators (see above).

Business activity for equipment manufacturers also grew. In France, Graniou maintained its positions with all the major equipment manufacturers (Nokia, Nortel, Motorola, Nec, Siemens, SIAE, etc.) and consolidated its leadership with Alcatel by broadening its range of services to cover new technologies (installation and commissioning of voice-data transmission for the national interconnection network covering all SFR switching centres) and new operators (installation and commissioning of ADSL equipment on the France Télécom network). In the United Kingdom, Graniou won "preferred partner" status with Fujitsu Telecommunications, one of the main suppliers of multiplexers and hubs selected by British Telecom for the 21st Century Network project. In Sweden, the acquisition of RBS gives Graniou that company's strong presence with equipment manufacturers Ericsson and Nokia and offers opportunities for expansion in Scandinavia, especially in the area of active UMTS network equipment.
Lastly, the activity of Atem Polska in Poland increased 31% in 2006, driven in particular by the renewal and extension of the contract awarded by operator Telekomunikacja Polska (optical fibre infrastructure, installation of new lines, maintenance).

Voice-data-image communications

Organic growth in Axians' activity was 12% (20% if German subsidiary NK Networks, acquired in 2005, is included). Axians' revenue now exceeds €210 million, of which approximately 40% is generated outside France. The return to market growth, albeit modest, after several difficult years, is driven by the development of VoIP (Voice over Internet Protocol) and by investments in WiFi and IT security networks.

In France, Axians' activity included the rollout of VoIP telephony for Caceis (2,000 terminals), Rexel (300 terminals) and UbiFrance (750 terminals). In addition, at the end of the year, it was awarded the full range of communications networks at the new head offices of NXP France (including connection of 1,500 IP terminals). Business activity was buoyant in audiovisual (offices, hotels) and museography, with the equipment of the CinéAqua aquarium at Paris's Trocadéro and the Château des Ducs de Bretagne in Nantes, which was inaugurated on 9 February 2007. In the Netherlands, Axians continued its service and consulting activities with the banking sector. In Germany, Axians implemented the telephone system at the new security command post in Stuttgart. In the run-up to the 2006 Football World Cup, the city was equipped with infrastructure bringing together, in one central unit, the emergency services, integrated traffic control centre and command post to direct operations in the event of an exceptional incident.



01 **Maintenance for telecommunications operator**
Eleven Graniou and 13 Opteor business units have been called in to implement the multi-technical and multi-site maintenance contract, which covers optical infrastructure and 400 sites for operator Neuf Cegetel.

02 **Call centre**
Integration of a call centre for the Val de Marne general council.

03 **New aquarium in Paris**
The museographic guide and audio-visual equipment of the various spaces at the new Trocadéro aquarium in Paris, which has been re-named CinéAqua, were implemented by Axians.

01 02
03

Long-term trends reinforce VINCI Energies' local and global solutions

01 **Lyons light rail**
VINCI Energies implemented the building management systems and low voltage equipment for the new light rail line in greater Lyons, inaugurated in December 2006.

01

VINCI Energies operates in markets that are sustained in the long term by a set of coinciding phenomena: the ongoing development of information technologies; increasing demand from the energy, transport and communication infrastructure sectors; and tightening of environmental, traceability and safety standards, prompting accelerated replacement of equipment.
Against this backdrop, VINCI Energies will be emphasising its position as a service company supporting its customers with solutions that are both local and global and that are tailored to customer needs. Building on the roots, responsiveness and complementary competencies of its networked business units, VINCI Energies will be pursuing its European expansion strategy combining organic growth and acquisitions to round out its offering of expertise for its various markets.

In energy infrastructure, market liberalisation, the resumption of capital investment in networks and generation plant (conventional thermal and nuclear) and the development of wind energy constitute major sources of future growth. The urban lighting activity continues to grow in response to major equipment modernisation requirements; new global management contracts, extending the first PPPs obtained in 2006, will contribute to boosting this market. VINCI Energies will also continue to have the benefit of strong demand in the **transport infrastructure sector** (light rail, road and motorway information systems).

In industry, VINCI Energies will be making the most of its expertise in the buoyant power plant, biofuel, pharmaceuticals and fine chemicals markets. Its Europe-wide coverage and ability to support its customers' multi-site projects will give it a favourable position in growth markets, particularly in Central and Eastern Europe.

In the service sector, VINCI Energies will be expanding its core businesses by intensifying its specialised expertise in each market segment (health care, retail, bancassurance, offices, culture, education, hotels). It will position itself in the office building renovation market that is now maturing, and will continue to expand in refrigeration, which is a source of synergies with other business lines. Lastly, it will develop its property maintenance activity.

In telecommunications infrastructure, the market will continue to be driven by equipment manufacturer and operator investments in fixed network modernisation (very high speed, with FTTH connections) and mobile networks (3G, 3G+, Wi-Max, Antares civil protection project, etc.). In infrastructure and in business communications, migration to all-IP networks and fixed-mobile convergence will generate major investments over the long haul. Here, Axians will be stepping up its high-service-content offering and making the most of its new European dimension.

Profile

Eurovia is a world leader in roadworks and materials recycling and the biggest French producer of road aggregates*. The company generates more than 90% of its revenue in Europe, mainly in France, Germany, the United Kingdom, Czech Republic and Spain. It also holds significant positions in Florida and North Carolina in the United States, Quebec in Canada and Chile. Eurovia's growth model, which combines strong roots in a large number of local markets with an ambitious innovation programme and the networking of its 300 divisions and subsidiaries, is based on the vertical integration of its various skills.

Roadworks

Eurovia builds, renovates and maintains road, motorway and railway infrastructure, as well as industrial and retail development sites. This business activity, carried out for both public and private clients, accounts for nearly half the company's revenue and consists of over 40,000 projects a year.

Materials production

Eurovia operates 210 quarries, 60 binder plants, 385 coating plants and 135 materials recovery and recycling facilities. This business line is complementary with Eurovia's roadworks activities. It contributes to the company's growth and increases revenue and profits. It also guarantees the availability of high quality materials for its projects. Eurovia has 1.8 billion tonnes of materials in reserve, representing about 30 years of production.

Quality of life and environment

Eurovia provides the full range of expertise needed for quality urban development projects (roadbeds for bus rapid transit and light rail systems, enhancement of public spaces, playgrounds and sports facilities, etc.) and improving transport infrastructure safety (road marking and lane differentiation). The company is also active in environment-related business segments such as deconstruction, installation of noise and pollution barriers, wastewater collection and water distribution systems, waterproofing and landfills.

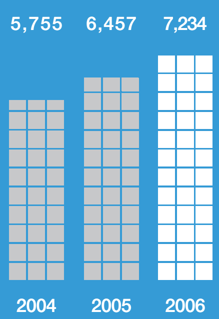
Services

Eurovia operates upstream of comprehensive infrastructure projects (design and coordination, consultancy and technical support) and provides downstream services such as on-site maintenance, IT network management, winter maintenance and emergency response.

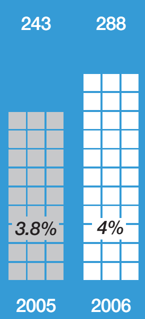
** Source: internal study*

roads

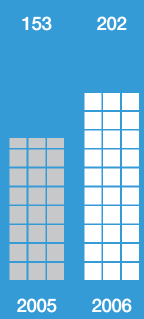
Revenue



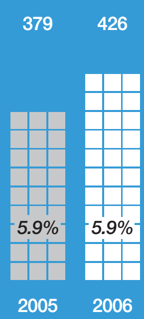
Operating profit from ordinary activities



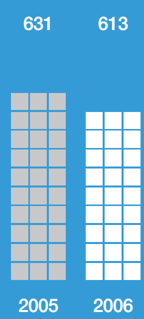
Net profit attributable to equity holders of the parent



Cash flow from operations*

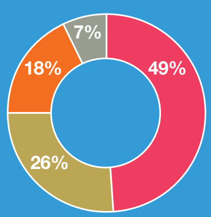


Net financial surplus**



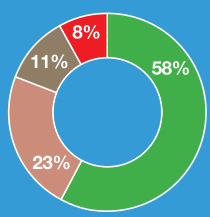
In € millions and as a percentage of revenue
* Before tax and cost of debt
** At 31 December

Revenue by business line



Roadworks	49%
Quality of life and environment	26%
Industry and materials	18%
Services	7%
Total	100%

Revenue by geographical area



France	58%
Western Europe (excl. France)	23%
Central Europe	11%
Americas	8%
Total	100%

eurovia photo essay

01 **On the banks of the River Rhône** near Lyons, Eurovia developed the new multi-modal terminal (road, rail and river) at Port Edouard Herriot.

02 **Asphalt compacting** on a road in the south of France.

03 **Urban development** at Bourg en Bresse in eastern France. Eurovia enhanced the Cours de Verdun by laying cobblestone pedestrian pavements, installing vehicle access bollards, and marking and equipping car parking areas.

01
02

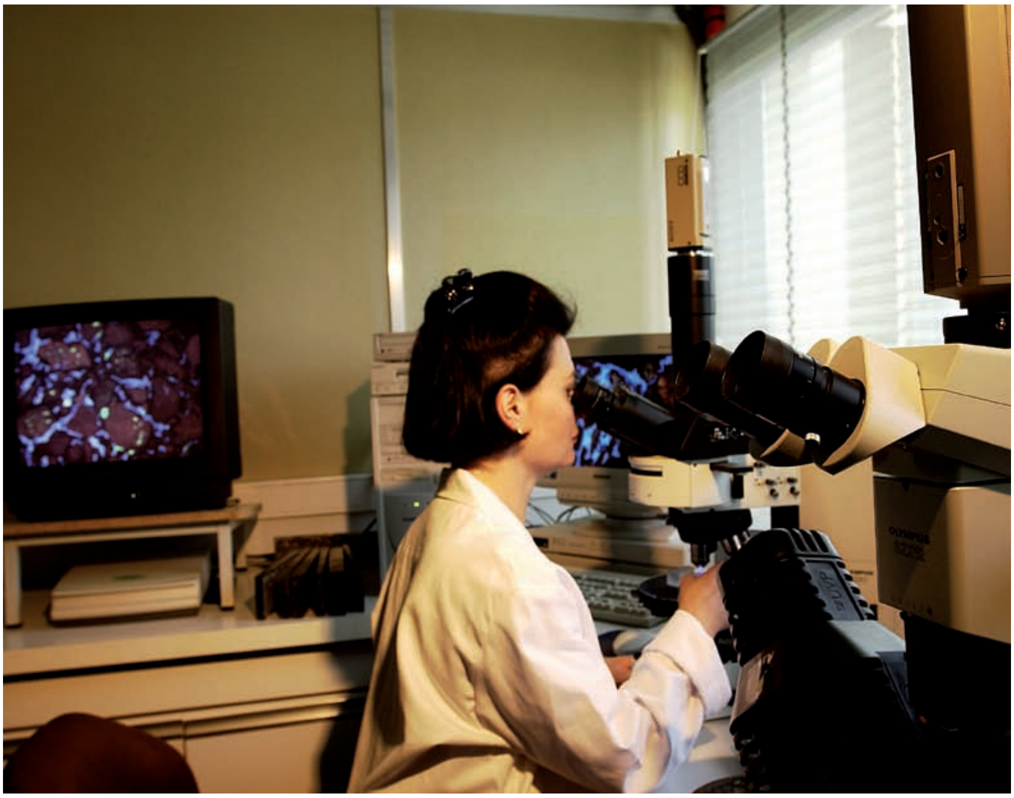

la grenette

Significant resources
were deployed to surface the runway extension at Metz-Nancy-Lorraine airport.

01 **The Bordeaux research and development centre** in France develops high value added, environmentally friendly products and processes.

02 **Materials production** at Châteauneuf les Martigues quarry, a 76 hectare site in the south of France where Eurovia produces 2 million tonnes of limestone a year.

01



Strong growth in business activity and operating profit

01 **01 NOxer® pollution removing roads** have been laid for the first time in France at Dinan in Brittany and Montlouis sur Loire in the Loire Valley.

02 **The Grenoble light rail system** has a third line, 13.5 km long. It was built in 30 months.

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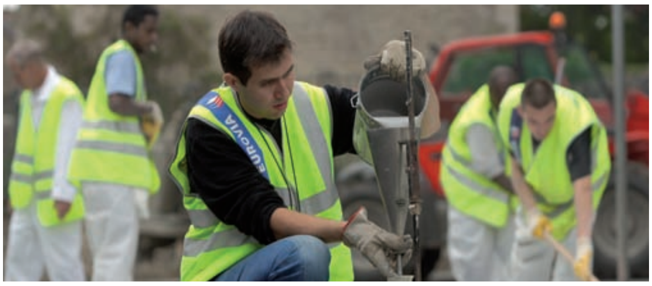


Eurovia grew strongly again in 2006, with revenue increasing 12% (10.9% on a constant consolidation and exchange rate basis). The company recorded an even higher increase in operating profit from ordinary activities (18.4%), which represents 4% of revenue.

Eurovia's strategy has proved itself by generating continuously improving results. The company's competitiveness is strengthened by the combination of strong roots in diversified markets, vertical integration of its business lines, an ambitious innovation policy and the development of synergies between entities.
Drawing on its extensive and diverse expertise, Eurovia takes full advantage of the underlying trends in its markets. Its know-how in the full range of activities associated with building transport infrastructure and urban development meets a growing need for comprehensive solutions in this field (see box p. 66). These solutions go beyond road pavements, roadbeds and surfacing to encompass related areas such as wastewater collection systems, waterproofing, network re-routing and minor civil engineering works. They also cover landscaping infrastructure into the living environment and improving comfort and safety. In addition, Eurovia provides long-term maintenance of road networks under multi-year contracts.
Eurovia's capacity for innovation gives it a significant competitive edge. Backed by the expertise of its research and development centre at Mérignac, near Bordeaux, the company develops high value added, environmentally friendly products and processes that meet contracting authorities' increasing demands in terms of sustainable development. Examples of its technological advance include processes for laying warm mix asphalts and in-situ pavement recycling, as well as pollution absorbing noise barriers (see box p. 66).
Eurovia continued its external growth policy aimed at optimising market coverage and strengthening its materials production capacity. Acquisitions in 2006 represent full-year revenue of about €75 million. These included quarries in Germany, Belgium, France and Canada, which increased the company's annual production capacity by 4 million tonnes and its reserves by 200 million tonnes. With the same aim of expanding its industrial footprint, Eurovia worked with Carmeuse to form a company that specialises in selling industrial limestones for building, civil engineering and industrial applications.

France

In 2006, Eurovia confirmed the quality of its roots in its longstanding market, where the business climate was excellent. Revenue in France grew 15.7% (versus 11% in 2005). Almost half this growth was however attributable to higher costs of petroleum products and transport. Despite pressure on prices, operating profit was maintained at the high level of 5.5%.
Eurovia's business in France combines a broad base of numerous recurring local contracts – about 35,000 in 2006 – and participation in major transport infrastructure and urban development projects.
Eurovia confirmed its leadership position in light rail systems, working on the Bordeaux, Clermont Ferrand, Douai, Grenoble, Lyons, Marseilles, Montpellier, Mulhouse, Nice, Rouen, Saint Etienne, Strasbourg and Valenciennes sites during the year. Together, these represent over half the projects currently under way in France. The company's ability to execute and coordinate all operations associated with urban development (earthworks, utility network re-routing, road pavements and roadbeds, laying cobblestones and paving stones, etc.), backed by experience stretching back to the first projects in the 1980s, enables it to capture a major share of this market. Eurovia is also participating in the renovation of the Corsican railway network.
Business was also brisk in the construction and renovation of major infrastructure. Projects included motorways (A4, A6, A7, A9, A10, A31, A42, A43, A64 and A75), airports (renovation of Marseilles-Provence, Lyons Saint Exupéry, Metz-Nancy-Lorraine and Tarbes, and the extension of the air terminal at Toulouse-Blagnac).
At Méaulte in northern France, Eurovia is working in a consortium with VINCI Construction France to build a runway 2,300 metres long and 45 metres wide to accommodate the Airbus A300-600 Super Transporter, also known as the Beluga. The materials for the base course (160,000 tonnes) are brought in by barge by Eurovia's subsidiary, Transports Fluviaux des Matériaux du Nord (TFMN). In addition, Eurovia participated in several projects to refurbish or develop prestigious sites: replacing the cobblestones in the Place Charles de Gaulle in Paris, the Royal Courtyard of the Château de Versailles, and the area around the Nîmes Arena; developing the area around the Château des Ducs de Bretagne in Nantes; building roads as part of the Mont Saint Michel restoration project; and developing the banks of the River Rhône south of Lyons.

➔

Eurovia's competitive position in its main markets

France
Roadworks market estimated at €13.5 billion: Eurovia is placed second behind Colas and ahead of Appia (Eiffage subsidiary). The rest of the market is divided among about 1,600 regional operators. In addition, Eurovia is the country's leading road aggregate producer.

Germany
Market estimated at €12 billion: Eurovia GmbH is placed second behind Strabag, the other significant players operating on a regional basis.

Czech Republic
Market estimated at €4 billion: SSZ is market leader for road-works; its significant competitors are Skanska, Metrostav and Strabag.

United Kingdom
Ringway operates mainly within the framework of multi-year maintenance contracts.

Sources: USIRF (French market); internal studies

Competitive dialogue for long-term contracts

Competitive dialogue, introduced by France's public procurement code, can be used when the contracting authority is not able to define accurately the technical resources or financial terms appropriate to a project. Eurovia was the first French roadworks contractor to use the new procedure. Drawing on its expertise, it put together a "differentiating" proposal that won a contract with the Est Tourangeau district authority in the Loire Valley. The six-year contract, worth €5.5 million, covers the design, extension and maintenance of 15 km of roads in 10 enterprise zones for six years.

Pollution removal process

Eurovia has developed NOxer®, a process that removes atmospheric pollution by neutralising nitrogen oxides (NOx), which are responsible for peaks in pollution. This is achieved by a chemical reaction with ultraviolet rays. Initially applied to noise barriers, the innovative coating material has been used on road pavements since 2006, eliminating atmospheric pollutants that come into contact with the surface. Trialled at Dinan for the Côtes d'Armor general council, NOxer® is designed for use in residential urban development zones.

➔ Eurovia's expertise in sophisticated, environmentally friendly processes was also illustrated in the launch of the biggest warm mix asphalt project ever undertaken in France. Over the 10 hectares of the second container terminal of Port Edouard Herriot near Lyons, Eurovia is using the Aspha-min® process to lay 11,700 tonnes of warm mix asphalt for Compagnie Nationale du Rhône. Aspha-min® reduces the coating temperature by 30°C (for performances equivalent to conventional surfacing) and the energy consumption needed for manufacture by 23%, while cutting discharges of pollution into the air by 20%.

Western Europe

Germany

For the second consecutive year, Eurovia GmbH recorded increased revenue (7.4% on an equivalent consolidation scope basis) and maintained its level of profit despite constant market pressures. Ramping up the deployment of its industrial strategy, Eurovia acquired Sutter, a company with 250 employees and revenue of €20 million. Sutter operates Oberottendorf, a very big quarry located in the south of the country, which will now supply Eurovia's coating plants in Germany, the Czech Republic and Poland. Apart from its vast resources, the quarry has a railway branch line, enabling two-thirds of materials produced to be transported out by train. A materials transformation and trading centre is to be set up at this site. Also in 2006, Eurovia sold its non-strategic holding of 50% in Stratebau, a Bavarian company.

United Kingdom

Ringway operates mainly within the framework of medium and long-term contracts (between three and 12 years), each representing average annual revenue of €15 million. The company's contracts with local authorities include maintenance of road networks and various associated services such as winter maintenance, maintenance of parks and public lighting. Ringway generated a high level of business in 2006 by renewing or winning several significant contracts (the county councils of Devon, Kent and Wiltshire, Solihull Metropolitan Borough Council, Transport for London's central contract, North East Scotland, South East Scotland). The recent acquisition of T E Beach also helped consolidate Ringway's position in the London road construction market.

Spain

The completion of major projects such as the Madrid ring road and a motorway in Andalucia improved revenue slightly.
The continued strict application of selective order taking, combined with tightened management, generated a significant improvement in profit.

Belgium

Business grew by over 33% and generated a very satisfactory level of profit. Continuing its strategy of expansion in Europe's materials market, Eurovia acquired Carrières Unies de Porphyre, a quarry with annual production of 1.9 million tonnes. The quarry's output will be used to supply Eurovia contracts and markets in the Benelux and northern France.
Application of this same strategy led to heightened activity at the materials storage, transformation and trading facility created in the port of Antwerp in Belgium in 2005. Some 350,000 tonnes of materials were processed at the facility in 2006, which has the potential capacity to handle 1 million tonnes. After transformation (crushing and screening), most of the aggregates are transported to worksites by river barge. In the longer term, 80% will be despatched by barge.

Central and Eastern Europe

Eurovia's subsidiaries in Central and Eastern Europe confirmed their vitality by generating about €800 million in revenue, representing an overall increase of over 10%. Revenue from this region now accounts for more than a quarter of Eurovia's international business and 11% of its total business.
In parallel, operating profit from ordinary activity (4.6% of revenue) achieved a similar level to that in France (5.2% of revenue). These excellent results endorse the company's strategy of targeting growth in concentrated areas to acquire significant positions by taking advantage of two sales levers: roadworks and materials production. As part of this strategy, a support services division for all operations in the area was created in Prague (Czech Republic) in 2006.

➔

01 **The mediaeval streets** around the Château des Ducs de Bretagne in Nantes were resurfaced using granite cobblestones, preserving the site's style and improving pedestrian traffic.

02 **In the United Kingdom,** a Ringway team erects a road sign near Gloucester.

03 **Laying asphalt** on the Mlynky road, some 50 km south of Poprad in Slovakia.

01 02
03

Extensive railway overhaul

SSZ, Eurovia's Czech subsidiary that specialises in building road, motorway and railway infrastructure, is currently working on the structural overhaul of an 18 km section of the fourth national corridor (Praha Hostivar–Strancice). Scheduled for completion by July 2008, the project includes laying 45 km of track and building or repairing 20 bridges, four retaining walls, 17 km of noise barriers and stations along the line, as well as creating access for handicapped people. The total contract is worth about €110 million, of which 48% is SSZ's share.

→ Czech Republic

Revenue in the Czech Republic is almost the same as that generated in Germany and the United Kingdom. SSZ increased it holding in the Jakubcovice hard rock quarry in Moravia from 51% to 100%. The quarry, which produces 1.2 million tonnes of materials a year, helps to guarantee supplies for SSZ in a business context where major infrastructure projects are being developed not only in the company's domestic market but across the entire region. Eurovia's subsidiaries in Central Europe are participating in some of the biggest motorway projects currently under way in Europe.

In 2006, SSZ handed over a 12 km section of the D6 motorway between Prague and Dresden in Germany. On the D11 motorway between Prague and Poland, SSZ is building 20 km of road pavement. It is also working in synergy with Eurovia Cesty, Eurovia's Slovakian subsidiary, on the construction of the pan-European corridor crossing Slovakia from east to west (D1), by executing the earthworks and building road pavements near Poprad. SSZ also worked on airports in 2006, with the modernisation of Karlovy Vary airport (runway upgrade to handle wide-bodied planes) and railway infrastructure, with the very big worksite for the fourth Czech railway corridor (see box above) and completion of the refurbishment of the light rail system line serving Prague city centre. The company received several major orders at the end of the financial year. These included the refurbishment of the 24 km section between Strancice and Benesov of the railway line between Prague and Austria (€51 million for SSZ); construction of an 8 km section of the D1 motorway between Morice and Kojetin in Moravia; and construction of the R6 express lane between Kameny Dvur and Tisova in western Bohemia (7.5 km including eight bridges, an interchange and 2.6 km of noise abatement walls).

Lastly, to complement its network of operations in the Czech Republic, Slovakia, Poland, Lithuania and Albania, Eurovia entered the Romanian market in 2007 by acquiring Viarom Construct, a company generating revenue of €13.5 million.

Americas

United States

With operations in Florida through Hubbard and North Carolina through Blythe, Eurovia continued to diversify towards a broader base of contracts and the private sector. In addition, the company applied stricter selection criteria to major contracts. This strategy generated a significant increase in both revenue (16.7% on equivalent exchange rates to US$476 million) and profit, bringing the company back to break-even. The acquisition at the end of 2005 of two coating plants in North Carolina, with a total capacity of 600,000 tonnes a year, strengthened Blythe's industrial capacity. Contracts completed by Blythe in 2006 included widening and improvement of a 3.3 mile section on the I-85 near Spencer, lane improvements over 3.5 miles of the SR-45 in Sarasota County, widening of Beach Boulevard in Jacksonville, and road widening and lane improvement on the I-485.

Canada

DJL recorded strong growth in both revenue (C$193 million) and profit. This was attributable both to the quality of the company's footprint in the improving Quebec market and the acquisition of Continental's assets. This transaction strengthened DJL's industrial production capacity considerably (two coating plants, a crushing plant, and a dozen stone and sand quarries representing 45 million tonnes of reserves). As a result, DJL was able to extend its business into Mauricie, an area near Quebec.

Chile

Eurovia posted an excellent performance in Chile, combining a good level of revenue (€54 million) and a very high level of profit.

01 **Oberottendorf quarry,** located near Dresden in Germany, produces 1.5 million tonnes of aggregates a year and has reserves of 38 million tonnes.

02 **Road improvement in Florida** Hubbard, Eurovia's US subsidiary based in Florida, resurfaced the southern section of the SR-417. This project is part of a contract awarded by the Orlando–Orange County Expressway Authority.

01

02

Sustained long-term growth driven by major infrastructure programmes

01 Installation of pollution removing noise barriers
(NOxer® process) on the road between Lannion and Guingamp in Brittany.


01

Eurovia's order book increased 7% over the 12-month period to reach €4.6 billion at the end of 2006. A further improvement in its performance is therefore envisaged in 2007. In addition, the markets in which the company operates are set to be driven for the long term by significant needs for transport infrastructure growth and renovation – roads, motorways, railways, urban rapid transit systems, airports – and urban development.

Substantial investment in motorway renovation

This outlook is borne out by major renovation programmes of first generation motorways in Western Europe (France, Germany and Spain) – launched under PPP arrangements – and by projects of a similar scale for the construction of new motorway corridors in countries that recently joined the European Union. Eurovia should benefit from the expected growth of these markets by taking full advantage of its roots in each market, its materials production capacity and its skills and network synergies with other VINCI divisions.

Continued expansion in all Eurovia's business lines

Against this backdrop, Eurovia will continue to apply its strategy of expanding all its business lines. In roadworks, the fit between major infrastructure programmes and a very large number of local projects will promote optimal market coverage while reducing exposure to risks. In materials production, Eurovia will continue to acquire quarries, storage and transformation facilities, and production plants in Europe and North America with the dual goal of having guaranteed supplies for its contracts and developing its trading business for third parties. The company will also pursue growth in buoyant markets related to the quality of life (development and enhancement of urban spaces) and the environment (deconstruction, landfills, etc.). Lastly, the growing demand for road maintenance, in particular in the form of multi-year contracts, will boost Eurovia's revenue from services.
This strategy will be applied to all markets where Eurovia has a significant position, namely Western Europe, Central Europe, Eastern Europe, the United States and Canada.

Profile

As the French market leader and a world major in construction*, VINCI Construction is the biggest contributor to Group revenue. It brings together an unparalleled array of capabilities in building, civil engineering, hydraulic engineering and services.

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

– mainland France, with VINCI Construction France, formed in 2007 by the combination of Sogea Construction and GTM Construction, which has a network of 370 profit centres firmly rooted in their regional and local markets;

– local markets outside mainland France covered by a network of subsidiaries offering the full range of construction activities in their areas: VINCI PLC in the United Kingdom; CFE (in which VINCI holds a 46.8% interest) in the Benelux countries; VINCI Construction Filiales Internationales in Germany, Central Europe, overseas France and Africa;

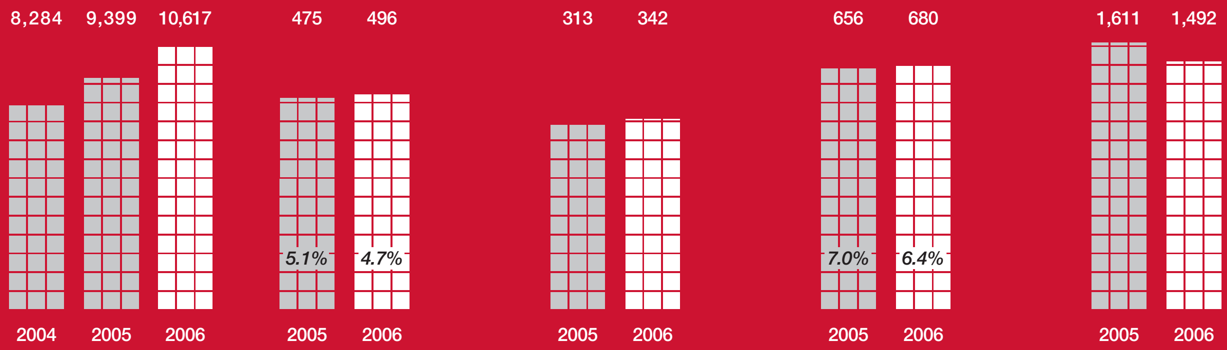
– activities that are worldwide in scope: major structures, covered by VINCI Construction Grands Projets; specialised civil engineering with high technical content, covered by Freyssinet; and dredging, covered by DEME (in which CFE holds a 50% interest).

VINCI Construction is the matrix for the Group's entrepreneurial culture and management system, which combines networking, decentralised organisational structure, empowerment at local level and individual responsibility. Together with a consistent strategy of developing added value and recurring business activity, this model has enabled the Group to achieve constant improvement in its results over the last five years against a backdrop of strong growth.

* *Source:* Le Moniteur, *2006 ranking of top 10,000 construction companies*

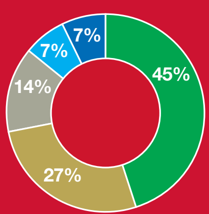
construction

Revenue	Operating profit from ordinary activities	Net profit attributable to equity holders of the parent	Cash flow from operations*	Net financial surplus**



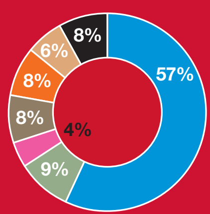
In € millions and as a percentage of revenue
* Before tax and cost of debt
** At 31 December

Revenue by business line



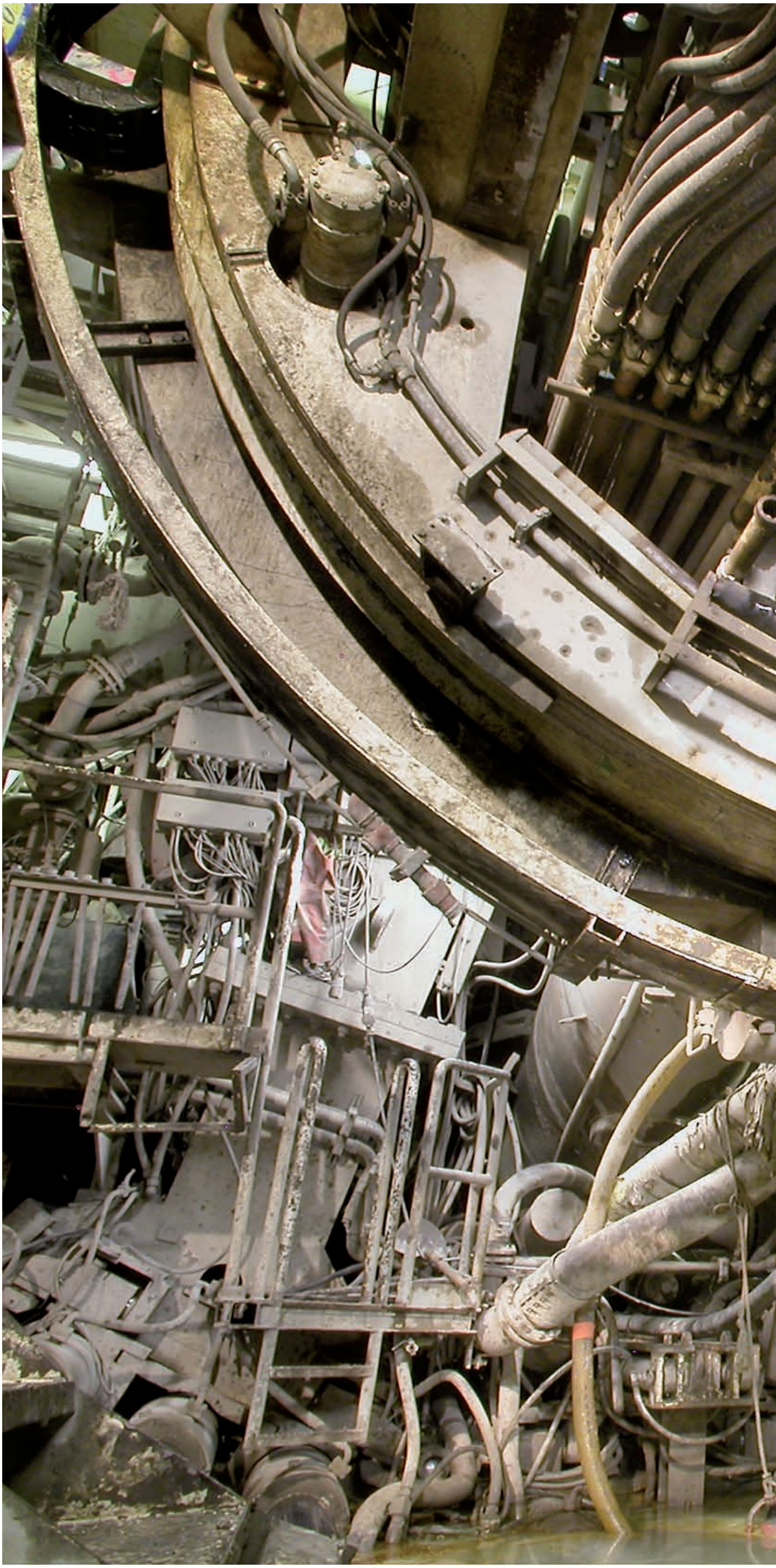
Building	45%
Civil engineering	27%
Specialised civil engineering	14%
Hydraulic engineering	7%
Services	7 %
Total	100%

Revenue by geographical area



France	57%
United Kingdom	9%
Germany	4%
Central Europe	8%
Rest of Europe	8%
Africa	6%
Rest of the world	8%
Total	100%

Ile de France motorway completion
The last link in the Ile de France outer ring road, the A86 West road tunnel, is under construction. The first section, between Rueil Malmaison and the A13 motorway, will be opened to traffic in October 2007; the second is expected to open in late 2009.



construction photo essay

01 **Service sector in Prague**
In October 2006, FCC started work on an 12,000 sq. metre turnkey office building for SG East Building in Prague, Czech Republic.

02 **United Kingdom project**
Renovation and extension of the UCL Institute of Child Health and Great Ormond Street Hospital for Children, London.

03 **From one LGV to the next**
After making a major contribution to the construction of the LGV Est Européen high-speed rail line, VINCI companies are now one of the major players in the eastern branch of the Rhine-Rhone LGV line between Mulhouse and Dijon.

01

02

01 **La Défense high-rise**
The Granite Tower in La Défense will be the Group's third high-rise for the Société Générale. The building, to be handed over in 2008, has 45 levels, a height of 183 metres and a surface area of nearly 69,000 sq. metres.

02 **Structural renovation in Paris**
The former headquarters of the Crédit Foncier de France in the Rue Cambon in Paris, now being refurbished, will be handed over in 2008. It comprises 60,000 sq. metres of offices, an upscale restaurant, an art auction house, a hammam, a fitness centre, high-end apartments, car parks and underground spaces.

03 **70 years in Africa**
Sogea-Satom, which has operated in Africa for 70 years and now covers 20 African countries, carries out road-works, earthworks, hydraulic engineering, civil engineering and building.

01
02

Strong growth momentum in all market segments

01 **Birth of VINCI Construction France**
VINCI Construction combined the French networks of Sogea and GTM in 2006 to form VINCI Construction France, the French building and civil engineering leader with 24,500 employees.

02 **Bridge over the Danube**
In Dunaújváros, 70 km from Budapest, Hungary, the central span of a new bridge over the Danube, with a length of 308 metres and weighing 900 tonnes, was floated to the site and installed.

01

All VINCI Construction divisions recorded strong revenue growth in 2006, in most cases outperforming their markets by a wide margin. VINCI Construction's revenue grew 13% during the year, exceeding the €10 billion threshold. Operating profit rose to €496 million, accounting for 4.67% of revenue.

France

With its business activity up 12% in a market that grew 5% on average, VINCI Construction expanded its market share in its traditional area of operations. With projects increasing in size and complexity and substantial design capabilities needed to draw up bids comprising financing and operation (project structuring, PPP), VINCI Construction combined its Sogea Construction and GTM Construction networks to form VINCI Construction France. The move is designed to optimise market coverage and resource allocation. This combination, which will be completed in 2007, gives rise to the leading French construction company with 24,500 employees, 370 profit centres and revenue in excess of €5 billion.

The foundations of the new entity were laid in 2006, with the consultation of employee representatives, who gave it a 77% approval rating, and the introduction of the new operational management system. The latter is aimed, in particular, at better coordinating design studies and efforts to develop subsidiaries so as to increase the company's ability to penetrate markets, especially PPP projects, and gain a better foothold in such market segments as public housing in the greater Paris area. The move will dovetail sales networks and operating capabilities. It will merge the head offices and generate synergies between corporate departments, making it possible to better support the expected strong development of business activity. This is especially important in hiring and training, at a time when VINCI Construction France plans to recruit 5,000 people per year to meet requirements generated by growth and demographic change.

International

VINCI Construction generates 43% of its revenue outside France. Activity increased across all the Group's markets by 14% overall.

In the United Kingdom, two companies joined the Group, rounding out the VINCI PLC offering in building services: TCL Granby (€27 million full-year revenue) and PEL Interiors (€78 million full-year). In London, a major PPP contract was won (the MoDEL project, with a value of €155 million), which will help bolster business activity over several years.

In Germany, VINCI Construction accelerated its concentration on the facilities management business activity, provided by SKE under multi-year contracts such as the €295 million PPP awarded by the district of Offenbach for a period of 15 years, which covers modernisation, maintenance and management of 43 schools.

In Belgium, following CFE's capital increase to support its expansion, VINCI Construction raised its stake in the company to 46.8%. CFE's revenue increased 24% thanks to a buoyant dredging sector and to ongoing momentum in construction and property development, with the completion and sale of a number of large projects such as the Dôme in Luxembourg.

In Central Europe, continuing the trend of preceding years, VINCI Construction subsidiaries recorded strong growth in their business activity (+17.6% to €792 million), leveraging their roots in markets driven by major infrastructure and public facility upgrade projects. In Poland, Warbud, which was initially concentrated in Warsaw and specialised in residential construction, is extending its regional networks and expanding into industrial and retail building construction and civil and hydraulic engineering while taking advantage of the recovery in the housing market. In the Czech Republic, SMP maintained its high level of business activity in large engineering structures and hydraulic engineering. The acquisition of Prumstav (a company with revenue of €70 million) in 2007 reinforces the Group's position in the building market alongside FCC. In Hungary, Hídépítö, historically a bridge construction company, is taking part in the country's largest current motorway construction programme and has initiated a three-pronged diversification into environmental business lines (bolstered by a very large contract →

VINCI Construction's competitive position in its various markets

France
Total market estimated at €183 billion: VINCI Construction is the largest player, ahead of Bouygues Construction, Eiffage Construction, Fayat and Spie-Batignolles. The remainder of the market is split among a high number (estimated at 314,000) of small and medium-sized companies.

United Kingdom
Market estimated at €192 billion: VINCI PLC is a medium-sized player. The main companies in the United Kingdom are Amec, Balfour Beatty, Taylor Woodrow and Laing O'Rourke.

Belgium
Market estimated at €28 billion: CFE is one of the leaders, alongside Besix.

Germany
Market estimated at €200 billion: VINCI Construction's activity is carried out by two specialised subsidiaries operating outside the traditional construction market: SKE (facilities management/PPP) and G+H Bautec GmbH (architectural fitting and finishing).
The main construction companies are Hochtief, Bilfinger Berger and Strabag.

In addition, VINCI Construction is a major player in the world markets for major structures and specialised civil engineering.

Sources: French Directorate of Economic and International Affairs (DAEI), May 2006; *Euroconstruct – Bulletin du Moniteur* of 23 June 2006 (market volume); *Le Moniteur-Expert*, company press releases (competitive positions).

01 **Along Bay bridge**
Installation of the stay cables of the Bai Chay Bridge, a 903 metre structure being built on the edge of Along Bay in the Gulf of Tonkin.

02 **Reunion Island viaduct**
An exceptional structure being built on Reunion Island, the Grande Ravine viaduct (synthetic image) on the Route des Tamarins, will cross a 170 metre deep ravine with a single 208 metre span.

First tunnels for VINCI in the United States

VINCI Construction Grands Projets, as leader of a consortium with two US companies (Parsons Corporation and Frontier Kemper Constructors) is building two tunnels with lengths of 6.1 km and 3.6 km respectively in the State of Washington. The tunnels will supply the new Brightwater wastewater treatment plant north of Seattle. They are being bored using a technique which, although relatively new to the United States, has long been offered by the Group: slurry pressure balance TBM (5.30 metres outside diameter, pressure of up to 7 bar). The consortium is also in charge of building two access shafts with depths of 28 metres and 60 metres respectively, as well as a connecting sewer with a length of 1 km. The project got under way in August 2006 and will take 51 months to complete.

01
02

won in 2006), underground works (in synergy with VINCI Construction Grands Projets) and rail infrastructure (with the acquisition of a specialised company). In Serbia, the Inter-Most construction company, founded in 2004, more than doubled its revenue between 2005 and 2006. Meanwhile the Novkol subsidiary continued to expand in the hydraulic engineering market. Last but not least, VINCI Construction has gained a foothold in Romania with a new entity set up by SKE and Hídépítö.

In Africa, Sogea-Satom, which operates in almost 20 mainly French-speaking African countries, recorded historic growth in its business activity in 2006 (+30%, to €459 million) while improving its profits. This performance is due to Sogea-Satom's longstanding roots, which combine core business activities with participation in major projects (road earthworks, hydraulic works). Sogea-Satom has expanded considerably, especially in East Africa, the Democratic Republic of Congo and Morocco (+63%).

In overseas France, following a year of strong growth in 2005, business activity rose even more steeply in 2006 (+49.7% to €571.5 million). The trend applied to all territories – the French West Indies, French Guiana, Reunion Island and New Caledonia – and reflects a close-knit structure in each market, where all construction business lines are covered, as are large projects that bring together VINCI Construction Filiales Internationales companies and teams from VINCI Construction France and VINCI Construction Grands Projets.

World Markets

VINCI Construction Grands Projets reaped the full benefit of general economic growth, increasing its revenue by 28% to €778 million. Following a transition year, new projects started up and new contracts were signed in 2006, pointing to an increase in business activity in coming years. Confirming its ability to operate simultaneously on a variety of diversified markets – Europe, North Africa, the Middle East (Qatar and the Sultanate of Oman), Asia (Vietnam, Malaysia), the United States and the Caribbean – VINCI Construction Grands Projets makes the most of its high level of expertise. For example, it has won a first underground works contract in the United States as a result of its slurry pressure balance boring expertise (see above).

In specialised civil engineering, Freyssinet has followed a similar path. Its revenue was up 22% in 2006, and it achieved the full effect of its profitability improvement plan, with operating profit from ordinary activities standing at 7%. Freyssinet's worldwide network enables it to leverage its state-of-the-art soils and structures offerings in markets where existing infrastructure is being refurbished (historically these are in Western Europe, with strong growth in North America, Latin America, Asia and Australia) and in new construction.

In the dredging sector, business activity grew even more spectacularly (+27.4%) at CFE subsidiary DEME, where revenue exceeded €1 billion. The company's ongoing investments in fleet modernisation – 70 dredgers, ranging from 5,000 to 40,000 tonnes – enable it to respond to strong world demand driven, in particular, by major port works (oil equipment, container ship facilities) in the Far East (India, China) and major projects related to tourism (sites reclaimed from the sea) in the Middle East (Qatar).

Building

Office buildings and private sector buildings

Construction and renovation of office buildings remained strong in buoyant markets. Among the many projects under way or completed were the renovation of a complex comprising four high-profile buildings in the Place Vendôme and the structural renovation of 22,000 sq. metres of office space in the Rue de Châteaudun in Paris; the construction of the Granite Tower building (36 storeys, 69,000 sq. metres) and the structural re-development of the Marchand Tower building (33,000 sq. metres) in La Défense; the completion of the Vectorial 4 building in Nanterre; the initiation of work on the CMA CGM Tower building in Marseilles; the handover of the Rogier Tower building for Dexia in Brussels, Belgium; the construction of the new European Investment Bank building (72,000 sq. metres) in Luxembourg; and last but not least the construction of the new head office of the national television broadcaster in Hanoi, Vietnam.
Orders won in 2006 in the greater Paris area included two refurbishment operations in Paris, in the Rue Cambon and the Rue Olivier de Serres, the conversion of the Grands Moulins de Pantin flour mills into apartment buildings (89,000 sq. metres), the renovation of the CNIT in La Défense (€105 million), the →

A 37 km works package on the Rhine-Rhone LGV

VINCI, one of the main builders of the LGV Est Européen high-speed rail line, is also taking part in the eastern branch of the Rhine-Rhone LGV between Mulhouse and Dijon. Réseau Ferré de France awarded the largest civil engineering works package on the line to a consortium comprising five VINCI Construction and Eurovia companies. It is also the biggest earthworks, engineering structures and restoration of communications package ever awarded. With a length of 37 km, the B3 works package includes 13 million cu. metres of excavation, 54 engineering structures, a 180 metre viaduct and a construction site base camp. The same companies will be building three other viaducts as part of two adjacent works packages. Taken together the work will generate €172 million in revenue for VINCI companies. The project got under way in July 2006 and the line is scheduled to begin operating at the end of 2011.

The largest project in Martinique

Since June 2005, VINCI Construction Filiales Internationales has been performing the structural work on the new Mangot-Vulcin hospital project, the largest project under way in Martinique, under a €40 million contract (of which €33 million for VINCI Construction Filiales Internationales). The 90,000 sq. metre complex with almost 400 beds will be divided into three parts: a mental health unit; a general medicine, surgery and obstetrics unit; and an administrative centre. Over 200 people were working on the site in early 2007. It is scheduled for completion in the autumn.

➔ construction of the Spazio building in Nanterre and a new office complex at the PSA site in Vélizy Villacoublay (34,000 sq. metres, €65 million); in the United Kingdom, the first instalment of the Blenheim Centre property complex (€87 million) in Hounslow, Middlesex; in Brussels, Belgium, the construction of an office and conference complex for Axa (€27 million); in Prague, Czech Republic, the construction of 12,000 sq. metres of office space for the SG East Building company.

Business was also brisk in the other private sector building markets: luxury stores (refurbishment of the Louis Vuitton store on Paris's Champs Elysées); shopping centres (Espace Béthune in Lille, Carrefour-Bialystok shopping centre in Poland, Raduga project in Saint Petersburg, Russia and Feeria in Bucharest, Romania). In industrial buildings, VINCI Construction France completed the largest "freezer" in Europe (two refrigerated warehouses of 100,000 cu.metres each) for Miko. In Poland, Warbud won, as general contractor, the new European hub for IT hardware manufacturer Dell (€58 million). In residential building construction, business in France was spread across a large number of projects in all the regions and held steady at a high level in a market that remained buoyant. In international business, as part of the Marina Mokotow residential complex programme in Warsaw, a contract was won for four buildings with a total area of 37,000 sq. metres.

Public facilities

Major facility programmes launched by local authorities and the concomitant development of PPPs helped support business activity in the various public building construction segments. VINCI Construction was very active, for example, in the hospital sector. In France, new orders included the new trauma centre at the Nord hospital in Marseilles (€47 million), the new Estaing hospital in Clermont Ferrand (€71 million), the new hospital centre in Valenciennes (€34 million) and the Limeil Brévannes hospital. These are in addition to some 10 projects already under construction. In Martinique, two local subsidiaries are building the Mangot-Vulcin hospital complex (see above). In the United Kingdom, VINCI PLC won the the largest contract ever awarded under the national Procure 21 project to design and build the new Broadgreen hospital in Liverpool (30,000 sq. metres, €90 million).
In the field of security, contracts continued to be awarded under long-term leases, bringing the number of such projects won since 2002 to 80. In the United Kingdom, VINCI PLC is taking part in the national prison refurbishment programme, which generates annual revenue of some €30 million. In education, the Group is building or renovating a large number of middle schools and high schools in France. New orders booked during the year included schools in Lunel, Marseilles, Cagnes sur Mer and Garches as well as the middle school in Villemandeur in central France and the nursing school in Rodez in south-central France, which were awarded under PPPs.

Also under PPPs, the Group continued its school renovation activity in Germany (district of Offenbach, municipality of Bedburg) and in the United Kingdom (five schools in Derbyshire). Two major urban renewal projects were won. The first, for the MoDEL Project, was awarded in 2005 and covers the structural renovation of a Royal Air Force base (€155 million in works) in London; the second covers the Rue de la République programme in Marseilles, one of the most extensive urban renewal operations under way in Europe (128 buildings, 130,000 sq. metres of residential and retail space). Lastly, there was strong growth in the public housing construction market in France, driven by proactive public policies.

Civil engineering

Road infrastructure

In France, activity was buoyant on the motorway projects being built for Cofiroute (A85, Angers bypass on the A11 motorway), ASF (A89) and Arcour (A19, Artenay–Courtenay), for which works were officially initiated in September following an archaeological survey. On Reunion Island, seven Group companies are working on the €275 million Route des Tamarins project. In Africa, Sogea-Satom did very brisk business in a large number of road construction and renovation projects totalling 380 km in Chad, 352 km in Mali, 112 km in the Democratic Republic of Congo, 42 km in Equatorial Guinea and 130 km in Madagascar.

In Hungary, Hídépítö is working within a consortium on the northern bypass in Budapest, a €245 million contract (of which €150 million for Hídépítö). In Poland, Warbud is building or renovating four viaducts and 2.7 km of 2-lane dual carriageway in the Gdynia region. In Serbia, Inter-Most is building an inter-

01 **In Martinique,**
VINCI Construction is helping to build the new Mangot-Vulcin hospital complex, the island's biggest project currently under way (90,000 sq. metres and almost 400 beds).

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change and renovating a number of engineering structures on the Belgrade–Novi Sad motorway. Lastly, in Belgium and the Netherlands, CFE is well positioned on a number of PPP infrastructure projects.

Railway infrastructure, light rail systems

In France, the completion of work on the LGV Est Européen high-speed rail line coincided with a major order awarded to a VINCI-led consortium for the largest civil engineering package on the Rhine-Rhone LGV (see box p. 84). VINCI Construction companies also participated, often alongside Eurovia, in a large number of light rail line development projects, especially in Lyons, Valenciennes and Nice, as well as on the Leslys express light rail line in Lyons, for which the concession was awarded to VINCI. In Belgium, CFE is building the first section of the regional express network along the Brussels–Namur line.

Bridges

Business activity and the order book reached very high levels in this sector. VINCI Construction France completed the construction of the 900 metre long Monestier viaduct on the A51 motorway in south-eastern France, VINCI Construction Grands Projets launched work on the Loing viaduct as part of the A19 motorway project. The Group won the construction of a drawbridge over the Gironde in Bordeaux that, at 430 metres, will be the longest in Europe, as well as the 525 metre Térenez bridge in Brittany, a complex cable-stayed structure that will link the northern part of the Finistère region with the Crozon peninsula. On Reunion Island, as part of the Route des Tamarins development, the Group will have 32 months to build a viaduct with a single 208 linear metre span above the Grande Ravine.

In Scotland, VINCI Construction Grands Projets is designing and building the Kincardine bridge (a push-launch structure with a length of 1,200 metres) over the Firth of Forth, together with 2 km of access roads. In the Czech Republic, SMP is building the Nymburk bridge (600 metres) over the Elbe. In Hungary, Hídépítö is working with Freyssinet to build the Köröshegy viaduct on the M7 motorway, the country's largest structure of this type (1.8 km long, 88 metres high) and on the M8 motorway it is building the Dunaujvaros bridge over the Danube (1.7 km in length).
At the same time, Freyssinet worked on a large number of projects: construction of a second bridge over the Orinoco in Venezuela (tower prestressing, stay cables, support structures); construction, as general contractor, of three road bridges in Querétaro, Mexico; rehabilitation of 14 bridges in Romania as part of an upgrade to European standards; installation of 900 tonnes of prestresssing on four motorway viaducts between Tangier and Oued R'Mel in Morocco; installation of 168 stay cables on the 950 metre long bridge on the Southern Outer Bangkok Ring Road (SOBRR) in Thailand; installation of internal and external prestressing (1,410 tonnes of steel) on a new bridge over the Mekong in Laos.

Tunnels

Expansion was steady in a world market where access is restricted and technical expertise confers a genuine competitive advantage. This was clearly in evidence in the first order for two slurry pressure balance tunnel boring machine projects won by VINCI Construction Grands Projets in the United States (see box, p. 82), and also in the three major contracts won at the beginning of the year: the first metro line in Algiers (development of 10 stations, construction of a 16,000 sq. metre technical building and a variety of technical works packages with a total value of €121 million); the new metro line in Budapest, Hungary (construction of two 7.3 km tunnels and a station, €104 million); and the Athens metro line extension in Greece (execution studies and management of a project comprising 5.1 km of tunnels, four stations and 600 metres of cut and cover).

Meanwhile activity continued apace on a large number of ongoing projects: in France, A86 West tunnels near Paris, the Besançon bypass, the extension of Line 1 of the Marseilles metro and a start was made to upgrading the tunnels on the ESCOTA motorway network; in Sweden, the Hallandsås rail tunnel; in the United Kingdom, the Terminal 5 tunnels at Heathrow airport (boring of the last tube); in Serbia, the Ovcar Banja road tunnel. In cut and cover, the exclusive TechSpan vault process developed by Terre Armée Internationale (Freyssinet) was used on the motorway linking Cheongwon and Sangiu in South Korea.
Over a period of 15 years, the total length of the tunnels bored by VINCI Construction worldwide has reached nearly 700 km, of which nearly 450 were built with a tunnel boring machine.

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First middle school PPP in France

The Loiret General Council awarded Sogea Nord-Ouest (VINCI Construction France) and Auxifip (a Crédit Agricole Leasing subsidiary), the contract to finance, build and maintain a middle school with a 550-pupil capacity in Villemandeur. This will be the first local public school in France financed (total amount: €13 million), built and operated under a *contrat de partenariat* (a French form of PPP). In addition to construction, Sogea Nord-Ouest will be providing a variety of services throughout the 10-year contract: supervision, cleaning, waste management, maintenance and fluids management. Handover is scheduled for the start of the 2007-2008 school year.

Port and maritime works

On Reunion Island, five VINCI Construction companies started projects aimed at extending the port: construction of a 635 metre wharf with a diaphragm wall, deepening of the port and widening of East Port entrance channel; creation of two wharves in the West Port. In Morocco, Sogea-Satom built the breakwater, the diaphragm wall wharves and the protective walls of the future Rabat marina, and will be building the wharves of a river port on Oued Bouregreg. In South Hook, Wales (United Kingdom), Freyssinet is taking part in the work to convert an old oil terminal into an LNG (liquefied natural gas) terminal. In Sainte Lucie in the French West Indies, Ménard (Freyssinet) consolidated an 88,000 sq. metre area reclaimed from the sea, which is to be used to develop a marina. In France, the Group continued construction work on two tanks for the French Navy in the port of Brest.
Dredging business for DEME was brisk throughout the year.
In addition to its participation in the Port project on Reunion Island, the company continued work on the giant Pearl of the Gulf project in Qatar, which involves the construction of a 400 hectare artificial island under a €200 million contract.

Major industrial facilities

Synergies between the VINCI Construction Grands Projets export teams and the local VINCI Construction Filiales Internationales subsidiaries were clearly in evidence in major energy and industrial facilities. In French Guiana, VINCI Construction built the future launch pad and ground facilities for the Soyuz launcher, and in New Caledonia it built the Goro Nickel ore treatment plant for Canadian group Inco (some 20 industrial structures), the new port to serve mining operations (development of two deep water wharves) and a 100 MW coal-fired power station. In Vietnam, the civil engineering work on the Ca Mau conventional thermal power station (720 MW, $27 million) got under way following soil consolidation by means of the exclusive Menard Vacuum process developed by Ménard (Freyssinet). In Morocco, Sogea-Satom is building the cement plant for Swiss group Holcim in Settat, as well as a series of industrial buildings for Pakistan Maroc Phosphore. In LNG tanks, VINCI Construction Grands Projets continued its activity on several projects in Qatar, Mexico and Italy and CFE continued work on an ongoing project in Zeebrugge, Belgium.

Hydraulic engineering

Dams

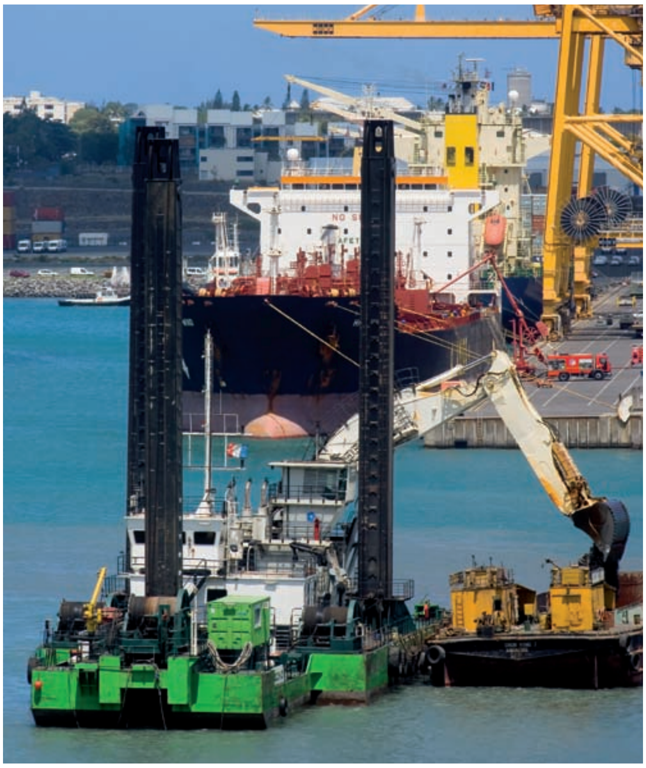
In Egypt, VINCI construction Grands Projets completed the concrete work on the Naga Hammadi dam on the Nile and filled the irrigation reservoir, which will enter service in 2008. In Oman, the company won the order for, and began work on, the Wadi Dayqah dams (a 600,000 cu. metre main dam and an 800,000 cu. metre secondary dam), which are designed to provide drinking water for the cities of Muscat and Quriyat, under a €90 million contract.

Water systems and treatment plants

In France, hydraulic engineering work is spread over a high number of recurring contracts carried out by local VINCI Construction subsidiaries. There are also larger projects, generated in particular by the need to divert utility networks when new light rail systems are built, such as the €11 million contract won in 2006 for the second phase of the Valenciennes light rail system. Activity elsewhere remained buoyant in construction and renovation of wastewater treatment plants, in particular those at Angers Loire Métropole and Corbeil Essones. In this promising market, VINCI Construction France makes the most of its integrated civil engineering, water treatment and site operation expertise. In 2006, it completed work on the Achères nitrification-denitrification unit, the second largest water treatment plant in the world.

In Central Europe, the Group is rebuilding the Hradiste water production plant, which serves an urban area with a population of 250,000 in the Czech Republic. In Hungary, it is performing civil engineering work on the Csepel plant, which has a capacity of 350,000 cu. metres a day and will treat 50% of Budapest's wastewater. In Poland, Warbud has diversified into hydraulic engineering work, receiving the order for a rainwater storage reservoir and drainage works at Warsaw Airport. In Belgium, CFE is building the new Sclessin wastewater treatment plant in Liège.

In Africa, hydraulic engineering work accounts for a significant share of VINCI Construction's activity. It is building the drinking water supply project for the region of Bugesera (installation of 500 km of pipes) and in Morocco it is building 10 pumping stations for the Saida tourist complex. In 2006, the Group returned to Algeria, taking on projects such as the Algiers metro and the refurbishment



01 **Between Malmö and Gothenburg**
In south-western Sweden, boring work began on the two Hallandsås rail tunnels (5,486 and 5,424 metres in length, respectively) in August 2005. The tunnels are to be handed over in 2011 and will provide a high-speed link between Malmö in the south and Gothenburg in the north.

02 **Number one in dredging**
VINCI Construction's Belgian subsidiary DEME is the world leader in its speciality, operating on most of the major dredging projects around the world except in the United States and Japan.

01 02

of wastewater collection systems in Ouargia, a project won by VINCI Construction Grands Projets and Sogea-Satom. Again in Algeria, Hydroplus completed the raising of the Ghrib dam in December 2006, the largest contract ever won by that subsidiary. In Vietnam, VINCI Construction was awarded the refurbishment of the water supply system in the city of Ha Dong. Last but not least, business activity continued under ongoing contracts in the United Kingdom (renovation of drinking water plants under a five-year national framework contract), in Uganda (refurbishment of the water supply and wastewater collection networks in the city of Kampala) and in Libya with the third phase of the Great Man-Made River Project.

Services

The expansion of PPPs in Europe goes hand-in-hand with the expansion of services under contracts that include not only the financing and construction of buildings and public facilities, but also their maintenance over periods of up to several decades. These contracts take the form of PFIs (Private Finance Initiatives) in the United Kingdom, where they generate business activity in the maintenance of schools and police stations. They account for the bulk of the revenue generated by VINCI Construction in Germany, where SKE has long been handing full maintenance of tthe US Armed Forces' military bases, and recently extended this activity to schools. A similar trend is under way in France, where the first *contrats de partenariat* (a French form of PPP) have been signed that include a significant maintenance and site management component, notably the Villemandeur middle school (see box p.86), the National Institute of Sport and Physical Education (INSEP) in Paris, the car rental centre at Nice-Côte d'Azur Airport (see Concessions chapter) and the future Châteauroux car park in central France (500 spaces, 25-year contract).
Meanwhile, the multi-technical and multi-service maintenance activity offered directly to public and private sector operators, especially under the Manei brand, continued to expand. Specialising in lift maintenance, Manei Lift signed its 780th contract at the end of the year.

The property project structuring activity for private sector investors and users is also steadily increasing. Such projects account for a growing share of building activity in France, and major projects are under way: the Lyon-Républic (shops and office space) project in Lyons, the new PSA office building in Vélizy Villacoublay (34,000 sq. metres), the future Nayel shopping centre in Lorient and the conversion of a former industrial site in Palaiseau into apartments and offices.

In Belgium and Luxembourg, CFE's property development and management activity was bolstered by the very good residential market. In office properties, the Dôme was sold in 2006 in a major operation carried out with VINCI Immobilier in Luxembourg.

VINCI Construction is also present in environmental services in France. Extending its civil engineering operations, VINCI Construction has to date built a total of 70 drinking water plants, 280 wastewater treatment plants representing a total population equivalent capacity of 1.25 million and 200 waste treatment centres, for energy or organic recovery.

Forecast at a historic high in sustained markets

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At the end of 2006 VINCI Construction's order book again hit a historic record, heralding a further increase in business activity going forward. In France, the creation of VINCI Construction France by combining Sogea and GTM will generate network and expertise synergies, accelerating VINCI Construction's expansion in a market that continues its momentum.
In Belgium, the expected resumption of major projects and the buoyant construction market will help to bolster activity at CFE. In the United Kingdom, VINCI PLC will be rounding out its close-knit networks to achieve critical mass across its entire domestic market. In Central Europe, the strategy aimed at covering all construction business lines from strong locations, against a backdrop of high demand for infrastructure modernisation, will help maintain strong growth momentum. VINCI Construction expects business activity to increase again in Africa and overseas France, where core business activities are combined with major projects carried out in synergy with other VINCI divisions. Similarly, the growth experienced in 2006 will carry over in major projects, specialised civil engineering and dredging activities in world markets, where VINCI Construction has the advantage of its high degree of expertise and the network synergies among its subsidiaries.

Organic growth and targeted acquisitions

VINCI Construction will expand mainly through organic growth but with some targeted acquisitions in pursuit of two complementary objectives: reinforcing its recurring business profile and expanding its network of locations and expertise. VINCI Construction's goal is to support its strategy of achieving significant positions and covering the full range of its business lines in all the geographical areas in which it operates.
This endeavour will be boosted by the expanded use of PPPs in France and many other European countries in response to the growing need for transport infrastructure construction and renovation (motorways, new urban streets, high-speed rail lines, light rail systems) and public facilities (health care, education, security). Synergies with VINCI Concessions, as part of a policy of coordinating development at Group level, open up new prospects in this field, as evidenced by the new PPP contracts won in 2006 and in the many projects under study in the first half of 2007.

01 **Dam on the Nile**
Water began to flow into the Naga Hammadi dam in Egypt in November 2006. Built 150 km north of Luxor, the dam regulates the flow of the Nile and provides power generation and irrigation for the surrounding land.

Soletanche

At the end of January 2007, VINCI announced its intention to acquire(1) 81% of the share capital of Soletanche from its long-standing family owners, raising its holding in the company to 100%.

Soletanche Bachy, which employs 4,000 people, is one of the world leaders in special foundations(2) and soil stabilisation. It has an international network of locations in over 50 countries. In 2006, the company's revenue exceeded €1 billion, 70% of which was generated outside France (30% in other European countries, 40% in the rest of the world). This international dimension and the company's geographical coverage hold out promising opportunities for growth and synergies with all VINCI Group components.

(1) Completion of the transaction remains subject to satisfying the suspensive condition that approval is obtained from the relevant competition authorities
(2) Source: FNTP civil engineering database for 2005

A record year for VINCI Immobilier

01 **Axe Europe**
The Axe Europe building, with a surface area of 19,500 sq. metres, is the flagship project of the Euralille business centre.

02 **Generali tower, La Défense**
The tower will provide 90,000 sq. metres of office accommodation and a wide range of services, including an auditorium, fitness centre and day-care nursery.

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VINCI Immobilier is a major property developer operating in the French residential (housing and serviced apartments) and business (office accommodation, hotels and retail) property market. It covers the whole of France through a network of 13 regional offices. The company works closely with local authorities and private operators, especially on complex development projects. It draws on a broad array of capabilities to meet the needs of investors, public administrations and individual clients.

VINCI Immobilier's volume of reservation transactions increased 62% to €885 million before tax in 2006 compared with €545 million in 2005, while Group share of revenue from payments by stage of completion rose to €565 million from €409 million over the same period. Net profit amounted to €49 million, representing 8.7% of revenue. At year-end, the portfolio of properties managed totalled 10,000 residential units and 200,000 sq. metres of business property.

Residential property

VINCI Immobilier serves four main markets, namely housing for purchase by first-time buyers, subsidised housing for sale to public housing authorities, non-regulated rental accommodation and serviced apartments. Structural factors continued to fuel demand for domestic housing, including population movements, a high birth rate, longer life expectancy, historically low interest rates and tax incentives. VINCI Immobilier recorded very brisk business as a result of these trends. The company made 3,140 housing unit starts and booked 2,796 reservations in the course of the year, a rise of more than one-third over the previous year. Roughly a quarter of these reservations were for serviced apartments (for the student, business, tourist and assisted living segments), a market in which VINCI Immobilier's expertise is well known.

Major handovers in 2006 included the Wilson Plaza in Levallois Perret, comprising 69 housing units and 2,000 sq. metres of retail space; Central Square in Montigny le Bretonneux, comprising 123 housing units; and an assisted living residence set in a 1.5-hectare park in Huisseau sur Mauves, near Orleans, comprising 95 apartments for elderly people.

VINCI Immobilier continued its geographical expansion in 2006, opening two new agencies in Narbonne and Caen. It now has a presence in France's most economically and demographically dynamic regions, namely Southern Aquitaine, Languedoc, Provence-Alpes-Côte d'Azur, Brittany, Pays de la Loire and Rhône-Alpes.

Business property

VINCI Immobilier designs, builds and markets office, retail and hotel programmes. It offers a variety of contract forms geared to clients' needs, including off plan selling, property development and delegated prime contractor contracts.

The investment market was boosted by inflows of capital, which made 2006 a record year.

VINCI Immobilier sold 137,000 sq. metres of offices, retail and business premises in 2006, representing almost €386 million (before tax) in new or refurbished buildings.

Demand for office accommodation was strong in 2006, and VINCI Immobilier completed several major projects. These included the Capital 8 building (73,000 sq. metres in two phases), one of the largest refurbishment programmes of recent years in Paris; Vectorial 4, a 13,000 sq. meter building in Nanterre; Axe Europe (three buildings totalling 19,500 sq. metres and 600 parking spaces) in Lille; the Dôme complex (22,000 sq. metres) in Luxembourg, a co-development with CFE (VINCI Construction), sold for more than €110 million to a group of private investors at the end of 2006.

Lastly, VINCI Immobilier was selected for the new Generali tower in La Défense, the Paris business district. The Memorandum of Understanding for the launch of this major project was signed in 2006 with EPAD (the La Défense development authority) and Generali France. Designed by the architectural firm of Valode and Pistre, the tower is being built to high environmental quality standards (HQE®). Covered in glass-clad cross-bracing lattice work and crowned by five spires, it will be 300 metres high. Hanging gardens spiralling up the tower will give each floor its own "garden".

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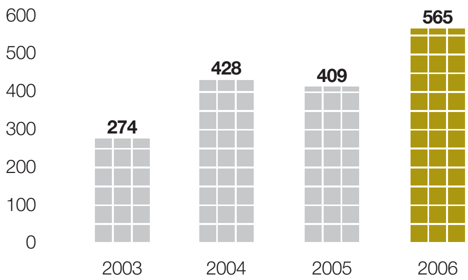
01 **The Revea Programme**
VINCI Immobilier will develop 90,000 sq. metres of offices, industrial premises and housing units as part of the ambitious programme to redevelop the former Renault site at Boulogne Billancourt.

Success of Rives de Seine programme in Boulogne Billancourt

VINCI Immobilier is one of the three co-developers behind the project to redevelop the former site of a Renault plant in Boulogne Billancourt. Some 5,800 housing units (a third of them for low-income families) are to be built there between now and 2011, along with a 7-hectare park, three crèches, three combined infant and primary schools, a secondary school and a gymnasium. Commercialisation of the Rives de Seine programme in October 2006 was an outstanding success: 63% of the flats placed on the market by the three developers were reserved within 48 hours. For the project as a whole, VINCI Immobilier will develop the equivalent of 90,000 sq. metres of offices, business premises and housing units.

VINCI Immobilier consolidated revenue (in € millions)



VINCI Immobilier is also a very active player in the hotel segment, where it has developed 1,500 rooms in the past two years. In 2006, it delivered a 5-star hotel in Geneva (Switzerland), while continuing work on the Radisson Hotel project in Marseilles and a luxury hotel in Marrakesh (Morocco).

Demand was again robust for retail premises and urban renewal projects. Following on from large-scale operations in progress at Le Havre (the Vauban docks and 66,000 sq. metres of retail space) and Boulogne Billancourt in the Ile de France region (see box above), VINCI Immobilier was selected for three new projects: co-development with Urbanisme et Commerce of a commercial and residential complex in the historical centre of Bourges in central France (17,000 sq. metres of retail space, 900 parking spaces, 6,800 sq. metres of housing and 3,300 sq. metres of serviced apartments); the Feydeau shopping centre in Nantes (reconstruction of 13,000 sq. metres of retail space and housing units in the city centre); and a 19,000 sq. metre business park at Les Ulis, near Paris.

01

A responsible group

sustainable development report

VINCI's sustainable development programme

01 **Landscaped projects**
VINCI companies build human resources, environmental and civic involvement dimensions into their projects. On the A51 motorway under construction in south-eastern France, the Monestier viaduct blends perfectly into the Vercors plateau landscape.

VINCI's goal is to combine its business model with a humanistic focus. To meet this goal, the Group has built its sustainable development programme around five main themes: corporate governance, human resources, civic involvement, customer and supplier relations and the environment.

VINCI's responsibilities

VINCI analyses its responsibilities on the basis of the social and environmental impacts of its companies' activities and the specific risks related to each business line. It manages these responsibilities in a complex environment made up of a varied customer base (local authorities, business and private individuals) and wide range of activities in many locations. In addition, the duration of its projects – about 260,000 a year in 75 countries – ranges from short or medium (construction, energy and roads) to long (concessions).

Coordination of sustainable development programme

In line with most of its functions, VINCI has decentralised responsibility for sustainable developmented to its operating entities and their senior management, whose job is to ensure that the concepts and systems become an integral part of day-to-day operations. The programme is coordinated by the sustainable development delegation on the basis of guidelines set by the sustainable development committee, which reports to VINCI's executive committee. It is supported by a network of 250 sustainable development correspondents in the various subsidiaries.

Tools for supporting the strategy

Social and environmental reporting

The reporting system is implemented as part of an improvement programme that consists of target setting and performance assessment. The approach chosen draws on the Global Reporting Initiative (GRI) transparency guidelines and on Article 116 of France's new economic regulations law (NRE) and its enabling decree of 20 February 2006. In 2006, VINCI participated in work to assess the new GRI guidelines (G3).

Dialogue with stakeholders

VINCI companies identify the expectations of stakeholders affected by their activities through customer and employee satisfaction surveys, questions raised at shareholders meetings and meetings with employee representative bodies, local residents and the press, etc. The dialogue established and the resulting feedback allow VINCI to adapt its practices to the present and future expectations of its stakeholders.

Exchange of best practices

VINCI participates in the work of a number of organisations and institutions on such themes as:
- company-local authority relations and high environmental quality with Comité 21 and industry trade organisations (EGF-BTP, Asfa, etc.);
- public procurement, public-private partnerships, innovation and the environment at the forum of French companies and sustainable development (FEDD) organised by the interministerial delegation for sustainable development;
- climate change in the Carbon Disclosure Project;
- diversity with HALDE, the French government's anti-discrimination and equal opportunities commission, and the Institut du Mécénat de Solidarité (IMS);
- NGO-business partnerships, establishing local roots, social dialogue and corporate social responsibility with the Observatoire de la Responsabilité Sociétale des Entreprises (Orse);
- industrial and commercial sponsorship with Admical.

VINCI also supported the Third International Symposium on the Effects of Surface Geology on Seismic Motion organised by the internal geophysics and tectonophysics laboratory of the Grenoble Observatory and the Economic and Social Council symposium on climate change.
It leads the "construction and greenhouse gases" working group formed by Entreprises pour l'Environnement (EPE).

VINCI listed in ASPI Eurozone and DJSI World indexes

VINCI is one of the shares monitored by Vigeo Group, a European corporate social responsibility (CSR) rating agency for socially responsible investment (investor-solicited rating). It is listed in the ASPI eurozone index, which includes the 120 most highly rated companies in the euro zone. Since 2005, VINCI has been included in the Dow Jones Sustainability Index (DJSI World), which selects those companies that have achieved the best sustainable development performance from among the 2,000 largest market capitalisations, based on an analysis carried out by SAM Group.

Communication on Progress (COP): the Group's implementation of the Global Compact in 2006

VINCI signed the Global Compact, a United Nations initiative, in 2003.
Participation has led to concrete actions being taken in line with its 10 fundamental principles.

	Principles	Examples of VINCI actions
HUMAN RIGHTS	1. Support and respect the protection of internationally proclaimed human rights within the business's sphere of influence 2. Make sure that the business is not complicit in human rights abuses	→ Monitoring approved suppliers to ensure they comply with the Global Compact principles in line with contractual clause included in framework contracts
LABOUR STANDARDS	3. Uphold the freedom of association and effective recognition of the right to collective bargaining 4. Uphold the elimination of all forms of forced and compulsory labour 5. Uphold the effective abolition of child labour 6. Uphold the elimination of discrimination in respect of employment and occupation	→ Creation and implementation of a diversity training module → 1,055 agreements signed with social partners → Launch of the Sogea-Satom initiatives for Africa (ISSA) with the target of supporting 50 projects a year
ENVIRONMENTAL PROTECTION	7. Support a precautionary approach to environmental challenges 8. Undertake initiatives to promote greater environmental responsibility 9. Encourage the development and diffusion of environmentally friendly technologies	→ Participation in many forums on carbon initiatives to combat climate change → In-house promotion of the "Transport and CO_2" and "Construction and CO_2" programmes → Continuation of R&D programmes focusing on energy efficiency and prevention of natural risks
ANTI-CORRUPTION	10. Work against all forms of corruption, including extortion and bribery	→ Reinforcement of internal control

Priority areas and projects	Commitments	2006 initiatives	Future actions
Corporate governance (see pp. 133-149)			
Ensure transparency	→ To provide transparent information to shareholders, investors and analysts	→ Meetings with more than 700 investors → Recomposition of the Board of Directors' committees	→ Develop training modules for company directors → Add non-French and female members to the Board of Directors
Reinforce control procedures	→ To improve internal control	→ Dissemination of the new general directive on the powers of duly authorised company officers and their representatives	→ Implement the annual survey on internal control in France and elsewhere
Human resources (see pp. 100-109)			
Recruitment and induction	→ To create long-term jobs	→ Development of relations with the Ministry of Education and public employment agencies	→ Recruit 12,000 people on unlimited-term contracts in 2007
Promote diversity and guarantee equal opportunities	→ To combat all forms of discrimination	→ Implementation of the tools developed (best practices manual, training for human resources managers) → Continuation of employee awareness-raising campaigns	→ Carry out and publish a diversity audit entrusted to an independent agency → Involve VINCI suppliers in our approach
Improve safety for employees, temporary workers and subcontractors	→ To achieve the "zero accidents" goal → To anticipate and control road risk	→ Implementation of recommendations on personal protective equipment → Construction of measurement tools with temporary work agencies → Inclusion of subcontracting risk in purchasing seminars	→ Extend accident prevention measures to subcontractors → Reinforce collaboration with car manufacturers to prevent road accidents
Strengthen social dialogue	→ To consult with European employee representatives → To ensure satisfactory operation of employee representative bodies in each entity	→ Information on the social, environmental and societal challenges facing VINCI	→ Construct a common sustainable development project with the European Works Council → Involve the European Works Council in follow-up of the diversity audit

Priority areas and projects	Commitments	2006 initiatives	Future actions
Civic involvement (see pp. 110 -113)			
Foster social integration through work	→ To support local work integration projects	→ 120 projects supported by the VINCI Foundation (5 outside France) → Launch of the Sogea-Satom initiatives for Africa (ISSA)	→ Support 150 projects a year through the VINCI Foundation with a doubled budget → Support 50 projects through ISSA in Africa
Contribute to heritage preservation	→ To foster skills sponsorship	→ Launch of restoration of second half of the Hall of Mirrors at Versailles → Support for earthquake warning initiatives → Palaeontological digs	→ Develop skills sponsorship → Promote archaeological and palaeontological discoveries
Customer and supplier relations (see pp. 114-115)			
Involve suppliers and subcontractors in VINCI's programme	→ To ensure our suppliers comply with the Global Compact principles	→ Monitoring of compliance with Global Compact clause included in framework contracts → Buyer training in sustainable development	→ Implement social and environmental audits of suppliers → Organise "purchasing and sustainable development" training for buyers
Guarantee the quality and safety of services and infrastructure	→ To promote social and environmental challenges with end-users and B-to-B clients	→ Satisfaction surveys carried out with employees and end-users	→ Develop commercial offerings integrating social and environmental aspects, focusing on the combat against climate change
The environment (see pp. 116-124)			
Limit the environmental impact of VINCI activities	→ To control consumption of natural resources → To optimise waste management and recycling → To preserve biodiversity	→ Implementation of the environmental management system	→ Disseminate best practices for waste management → Encourage intermodal transport solutions and high environmental quality
Combat climate change	→ To reduce direct and indirect CO_2 emissions → To encourage an eco-efficient approach → To foster R&D	→ Increase in the number of carbon performance and eco-efficiency assessments → Vehicle fleet upgrade and ecological driving awareness campaign	→ Make greater use of life cycle analysis → Continue with the "Construction and CO_2" and "Transport and CO_2" initiatives

Our social responsibility

VINCI has 138,524 employees in 62 countries. Its decentralised human resources management policy aims to develop and promote skills, guarantee equal opportunities during the recruitment process and in the workplace, provide safe working conditions and foster effective and appropriate social dialogue.

Recruiting, attracting talent

In 2006, VINCI recruited 23,600 people, of which 11,000 in France. In its Manifesto (see p. 8), the Group committed to increasing this figure to 12,000 in 2007. Workforce renewal is a vital priority for VINCI because of its demographic structure and the steady growth of its business. The Group has therefore intensified its recruitment initiatives aimed not only at undergraduates, but also at people without qualifications who can benefit from training programmes leading to certification.

Forging stronger relationships with schools and employment organisations

In 2006, VINCI participated in about 30 engineering school forums and continued its sponsorship of graduating classes from major engineering schools. A network of 150 campus managers promotes and coordinates the Group's relationships with 70 engineering schools and other higher education establishments.

VINCI works in partnership with the French Ministry of Education and local public service employment organisations to develop training programmes leading to qualifications so that it can recruit job-seekers and train them in its various business lines. A new civil engineering (pipe option) professional baccalaureate was developed in collaboration with the Metz education authority and presented for the first time in August 2006. In addition, VINCI signed a three-year framework agreement with AFPA, the national adult training organisation, extending the Passport to Employment initiative to the whole Group. This initiative, which was originally launched in 2001, enables young people without qualifications to be hired after completing a work-and-study programme with a VINCI company.

Building awareness and promoting the Group's business lines

VINCI is engaged in multiple initiatives to inform the general public about its business lines and their work. Open days such as *Les coulisses du bâtiment* (behind the scenes in construction) and *Ambassadeurs des travaux publics* (civil engineering ambassadors) are organised for high-school students. VINCI also holds workshops for school principals and careers advisers, and sets up site visits for the heads of institutions and teachers. More than 30,000 people were involved in these awareness and recruitment initiatives in 2006.

Integrating new employees

VINCI companies have introduced a number of courses to aid and facilitate the integration of new employees. Graduate training schemes help young people take up positions of responsibility in various European countries. At Group level, "Welcome to VINCI" induction days are organised for newly-recruited managers, with the participation of VINCI's general management.

Developing skills

In 2006, VINCI increased the number of training hours provided to 2,241,929, a 7% increase over 2005.

Encouraging apprenticeship

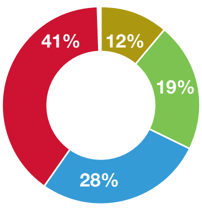
VINCI is a signatory to the Apprenticeship Charter and is making a determined effort to develop the use of work-and-study programmes, hiring more than 2,000 young people a year under apprenticeship contracts. The number of apprentices working in Group companies increased 36% in 2006, in line with the commitments given in the charter. VINCI also encourages mentoring, which is the preferred method of passing on know-how from one generation to the next. Site managers and team leaders in charge of apprentices are given training to acquire this skill.

Employee training

VINCI's approach to training combines a decentralised organisation with the determination to create and exploit synergies within the Group. Each business line has established its own training centre offering programmes tailored to its particular activities and needs. Cesame, VINCI Construction France's centre, provides a site foreman programme consisting of two six-week modules: an introductory module for newly promoted site foremen, team leaders and recent ➔

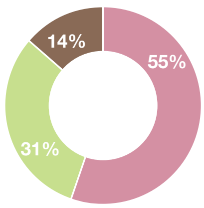
Commitments	Examples of actions taken in 2006
To recruit and integrate employees	→ Development of relationships with engineering schools and other educational establishments → Deployment of the European graduate training scheme → Signature of a partnership agreement with French public service employment organisations to provide job opportunities through the Passport to Employment initiative → “Welcome to VINCI” induction sessions (2,000 participants) → Integration of ASF and ESCOTA employees and development of synergies
To develop skills and provide employee training	→ Intensification of the development of in-house training centres → Systematic organisation of individual appraisals → New twinning arrangements to encourage internal job mobility
To promote diversity and guarantee equal opportunities	→ Publication and distribution of 46,000 copies of the awareness and action document entitled “Pour plus de diversité” (for more diversity) → Design, development and implementation of equal opportunities training programme → Signature of charter committing VINCI to supporting equal opportunities in education
To guarantee the health and safety of employees, temporary workers and subcontractors	→ Introduction of an accident reporting system designed by VINCI and temporary work businesses (TWB) to monitor progress against the VINCI and TWB Workplace Safety Charter for Temporary Workers → Inclusion of safety risks as a factor in subcontractor selection process → Intensification of actions to combat musculoskeletal disorders, AIDS, alcohol and drug abuse
To strengthen social dialogue	→ Involvement of subsidiaries’ representative bodies, the Group Works Council and the European Works Council in the setting of Group policies → Negotiation of 1,055 collective agreements → Training on employment and environmental issues provided to members of the European Works Council
To encourage employee shareholding	→ Launch of an international Group savings scheme (Morocco, United Kingdom and Germany) → Increase in the employer contribution to the Group savings scheme from €2,500 to €3,500 a year

Workforce by business line



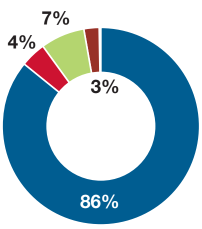
1. Concessions	15,938
2. Energy	26,996
3. Roads	38,818
4. Construction	56,238
5. Property	216
6. Holding companies	318
Total	138,524

Workforce by category



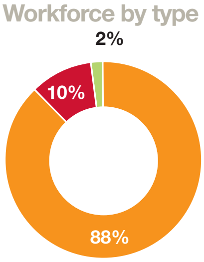
1. Manual labour	76,941
2. Office, technical & supervisory staff	42,825
3. Management	18,758
Total	138,524

Workforce by geographical area



1. Europe	118,906
2. Americas	5,862
3. Africa	9,923
4. Asia	3,534
5. Oceania	299
Total	138,524

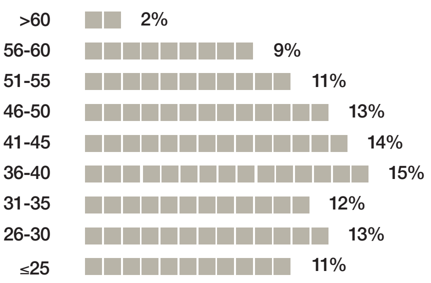
Workforce by type of employment contract



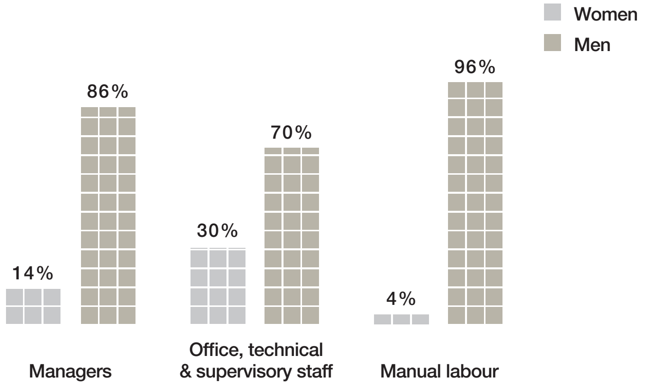
1. Unlimited term	122,043
2. Fixed term	13,827
3. Work-and-study	2,654
Total	138,524

01 **Training and assistance**
The Passport to Employment initiative, created by VINCI in 2001, alternates between study at an AFPA centre and working on a VINCI site, combined with assistance on personal issues for employees recruited.

Age pyramid



Gender mix by job category



graduates, and a management module for more experienced employees. Eurovia has developed a 16-week training programme provided over two years, which enables young manual workers to obtain an approved roadworks qualification. Senior managers follow cross-business training programmes such as the *Entretiens de VINCI* lecture-debates and Management Forum, which take place at the VINCI Academy. Training provided internally by Group subsidiaries is supplemented by programmes from external bodies. In France, Group companies are gradually implementing the law on the individual's right to vocational training.

Career development opportunities

With operations in 62 countries and a wide variety of businesses, VINCI companies can offer employees interesting career development opportunities. Job mobility and training requests made during annual employee appraisal meetings are taken into account and efforts are made to reconcile personal development goals with those of the company.

In 2006, 1,790 employees benefited from internal transfers. The job mobility section of the VINCI intranet site lists all positions currently available, according to type, region, company and country. The Jobs and Careers Observatory, which is a tool made available to human resources departments, enables them to identify possible transfers between different business lines, and thus facilitates mobility within the Group. Inter-company twinning also encourages job mobility, by promoting employee exchanges and the transfer of skills between French and international teams. Six twinning initiatives are currently in operation within the Group.

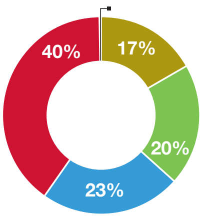
Promoting diversity and guaranteeing equal opportunities

VINCI's commitment to diversity and equal opportunities was confirmed publicly in its Manifesto, published in the press at the end of 2006 (see p. 8). The Group's guiding principle is to prevent discrimination – pay, promotion or training – both during the recruitment process and in the workplace, and to raise all employees' awareness. The Equal Opportunities Committee coordinates the diversity programme. It identifies challenges, analyses the current situation, monitors the practices of Group companies, carries out benchmarking, proposes an action plan and produces practical tools. The committee's work is disseminated by the network of human resources managers and the European Works Council.

In 2006, as part of the continuing programme to raise awareness among senior managers and human resources managers, more than 46,000 employees received the document entitled *Pour plus de diversité* (for more diversity). This document sets out the challenges and initiatives taken to develop the gender mix in the workplace (women represent 14% of Group employees); improve the management of age-related issues (22% of employees are more than 50 years old); and increase the number of employees with disabilities (2,648 employees) and those of immigrant origin. The prevention of discrimination is a topic that is now included in the "Welcome to VINCI" induction sessions organised for newly-recruited managers. In September 2006, equal opportunities training was introduced in France, based on the programmes already in existence at VINCI's UK subsidiaries. Five sessions have taken place since September 2006, attended by one-third of human resources managers. Partnerships are used to implement the Group's diversity programme. In October 2006, for example, following the negotiation and signature of the gender mix agreement, Lainé Delau (VINCI Construction) was the first company in the construction sector to obtain France's "Equality" label. VINCI Energies companies have developed relationships with the appropriate organisations to facilitate access to employment for people with disabilities. ASF (VINCI Concessions) organised a specific initiative within the context of the European programme, Equal, to look at sources of stress or pain in the workplace so that it can adapt the career management of operations employees and help senior managers choose appropriate training programmes for them. In its Manifesto, VINCI committed to training its managers in best practices in the area of diversity and equal opportunities, and to publishing an annual diversity audit carried out by an independent body.

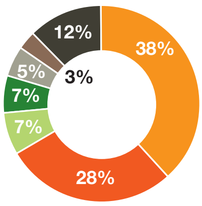
01

Employees with a disability



1. Concessions	447
2. Energy	524
3. Roads	616
4. Construction	1,058
5. Holding companies	3
Total	2,648

Breakdown of training hours

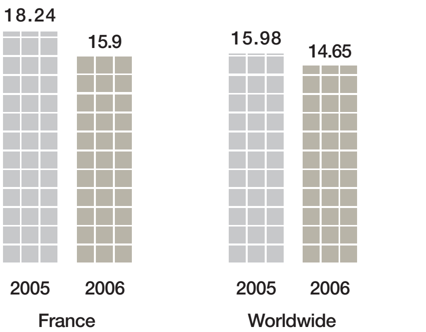


1. Technical	38%
2. Quality-safety-environment	28%
3. Management	7%
4. IT	7%
5. Admin/accounting	5%
6. Languages	3%
7. Other	12%
Total	100%

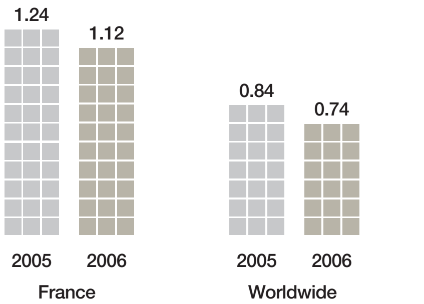
Development of in-house training centres

Training centre	Business line	Number of training hours	Number of trainees
Sogeform, Sogea	→ Construction	79,450	3,938
Cesame, GTM	→ Construction	53,686	3,330
Centre Eugène Freyssinet	→ Construction	3,706	136
VINCI Park School	→ Concessions	8,139	679
Winter maintenance centre, ASF	→ Concessions	76,993	8,885
Cofiroute Campus	→ Concessions	47,757	4,835
Road Industry Training Centre, Eurovia	→ Roads	75,620	1,915
VINCI Energies Academy	→ Energy	60,740	3,285

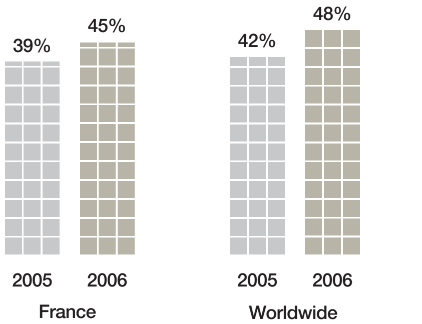
Accident frequency rate



Accident severity rate



Percentage of companies reporting no lost time accidents



Ensuring employee safety and health

Safety is a constant concern for VINCI. Its zero accidents programme led to an 8.29% reduction in the accident frequency rate in 2006 and an 11.69% reduction in the accident severity rate. Furthermore, the number of profit centres recording no lost time accidents rose to 48%.

Pursuing the zero accidents goal

Action plans are implemented, adapted and strengthened depending on the context of each of the Group's business lines and companies. Such action plans take the form of a number of initiatives: worksite induction programmes, the appointment of safety coordinators, the organisation of 15-minute safety sessions on worksites, inter-company competitions, training initiatives, risk assessments and the publication of statistics. All these initiatives enable VINCI to raise awareness, provide information and improve results.

At VINCI Energies, an initiative started in Belgium in 2005 was extended to German fire prevention companies, which now focus on "near misses" recorded in "dangerous situation reports" by all employees on a given worksite. The aim is to make each of them take responsibility for his or her personal safety and that of colleagues. In Belgium, Graniou (VINCI Energies) has created a training platform that reproduces the conditions of working on pylons so that employees can practice safe procedures and postures. They are also given specific training on working at height.

At VINCI Construction, GTM made safety meetings a regular feature throughout France in 2006, bringing together supervisory staff, the regional director and general management. In the United Kingdom, VINCI Construction Grands Projets and VINCI PLC continued their effort to integrate safety into management processes and introduce a policy based on the responsibility and personal involvement of all employees, starting with senior managers.

Eurovia introduced an induction programme for all worksites. It includes a film about general risks, a test of knowledge and an educational test. At the end of 2006, some 18,000 safety tests had been taken. Eurovia also introduced an innovative way of raising safety awareness with its play, "Watch out! Work in progress!" It has been performed before more than 20,000 Eurovia employees, and is followed by a discussion between the company's employees, branch managers and quality, safety and environment officers.

Road safety

More than 30,000 vehicles are used by VINCI employees. In order to reduce road accidents, VINCI signed a three-year partnership agreement with Renault in 2006. This agreement covers the mapping of road accidents involving VINCI employees, assistance with the choice of vehicles and equipment in order to take more account of safety issues, and the preparation of awareness and training modules for all Group employees. Several VINCI companies – namely ASF, Cofiroute, ESCOTA, Eurovia and VINCI Construction France – have adopted road accident prevention policies in the context of partnership agreements with the national health insurance fund. In addition, local or national initiatives to raise awareness about road safety and provide first-aid training continued within the context of the Vigiroute® accident prevention plan, initially launched at Eurovia and then extended to other Group businesses in Europe and Africa. In 2006, Eurovia signed the European road safety charter "25,000 lives to be saved", undertaking to deploy Vigiroute® in all its subsidiaries in the European Union and to reinforce its accident prevention plan by taking specific actions, targeting utility vehicles in particular.

Occupational health

Throughout 2006, the occupational health and environment group continued its work on:
– preventing musculoskeletal disorders (MSD);
– deploying regional prevention and care programmes, focusing particularly on procedures and postures;
– alerting health coordinators to the risks of cardiovascular disease, particularly in extreme weather conditions, with the introduction of screening days;
– activating avian flu prevention plans (raising awareness, purchasing protective equipment, implementing continuity of service plans, etc.);
– continuing the drug and alcohol abuse prevention campaign launched by VINCI Construction in 2005;
– monitoring the careers of employees indirectly exposed to asbestos, and

01 **15-minute safety sessions**
At VINCI Construction, 15-minute safety sessions are organised on worksites every week, run by the site foreman or works engineer. They provide an excellent opportunity for discussion, which can influence behaviour and help to achieve the zero accidents goal.

02 **Working at height**
Graniou Belgium (VINCI Energies) has built a training platform which, equipped with all the necessary safety equipment, is used to train new recruits to work at a height.

01 02

particularly those working in demolition, restoration and site or pipe maintenance;
– developing AIDS prevention programmes in Africa.

Strengthening social dialogue

VINCI's social dialogue policy reflects its commitment to several fundamental principles: recognition of the role of unions within the Group; decentralisation; the quest for a constant balance to be maintained between trade union involvement and close links with professional activities; determination to provide more information and training for employee and trade union representatives by involving them in the implementation of the Group's major policies on health and safety, sustainable development, gender mix and so on; and determination to facilitate communications and meetings for union and employee representatives.
At local level, works councils, single staff delegations and employee representatives, together with the occupational health, safety and working conditions committees, contribute to the quality of dialogue between employers and employees.
A number of specific bodies have also been created to complement individual companies' representative bodies. Discussions within these various bodies are reported at national level by the Group Works Council, and at European level by the European Works Council.

The Group Works Council, which meets twice a year, is made up of representatives from over 50 entities. It receives information about the Group's business and financial situation, employment trends and forecasts, and accident prevention initiatives at Group and company level. It is kept informed of VINCI's economic prospects for the coming year and has access to the Group's consolidated financial statements, together with the corresponding statutory auditors' reports. Before any decision is taken, it is advised of any significant project affecting the Group's consolidation scope or its legal or financial structure, and of the potential impact of such a project on employment.

The European Works Council was renewed in 2006 for four years. It is made up of representatives from the 13 countries in which VINCI has subsidiaries and meets once a year. One of its decisions in 2006 was to develop a programme to build awareness about the 10 Global Compact principles.

Collective agreements negotiated and signed by companies within the Group are tangible evidence of a decentralised human resources policy, which takes account of realities on the ground and aims to improve employee health, safety, working conditions and the organisation of working hours. In 2006, 1,055 collective agreements were signed. Absenteeism due to strikes amounted to 3,425 days out of a total of 28.8 million days worked.

The proposal to combine Sogea and GTM to form VINCI Construction France gave an excellent illustration of the quality of social dialogue. After consultation with employee representative bodies in 2006, implementation of the proposal was approved by 77% and rejected by 7%, with 16% abstaining.

Remuneration and incentives

Employee profit-sharing

VINCI's remuneration policy is organised in accordance with the Group's decentralised management structure. Common principles covering individual remuneration and incentives in line with the Group's results are used as guidelines for this policy in all countries where VINCI operates.

In France, 64% of employees benefit from incentive schemes (€44.6 million was paid into such schemes in 2006) and 76% from profit-sharing agreements (involving a total amount of €87 million). The Group thus shared the benefits of its growth by paying out almost €132 million.

Employee savings schemes

In a labour and management intensive environment, VINCI considers share ownership an essential means of motivating employees and giving them a stake in the Group's performance. This belief is supported by the fact that the most profitable subsidiaries are those with the highest proportion of employee shareholders.

The employee savings policy introduced in 1995 with the creation of the Castor fund is intended to facilitate access to VINCI's capital by all employees, and particularly those with a more modest income. This policy was reaffirmed in VINCI's Manifesto published at the end of 2006 (see p. 8), which included the commitment "to help all employee become shareholders". At 31 December 2006, 67,331 employees – i.e. 64% of the →

Breakdown of Group savings scheme subscribers by job category (France)

	2006	2005	2004	2004-2006 change
Manual labour	25%	34%	32%	-7%
Office, technical & supervisory	42%	37%	37%	+5%
Management	33%	29%	31%	+2%
Total	**100%**	**100%**	**100%**	

eligible workforce – were VINCI shareholders through mutual funds invested in the company's shares. Together they held more than 8% of VINCI's share capital and collectively represented the biggest shareholder group. The average investment in 2006 was €3,080, and the average portfolio was nearly €21,790.

A number of savings options are offered to employee's of the Group's French subsidiaries:
– The Castor fund, which is invested in VINCI shares, enables employees to benefit from an employer contribution and a 20% discount on the average price of VINCI shares. For 2007, the authorised discount is 10% and the maximum employer contribution is €3,500. Almost all ASF and ESCOTA employees are now subscribers to the Castor plan. During 2006, three share capital increases were offered to employees of French subsidiaries at a preferential price. The employer contribution paid by VINCI amounted to a total of €48.90 million (against €39.33 million in 2005 and €23.5 million in 2004), which represents an increase of 90% in two years.
– Castor Equilibre, created in 2003, is a fund invested in fixed-income securities (a maximum of two-thirds of its net assets are invested in bonds and at least one-third in monetary securities), including a maximum of 10% in listed VINCI bonds.
– At the end of 2001 and beginning of 2002, employees were also given the opportunity of subscribing to Castor Avantage, a leveraged savings scheme that multiplies the employee contribution by a factor of 10, and provides a minimum return of 25% over five years with 72% of any capital gains arising on subscribed shares. In anticipation of this fund expiring at the end of January 2007, VINCI offered unit-holders (and employees with available credit in the VINCI Group Savings Scheme or other Group company employee savings schemes) the option of transferring their credit balances into a new investment fund, Castor Rebond. This is invested in VINCI shares and will mature at the end of May 2010. It guarantees 100% of the amount transferred and enables employees to benefit from increases in the VINCI share price.
During the subscription period, which ran from 13 November to 6 December 2006, a total of €130 million was collected from all sources.
The Castor International fund was launched in 2006, attracting subscriptions from one-third of eligible employees. An amount of €13.6 million (including €4.3 million in employer contributions) was collected, representing a 70% increase over the amount collected as a result of a similar operation in 2004. The average payment was €1,853, compared with €1,440 in 2004.

Other employee incentives

VINCI companies have introduced additional medical and insurance cover for employees sent on assignments abroad. Conscious of the delicate balance between home and business life, some Group companies have started to offer childcare facilities. In addition, Eurovia's foundation awards about 100 education grants a year for manual workers' children.

social indicators

Social reporting provides a useful guide for steering VINCI's social responsibility policy. The approach chosen draws on the principles of transparency set out in the Global Reporting Initiative (GRI) and complies with Article 116 of France's new economic regulations law (NRE) and its enabling decree of 20 February 2002. Over 200 people are involved in collecting, transmitting and validating social data. All the procedures can be viewed on the intranet and the results are distributed to employee representative bodies.

workforce

Breakdown by geographical area and by business line

	2006							2006	2005*	Change
	Concessions	Energy	Roads	Construction	Property	Holding companies	%	Total	Pro forma	2006/2005
France	12,024	19,611	22,029	29,551	216	299	60%	**83,730**	80,448	4%
Germany	81	3,199	3,905	1,710		11	6%	**8,906**	9,211	-3%
United Kingdom	875	446	3,692	3,045			6%	**8,058**	8,598	-6%
Belgium	14	347	415	4,160			4%	**4,936**	4,430	11%
Spain	219	747	731	179			1%	**1,876**	1,956	-4%
Central & Eastern Europe	30	775	4,549	2,909			6%	**8,263**	8,195	1%
Rest of Europe	189	1,793	264	889		2	2%	**3,137**	2,817	11%
Europe	**13,432**	**26,918**	**35,585**	**42,443**	**216**	**312**	**86%**	**118,906**	**115,655**	3%
Americas	714		3,233	1,914		1	4%	**5,862**	5,905	-1%
Africa	2	78		9,843			7%	**9,923**	7,455	33%
Asia & Middle East	1,790			1,739		5	3%	**3,534**	2,520	40%
Oceania				299			0%	**299**	361	-17%
World	**15,938**	**26,996**	**38,818**	**56,238**	**216**	**318**	**100%**	**138,524**	**131,896**	5 %

Breakdown by category, gender and business line

	2006							2006	of which	2005*
	Concessions	Energy	Roads	Construction	Property	Holding companies	%	Total	France	Pro forma
Managers	**1,300**	**5,134**	**4,062**	**7,926**	**131**	**205**	***14%***	**18,758**	**14,568**	**17,405**
Men	956	4,425	3,650	6,892	96	135	*86%*	16,154	12,440	14,997
Women	344	709	412	1 034	35	70	*14%*	2,604	2,128	2,408
Office, technical & supervisory staff	**9,235**	**9,878**	**9,074**	**14,440**	**85**	**113**	***31%***	**42,825**	**27,988**	**41,350**
Men	5,164	7,587	6,501	10,644	13	45	*70%*	29,954	19,190	29,547
Women	4,071	2,291	2,573	3,796	72	68	*30%*	12,871	8,798	11,803
Manual labour	**5,403**	**11,984**	**25,682**	**33,872**	**0**	**0**	***56%***	**76,941**	**41,176**	**73,141**
Men	3,492	11,689	25,057	33,378			*96%*	73,616	40,333	69,584
Women	1,911	295	625	494			*4%*	3,325	843	3,557
Total	**15,938**	**26,996**	**38,818**	**56,238**	**216**	**318**	***100%***	**138,524**	**83,732**	**131,896**
Men	9,612	23,701	35,208	50,914	109	180	*86%*	119,724	71,963	114,129
Women	6,326	3,295	3,610	5,324	107	138	*14%*	18,800	11,769	17,768

Breakdown by type of employment contract and business line

	2006							2006	of which	2005*
	Concessions	Energy	Roads	Construction	Property	Holding companies	%	Total	France	Pro forma
Unlimited term	14,836	25,052	36,182	45,457	205	311	87%	122,043	79,494	117,123
Fixed term	1,065	1,206	1,739	9,802	10	5	10%	13,827	2,134	12,618
Work-and-study	37	738	897	979	1	2	2%	2,654	2,103	2,155
Total	**15,938**	**26,996**	**38,818**	**56,238**	**216**	**318**	**99%**	**138,524**	**83,731**	**131,896**
Temporary employees	485	2,691	4,213	8,929	15	17	12%	16,333	13,008	12,524

** Pro forma 2005 includes ASF, ESCOTA and Cosina but excludes airport services, which were sold*

New employees by business line

	2006							2006	of which	2005*
	Concessions	Energy	Roads	Construction	Property	Holding companies	%	Total	France	Pro forma
Unlimited term contracts	2,821	3,024	5,505	12,165	43	42	43%	23,600	9,945	21,736
Fixed term contracts	18,912	666	2,388	7,463	13	13	54%	29,455	20,866	35,815
Work-and-study	24	329	433	697		1	3%	1,484	1,392	0
Total	**21,757**	**4,019**	**8,326**	**20,325**	**56**	**56**	**100%**	**54,539**	**32,203**	**57,551**

Reasons for departure

	2006							2006	of which	2005*
	Concessions	Energy	Roads	Construction	Property	Holding companies	%	Total	France	Pro forma
Resignation	1,319	1,672	3,021	3,724	9	8	20%	9,753	3,597	8,849
End of fixed term contract	18,817	586	1,642	5,395	3	17	56%	26,460	20,865	30,636
End of worksite	614	72	1,249	2,622	1		10%	4,558	807	4,437
Retirement	188	344	637	596	1	6	4%	1,772	1,337	2,200
Redundancy	105	131	227	137		1	1%	601	108	1,840
Other dismissals	771	540	589	1,604	1	14	7%	3,519	2,009	3,643
Death	17	34	73	85		1	0%	210	155	NC
Other reasons	143	97	228	321		2	2%	791	342	1,323
Total	**21,974**	**3,476**	**7,666**	**14,484**	**15**	**49**	**100%**	**47,664**	**29,220**	**52,928**

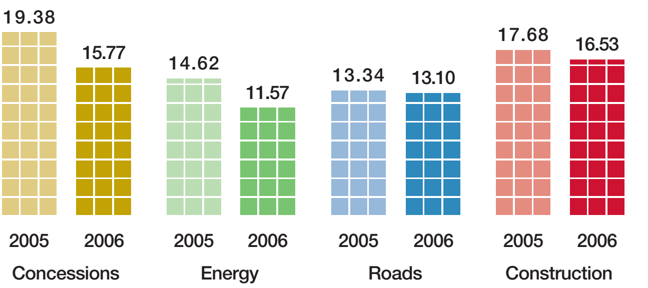
training

Change in number and breakdown of training hours

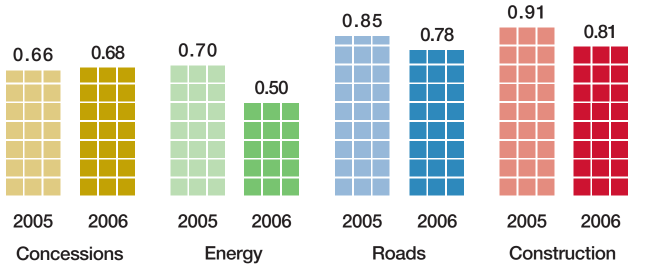
	2006				2006	of which	2005*	
	Managers	Office, technical, supervisory staff	Manual labour	%	Total	France	Pro forma	Change
Technical	68,980	252,285	531,355	38%	852,620	518,289	798,152	7%
Quality-safety-environment	59,768	193,041	369,830	28%	622,639	460,720	588,769	6%
Management	61,662	76,872	16,563	7%	155,097	83,260	112,836	37%
Information technology	46,063	76,678	19,972	7%	142,713	62,108	163,164	-13%
Admin./acctg./mgmt./legal	45,469	68,932	6,864	5%	121,265	72,938	116,815	4%
Languages	29,136	39,572	3,016	3%	71,724	20,140	85,832	-16%
Other	34,368	117,884	123,619	12%	275,871	183,752	236,648	17%
Total	**345,446**	**825,264**	**1,071,219**	**100%**	**2,241,929**	**1,401,207**	**2,102,216**	**7%**
Number of hours per employee	18	19	14		16	17	16	

safety

Accident frequency rate by business line



Accident severity rate by business line



** Pro forma 2005 includes ASF, ESCOTA and Cosina but excludes airport services, which were sold*

remuneration

Remuneration and social charges in France (in thousands of euros)

	Total		Managers		Office, technical & supervisory staff		Manual labour	
	2006	2005*	2006	2005*	2006	2005*	2006	2005*
Average VINCI salary (1)	**31**	**29**	**58**	**55**	**28**	**27**	**23**	**22**
Men	31	30	60	57	29	29	23	22
Women	28	27	43	41	24	23	22	22
Average salary in building and civil engineering sector (2)	NC	24	NC	46	NC	26	NC	19
Social charges	54%	55%	58%	59%	53%	55%	52%	51%

*(1) Including paid leave (2) Source: PRO BTP * Using 2006 calculation method*

Remuneration and social charges worldwide (in thousands of euros)

	Total		Managers		Office, technical & supervisory staff		Manual labour	
	2006	2005*	2006	2005*	2006	2005*	2006	2005*
Average VINCI salary	**27**	**27**	**54**	**53**	**28**	**28**	**21**	**21**
Men	28	28	56	55	30	30	21	21
Women	25	24	39	39	24	22	16	18
Social charges	44%	42%	50%	49%	41%	41%	41%	40%

** Using 2006 calculation method*

Incentive schemes, employee profit-sharing, employer contributions and social welfare (as a percentage of salaries covered and in € millions distributed)

	World				France			
		2006		2005		2006		2005
Incentive schemes	42%	€52.70	42%	€36.48	64%	€45.57	59%	€30.12
Employee profit sharing	46%	€86.86	41%	€68.21	76%	€86.86	68%	€68.21
Employer contributions	64%	€48.90	53%	€39.33	97%	€46.07	97%	€38.44
Social welfare	80%	€43.56	76%	€37.76	96%	€23.95	95%	€20.18
Total		**€232.02**		**€181.78**		**€203.45**		**€156.95**

working hours

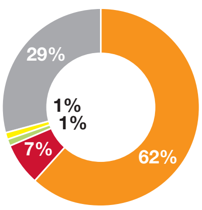
Organisation of working hours

	2006			2006	2005*
	Managers	Office, technical & supervisory staff	Manual labour	Total	Pro forma
Total hours worked	31,574,638	66,964,665	132,090,351	230,629,654	208,307,925
of which overtime	416,970	1,781,936	11,048,414	13,247,320	12,155,017
Number of part-time employees	206	2,218	891	3,314	3,159

Breakdown of days off by reason for absence (number of days)

	2006							2006	2005*
	Concessions	Energy	Roads	Construction	Property	Holding companies	%	Total	Pro forma
Sickness	156,882	279,338	484,565	402,438	934	4,350	62%	1,328,507	1,452,344
Workplace accident	14,750	22,325	51,614	69,451		41	7%	158,181	211,058
Accident on the way to work	1,648	2,136	6,481	4,087	68	44	1%	14,464	20,247
Occupational sickness	1,654	6,489	13,987	8,345			1%	30,475	27,848
Other	86,314	76,984	251,656	210,245	819	61	29%	626,079	647,916
Total	**261,248**	**387,272**	**808,303**	**694,566**	**1,821**	**4,496**	**100%**	**2,157,706**	**2,359,413**

Breakdown of days off by reason for absence (as %)



1.	Sickness	62%
2.	Workplace accident	7%
3.	Accident on way to work	1%
4.	Occupational sickness	1%
5.	Other	29%
	Total	**100%**

On average, 9.5 days were lost through sickness. Absenteeism declined 0.9%.

** Pro forma 2005 includes ASF, ESCOTA and Cosina but excludes airport services, which were sold*

Civic involvement

01 **Social inclusion**
The VINCI Foundation awarded financial support to Envie 2E 49, a non-profit organisation that hired five unemployed people to dismantle electrical and electronic appliances.

VINCI strives at all times to make a positive contribution to the economic and social environment in which it operates, supporting social and community projects that promote employment among disadvantaged sections of the community and improve the quality of urban life. Coordinated by the VINCI Foundation, the Group's involvement in such initiatives combines financial commitment and employee support. Group companies also contribute to local development projects at their own initiative. In addition, consistent with its traditional role as a builder, VINCI invests in preserving heritage assets.

Supporting inclusion through work

The VINCI Foundation

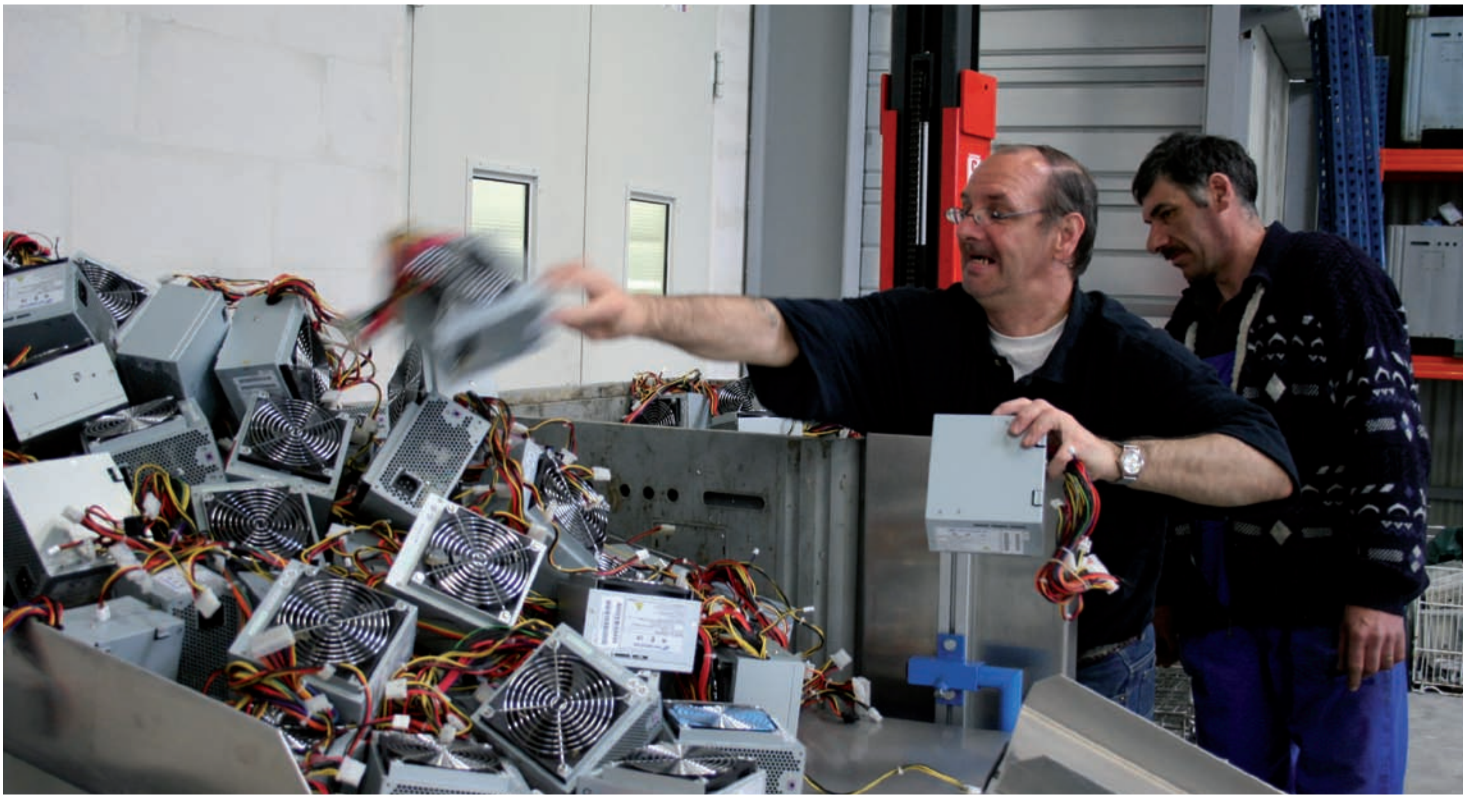
The VINCI Foundation for the Community was created to promote inclusion through work and improve social cohesion by working alongside agencies involved in combating exclusion, such as non-profit organisations, companies and employer groups that create job and training opportunities and neighbourhood organisations. The foundation provides financial support (an average of €14,000 per project) and skills-based sponsorship (each project is sponsored and monitored by a Group employee who contributes personal skills and draws on his or her network of contacts). At the beginning of 2006, VINCI doubled the foundation's annual budget to €2 million.

In 2006, the VINCI Foundation supported 120 projects promoting inclusion through work, access to accommodation, social assistance, citizenship training, diversity, training and qualifications. In its Manifesto (see p. 8), VINCI committed to increasing this number to 150 in 2007.

The VINCI Foundation also supports external initiatives such as the *Talents des Cités* competition organised by the French Senate and the Ministry of Employment, Social Cohesion and Housing. This competition rewards people who develop businesses, non-profit organisations or projects in disadvantaged neighbourhoods. In addition, within the context of the promotion of micro-loans, the VINCI Foundation paid €98,000 to ADIE, the French non-profit organisation that assists people excluded from the job market and banking system. Support was given to 20 business creation projects, including 12 in the building sector and eight set up by young entrepreneurs in the inner city areas of Lille, Lyons, Marseilles, Paris and Toulouse.
Since its creation in 2002, the VINCI Foundation has established partnerships with more than 310 job creation organisations. Its support and the participation of some 700 VINCI employees have helped more than 200 people find a work placement or job in Group companies, and given about 100 job creation organisations the benefit of commercial outlets. One of the highlights of 2006 was the creation by 11 VINCI companies of the first GEIQ (an employer group that creates job and training opportunities) in the greater Paris area's construction sector. Its mission is to help people in difficulty to find work while, at the same time, meeting the recruitment needs of Group companies. Furthermore, as part of the SNC (solidarity for the unemployed) network, a group was set up within VINCI to assist job-seekers with the various formalities they have to complete.

Support for economic development and solidarity initiatives

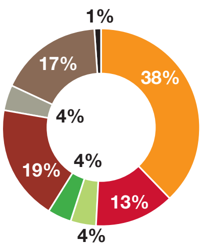
Group companies are involved in civic initiatives that complement VINCI's commitment to inclusion through work. In the concessions business line, Cofiroute continued its partnership with the Garches Foundation. After completing a study to assess the accessibility of its network for people with reduced mobility, the company launched a road safety programme highlighting the need for greater care at the wheel. ESCOTA, another motorway concessions company, organises an operation known as "Children without Christmas", which collects toys for disadvantaged children (27,000 were collected in 2006). Through its club for socially-aware developers (Club des Promoteurs Citoyens), VINCI Immobilier supports the social housing programme set up by the Abbé Pierre Foundation, paying €30 per notarised deed of each home sold. VINCI Energies' 700 companies have provided support to 1,410 initiatives, including those run by French organisations working in the area of cancer research or supporting summer school programmes for disadvantaged children.
In Africa, Sogea-Satom (VINCI Construction) created ISSA, the Sogea-Satom Initiative for Africa, which gives grants of up to €10,000 per project for solidarity initiatives ➔



01

Commitments	Examples of actions taken in 2006
To support social inclusion through work	→ 120 projects supported by the VINCI Foundation, 41% of which were proposed by Group employees → Support for the *Talents des Cités* competition
To foster local development and solidarity projects	→ Launch of ISSA, the Sogea-Satom Initiative for Africa → Promotion of the micro-loan
To help preserve heritage assets	→ Launch of restoration of second half of the Hall of Mirrors at Versailles → Financing and sale of palaeontological discoveries to the Natural History Museum of Aix en Provence

VINCI FOUNDATION'S PROJECTS BY AREA OF ACTIVITY



1.	Inclusion through work	38%
2.	Training and qualifications	13%
3.	Access to accommodation	4%
4.	Diversity	4%
5.	Education and citizenship	19%
6.	Social assistance	4%
7.	Micro-loans	17%
8.	Mobility and inclusion	1%
	Total	100%

01 **New palaeontological discoveries**
During the widening of the A8 motorway in the south of France, a substantial programme of digs financed by ESCOTA led to the discovery of fossils 70 million years old.

02 **Skills-based sponsorship**
Appointed project manager by the Etablissement Public de Versailles, VINCI will have been involved from start to finish in the Hall of Mirrors restoration project at the Château de Versailles when it is completed in 2007.

➔ organised and monitored by local entities.
In Cambodia, the subsidiary of VINCI Concessions that manages the airport at Siem Reap is participating in a programme to help manage the influx of tourists at the Angkor temple information centre. This is an extension of the partnership with Artisans d'Angkor, an organisation that trains and employs about 1,000 traditional craftsmen and supports 5,000 families by revitalising traditional Khmer craft techniques.
In Europe, Tierra Armada, a Spanish subsidiary of Freyssinet (VINCI Construction), continued its collaboration with Aprocor, a non-profit organisation that promotes the inclusion of mentally handicapped people in the workplace.
Ringway, Eurovia's subsidiary in the United Kingdom, supports Business in the Community, which develops social inclusion and employment programmes between businesses and inner city residents.

Heritage preservation

With their long tradition and broad expertise as builders, VINCI and its companies play an active role in preserving France's historic and cultural heritage through corporate sponsorship schemes and the dissemination of information about archaeological discoveries.

The Hall of Mirrors at the Château de Versailles

VINCI has been managing the first comprehensive restoration of the Hall of Mirrors at the Château de Versailles since 2004, thereby helping to preserve one of the great masterpieces of the world's architectural heritage. Under the terms of an innovative skills-based sponsorship arrangement, VINCI is financing works amounting to €12 million and providing the expertise of Group companies specialising in the restoration of historic buildings.

The project covers both the architectural decor – marble panelling, mirrors and sculptural features in bronze, restored by teams from VINCI and independent specialists – and the painted and sculpted decoration of the vaulted ceiling. Having completed restoration of the first half of the hall at the end of 2005, work continued in 2006 on the second half. As planned, the entire project will completed in mid-2007. Access for the 4 million annual visitors has been maintained at all times. VINCI has also organised visits to see the work in progress, which have been attended by 6,000 people, and has prepared educational material for young people (including a CD-ROM for college students and pupils, publications and tours). VINCI associated all its employees, shareholders and their families with this operation by giving them free admission to the Château de Versailles for the duration of the project.

Disseminating information about archaeological discoveries

As a contributor to regional development, VINCI plays an active role in the discovery of archaeological assets. It set up a rescue archaeology task force in 2006 to structure its approach and identify the support provided by Group businesses to scientific knowledge in this area.

Motorway construction sites present many opportunities for archaeological and palaeontological research. Arcour, which holds the concession for the A19 motorway, continued its partnership with INRAP, the French National Institute for Research in Preventive Archaeology, in central France. In 2006, about 15 archaeological digs were completed along the route of the future motorway and another 10 were started. Joint actions include a 90-minute documentary, an exhibition and visits for schoolchildren to make full use of the research. When the A8 motorway was widened between Châteauneuf le Rouge and Saint Maximin in the south of France, an area known for its rich deposits of dinosaur fossils, ESCOTA provided €250,000 in finance for a substantial programme of digs throughout 2006, in partnership with an organisation representing the local communities and the Natural History Museum of Aix en Provence. The digs led to the discovery by a team of palaeontologists of fossils dating back 70 million years. These included crocodile and tortoise specimens, as well as a dozen teeth of a Tarascosaurus, a large theropod, traces of which are particularly rare.

Spending in the form of corporate sponsorship and through the VINCI Foundation amounted to €4.5 million in 2006.


01


02

Our responsibilities to customers and suppliers

Dialogue with stakeholders is a key component of VINCI's drive for improvement. Group companies are in contact not only with their major clients – the local authorities and companies that award them contracts – but also with over 600 million customers who use their services. VINCI also builds lasting relationships with its suppliers, involving them in its sustainable development programme, in particular through its purchasing policy.

Guaranteeing the quality of services and infrastructure

Developing consultation

VINCI companies maintain constant dialogue with the communities located close to their projects and worksites. This approach, based on consultation and transparency, is formalised in charters signed with the elected officials of communities directly affected by their works. In France, for example, during the construction of the A86 West motorway in the Paris region, consultation with local communities improved the measures taken to blend the worksite into its urban environment. These included the erection of noise barriers, increasing the density of surrounding trees to mask the site infrastructure, and adapting the site's working hours to the needs of local everyday life.

Improving the quality of services and works

VINCI's subsidiaries are developing quality control tools on their intranet sites based on shared databases (management of cost variations, shared experience, assessments of customer satisfaction, etc.). They carry out a number of internal audits and are developing an active policy of listening to customers, particularly through call centres (Cofiroute, ASF and ESCOTA) and customer satisfaction surveys. ASF, for example, received less than one letter of complaint per 1,000 call-outs in 2006, proof of a high quality of service, particularly as regards call-outs to help motorists that have broken down somewhere on the network. Among other initiatives, VINCI Park organises mystery customer inspections, has produced a customer service best practice guide for car park attendants and provided a free-phone customer service number.

VINCI companies are also encouraged to improve the quality of the services they provide through prequalification measures. VINCI Construction Grands Projets and Ringway (Eurovia) have thus been preselected by the United Kingdom's Highways Agency in the context of its programme of modernisation of the motorways network. They obtained their Capability Assessment Toolkit (CAT) following a process of assessment based on business excellence criteria established by the European Foundation for Quality Management (EFQM), which enables them to compete in calls for tenders. Their scores, verified by independent auditors, attach increasing importance to subjects connected with sustainable development, such as health and safety, training and equal opportunities.

Securing ISO 9001 certification is an important quality management step in the Group's improvement programme. At Eurovia, in 2006, 90% of revenue generated by roadworks was ISO 9001 certified, as were more than 50% of its industrial activities (quarries, binder plants, coating plants). In the construction division, 84.3% of the business of VINCI Construction France and 100% of the business of VINCI Construction Grands Projets are certified. VINCI Energies' subsidiaries, and particularly those that operate in the industrial sector, have specific certifications and authorisations such as UIC or MASE. At VINCI Concessions, all Cofiroute's network operations are covered by ISO 9001 certification, and ASF's construction department has renewed its ISO 9001 certification for its motorways design and build activities.

Integrating sustainable development into marketing policy

VINCI companies more and more frequently include social and environmental elements in their commercial offers, relating not only to the work but to subsequent operations. This marketing approach, which is already very common in international offers, is now also developing in France. It is applied mainly to public-private partnership (PPP) projects, and takes into account the life cycle and overall cost of the completed structure.

Commitments	Examples of actions taken in 2006
To guarantee the quality of services and infrastructure	➔ Deployment of tools to improve customer satisfaction (customer surveys and service numbers)
To integrate sustainable development into marketing policy	➔ Development of economic, social and environmental sales approaches that take into account the life cycle and eco-efficiency of completed structures
To involve suppliers in VINCI's sustainable development programme	➔ Development of measurement and analysis tools for use by VINCI and temporary worker recruitment companies in accident prevention drive ➔ VINCI-Renault partnership on safety and the environment
To raise purchaser awareness of subcontracting risks	➔ Training for 125 Group purchasers in the risks of subcontracting
To include the 10 Global Compact principles in all contracts	➔ Monitoring of the inclusion of the Global Contract clause in the Group's framework contracts

Involving suppliers and subcontractors

VINCI's purchasing policy is managed by the central purchasing coordination unit and by 30 decentralised purchasing clubs around France and in countries where the Group has operations. The purpose of the policy is to integrate the principles and criteria of sustainable development into the practices of the Group's purchasers. In 2006, a seminar dealing with this subject was attended by 125 VINCI puchasing and operations managers. One of the seminar's core themes was managing subcontracting risks.

The policy is also intended to establish lasting commercial and operational relationships with suppliers, that go beyond the mere negotiation of prices. VINCI involves them in its policy of social and environmental responsibility by inviting them to take part in think tanks on these subjects, and by inserting specific clauses in its framework contracts.

An accident prevention clause has been included in the current contracts with VINCI's 75 approved temporary worker recruitment companies (covering a total of over 4,200 agencies). The clause, together with the mutual commitments in the Workplace Safety Charter for Temporary Workers, allies the recruitment companies to the Group's efforts to achieve zero accidents. In 2006, a working group comprising accident prevention and human resources managers drew up a standard set of measurement and analysis tools enabling verification of compliance with the commitments contained in this charter. In addition, based on the satisfactory results of a series of audits of personal protective equipment (PPE) distributors carried out at the time of renewal of framework contracts, VINCI has adopted a similar approach with about 100 companies involved in the leasing of building site plant and equipment.

The same spirit of partnership characterises VINCI's approach to road safety. VINCI has, for example, signed a partnership agreement with Renault aimed at improving the management of road risk. Their work has focused on vehicle fleet diagnostics and accident analysis, which involves developing recommendations on vehicle fixtures and fittings, awareness-raising tools and employee training. The national health insurance fund is associated with this work through various partnership agreements with Group companies, particularly Cofiroute, ASF, Eurovia and Sogea Construction.

In the environmental field, clauses relating to waste management are also included in the Group's framework contracts when these come up for renewal. In order to implement the European Directive on waste electrical and electronic equipment (WEEE), VINCI gives preference to service providers that, in addition to applying the new regulations, are involved in social inclusion and international solidarity projects. In an initial experiment, the Association des Paralysés de France (a non-profit organisation helping handicapped people find work) and Ateliers sans Frontières (a similar organisation that helps the long-term unemployed back into the workplace) were given responsibility for collecting, sorting and re-using or recovering materials from end-of-life computers.

Ensuring compliance with Global Compact principles

Since 2005, the Group's approved supplier contracts have automatically included a clause inviting suppliers to observe the Global Compact and setting out its 10 principles in the areas of human rights, employment standards, environmental protection and the fight against corruption. This clause obliges signatory companies to alert VINCI in the event of non-compliance with any of the 10 principles, and to inform it of any initiatives taken and best practices implemented to ensure that the principles are promoted (see p. 97). Suppliers refusing to sign this clause have been excluded from any commercial relationship, but this is very rare. In 2007, the Global Compact clause will gradually be extended by the Group's various purchasing departments to all contractual documents signed with their suppliers.

Our environmental responsibility

As a contributor to regional and urban development, VINCI takes environmental issues into account in all its business activities. Through its environmental management system, the Group seeks to limit and control the impact of its activities.

Implementation of the environmental policy is supported by a strong commitment on the part of Group management, empowerment of all operations employees at subsidiary level and constant dialogue with stakeholders. The sustainable development committee coordinates the network of environmental correspondents, organises working groups bringing together experts from each business line and guides the Group's global environmental action, notably as concerns waste management, reduction of CO_2 emissions and eco-design.

In 2006, VINCI companies continued with efforts to provide environmental training, with a 6% increase in the number of training hours provided. It organised weekly 15-minute environment sessions on worksites to raise awareness of sustainable use of natural resources among operations teams. Internal communication campaigns, like the VINCI Energies campaign focusing on selective sorting of waste electrical and electronic equipment (WEEE) further support this approach.

VINCI subsidiaries continued with efforts to secure environmental certification. For instance, 47.5% of VINCI Construction France revenue, 100% of VINCI Construction Grands Projets revenue and 50% of the major quarries owned by Eurovia are ISO 14001 certified.

COMBATING CLIMATE CHANGE

VINCI has adopted a proactive approach to climate change, aware that it has a responsibility to anticipate both stakeholder expectations and the environmental, economic and social consequences of global warming.

Reducing greenhouse gas emissions

VINCI continued with its strategy of reducing direct and indirect greenhouse gas emissions in 2006 through two programmes: "Construction and CO_2" and "Transport and CO_2".

Direct emissions

VINCI works on around 260,000 projects a year, the duration and location of which are – by their very nature – highly variable.The main sources of CO_2 emissions are its vehicle fleet, worksite equipment and huts, agencies and head offices.

In 2006, VINCI continued to implement its improvement plan to limit CO_2 emissions from its vehicle fleet. It signed a long-term partnership with vehicle rental companies with the aim of adapting the models chosen to actual use by employees and giving priority to fuel-efficient vehicles that emit fewer greenhouse gases (GHG). VINCI shares statistical data on employee travel and fuel consumption with car manufacturers, allowing them to adapt future models.

In house, VINCI is working on implementing a new work organisation model to reduce distances travelled by its employees. For instance, the Group encourages use of portable computers connected to its companies' information systems so that site foremen can avoid having to make daily trips to their agency. By giving this equipment to 2,700 site foremen in France and Germany, Eurovia avoided 697.5 tonnes of CO_2 emissions – the equivalent of 2.5 million kilometres travelled. VINCI also gives priority to local raw material suppliers to reduce transport-related emissions. Eurovia is implementing on-site materials recycling techniques for road maintenance and repair projects, and is developing rail and river transport for its aggregates, chiefly from its new distribution platform in Antwerp, Belgium.

Measures are taken to reduce energy consumption in the Group's fixed sites, notably when renovating head offices or regional offices – as, for example, during work on the VINCI Immobilier and VINCI Energies head offices. VINCI companies also seek to improve energy efficiency when replacing equipment and carrying out insulation work.

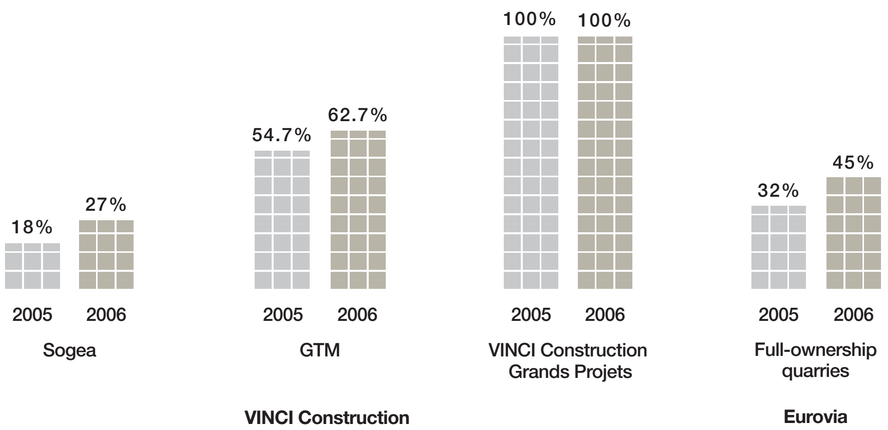
Indirect emissions

VINCI supports customers' efforts to reduce their CO_2 emissions by raising their awareness of the challenges of climate change and developing lower-emission solutions.

➔

Commitments	Examples of actions taken in 2006
To reduce greenhouse gas emissions	➔ "Transport and CO_2": • partnership with vehicle rental companies to reduce VINCI fleet $C0_2$ emissions by 2.5% a year • VINCI Park participated in the European sustainable mobility week • raising employee and customer awareness of eco-driving ➔ "Building and CO_2": • increase in the number of carbon assessments • installation of renewable energy production equipment (biofuel production sites, wind turbines, solar panels)
To promote sustainable construction	➔ High environmental quality (HQE®) building projects
To reduce use of natural resources	➔ Reuse of road materials (30% saving in new materials using the Recycan® technique) and deconstruction materials ➔ Treatment and reuse of 6.5 million tonnes of recovered materials as backfill ➔ Application of Acerbois Glulam certification for glued laminated products
To optimise waste management	➔ Systematic use of selective sorting (worksites and motorway service areas); VINCI Energies' campaign to sort 100% of its waste by the end of 2007 ➔ Setting up a system for managing waste electrical and electronic equipment (WEEE)
To prevent pollution	➔ Rollout of the Citéos approach (VINCI Energies) to reduce light pollution ➔ Cold-plasma treatment of volatile organic compounds (VOC) in production of asphalt mixes ➔ Construction of NOx-absorbent noise barriers and pollution-absorbing pavements, both using the NOxer® process
To develop environmentally friendly products and services	➔ Use of 200,000 tonnes of aspha-min® warm-mix asphalt
To preserve biodiversity	➔ ASF and ESCOTA partnership to protect wetland, flora and fauna on the motorway network ➔ Partnership between a Eurovia quarry in Aquitaine and the local conservation agency to reconstitute a biotope for a protected species ➔ Continued partnership with the Nicolas Hulot Foundation to protect the Hermann's tortoise.

ISO 14001 environmental certification progress



01 **Sustainable construction**
In its high environmental quality (HQE®) approach to building the Blanquefort high school near Bordeaux, GTM Construction used special high-insulation coefficient materials such as Monomur thick-walled clay bricks.

02 **Renewable energies**
SETB, a VINCI Energies subsidiary, installs photovoltaic panels on buildings (picture here from Reunion Island).

→ VINCI Concessions companies, which are in contact with 600 million infrastructure users, are ideally placed to raise awareness and change behaviour. A partner in the European Mobility Week since 2005, VINCI Park is committed to promoting intermodality (coordinating private cars and public transport). VINCI Park and ASF also carried out a campaign to raise awareness of eco-driving, in partnership with equipment supplier Norauto, by offering drivers free air-conditioning and anti-pollution (CO-CO_2) tests on their vehicles. Cofiroute disseminated a brochure with 10 simple eco-driving tips in toll plazas on its network.
To combat traffic congestion in towns and on motorways, VINCI companies are developing programmes to improve traffic fluidity, which helps reduce polluting emissions. The speed regulation system installed by ASF on the very busy A7 motorway helps prevent the “accordion effect” (where changes in speed cause vehicles to crowd together and then spread out again) and traffic jams, which increase fuel consumption. The new automated toll collection systems for HGVs rolled out starting in 2006 by all French motorway concession operators – including ASF, ESCOTA and Cofiroute – are creating smoother traffic flows at toll plazas and generating a reduction in CO_2 emissions. VINCI Energies is developing traffic regulation solutions that optimise management of urban transport.

VINCI also participates in research to develop renewable energies. In response to significant growth in the off-shore and on-shore wind turbine market, VINCI set up a wind turbine club in 2006, bringing together some 12 VINCI Construction, VINCI Energies and Eurovia companies. They will be working together to develop turnkey solutions combining site search, construction and maintenance of wind turbine farms.

Promoting sustainable construction

VINCI works with all the players in its sector to design and promote sustainable buildings at all stages of their life cycle: design, construction, use, maintenance, renovation and repair, deconstruction and demolition. This long-term approach is used more particularly in projects VINCI undertakes within the framework of concessions of public-private partnerships (PPPs), where the Group is responsible not only for building but also maintaining structures and public equipment over periods that can be as long as several decades.

High Environmental quality (HQE®) projects are a perfect example of the Group’s determination to promote sustainable construction. Recent projects in this field include the Blanquefort high school near Bordeaux, the new concert hall in Aix en Provence, renovation of 417 social housing units in Sevran, near Paris, and construction of the Granite tower (Ile-de-France). This tower block, the first skyscraper erected to HQE® standards, integrates innovative solutions in terms of healthy air quality, hydrothermal comfort, visual acceptability and energy conservation.

VINCI Construction uses a number of different methods to assess CO_2 emissions and measure environmental impacts on its worksites, depending on the materials and techniques used. When Freyssinet (VINCI Construction) put itself to the test, it noted that all of its specialised activities emit less carbon dioxide than the traditional solutions available in the market. This is particularly true for stay cables, which have a life span of over 100 years, reinforced earth walls, which save 1,500,000 tonnes of CO_2 emissions a year compared to walls pre-cast on site, or the Menard Vacuum atmospheric ground consolidation method, which reduces CO_2 emissions by a factor of 3 or 4 compared to conventional solutions. The Group’s expertise in these different fields makes a valuable contribution to discussions in the “construction and greenhouse gases” working group led by VINCI within Entreprises pour l’Environnement (EPE).

LIMITING IMPACTS

Reducing the use of natural resources

VINCI companies are stepping up their efforts to preserve natural resources by integrating this objective from the design stage, rationalising production processes and encouraging the use of substitute materials and recycling. This approach is of particular interest in the roads sector. The growing scarcity of material deposits in some regions and the increase in road-haulage costs are encouraging operators to look to techniques using smaller →


01


02

01 **Preserving biodiversity**
While carrying out preparatory work for the Mont Saint Michel sand-dredging project, VINCI Construction teams rebuilt the natural habitat of a protected species of frog, the mud-diver.

Breakdown of worksite waste by type and use (VINCI Construction)

Type	%	Use
Scrap iron	2.6%	Recycling
Wood	7.5%	Recycling
Packaging	5.7%	Valorisation
Non-hazardous industrial waste(1)	64.3%	Recycling, landfill
Rubble and filler	19.5%	Recycling, landfill
Special industrial waste	0.4%	Recycling, specialised incineration, landfill
Total	100%	

(1) Excluding scrap iron, wood and packaging

➔ quantities of aggregate for road maintenance and repair.

As the leading European producer of recycled materials (over 6.5 million tonnes in 2006), Eurovia has developed effective solutions for mechanical and physical-chemical treatment of industrial and household waste byproducts: flue-dust, household waste incineration bottom ash and wastewater sludge. Eurovia is also a sector benchmark for the low-consumption products and processes it uses in road building and drainage: thin and ultra-thin asphalts (Microvia®, Rugovia®); Modulovia®, a single-layer asphalt for repairing roads; Recyclovia®, a cold in-situ recycling process for repairing the road surface, and Recycan®, a process that uses self-compacting backfill produced in situ by recycling excavated materials.

In the field of civil engineering, reducing use of natural resources also involves repair, reinforcement and maintenance of structures. By prolonging the life of old or under-dimensioned structures using innovative and non-polluting techniques, Freyssinet can help project managers avoid total or partial demolition and rebuilding of structures.

Optimising waste management

VINCI's goal is to reduce production of waste at source, optimise waste management and develop recycling so as to turn waste into a resource. All Group companies are committed to selective sorting and setting up waste traceability systems.

In the Paris Region, VINCI companies have set up a joint system for collecting and recycling worksite waste – 80,000 tonnes generated every year. The deployment of a joint programme with common tools aims to reduce the costs of managing waste, while also improving on-site pre-sorting and developing recycling, to the benefit of Eurovia's specialised subsidiaries, which use demolition concrete and used road materials as well as industrial and household waste byproducts.

As well as managing the waste directly generated by its own activities, the Group also manages waste produced by the customers using its infrastructures. ASF and ESCOTA are making selective sorting equipment available throughout their networks: 21 motorway service areas are already equipped and 20 tonnes of waste are collected and recycled in collaboration with local waste treatment facilities.

Preventing and limiting pollution

VINCI combats noise on two fronts: innovation (quieter road surfacings and noise barriers, for example) and the reduction of noise emissions at source. On construction sites, in addition to complying strictly with noise emission regulations concerning the equipment used, the problem is tackled from the design phase, with noise studies and on-site vehicle routing plans. Nearby residents are consulted to define working hours. During construction, the main solutions adopted are use of components pre-fabricated at an industrial site and installing acoustic protection barriers. Also in the field of combating noise, VINCI's motorway concession companies continued with plans to reduce "noise black spots" alongside carriageways, following public enquiries.

Appropriate solutions are implemented on Group worksites to protect air quality. They include installation of dust removers directly above stone crushers and the use of sprinklers and protective tarpaulins on deconstruction sites. VINCI Environnement (VINCI Construction) develops flue gas treatment techniques for household waste incineration plants. Eurovia has developed a cold-plasma treatment process to reduce volatile organic compounds (VOC) emitted by production of asphalt mixes.

Companies in the Citéos network (VINCI Energies) propose solutions to prevent light pollution while also reducing energy consumption: reflectors focus light beams on the road, thereby avoiding pedestrians or drivers being dazzled by a concentrated light source.

ASF, Cofiroute and ESCOTA contribute to preserving water resources by setting up treatment systems. They have developed plans to respond to accidents involving polluting and hazardous materials. Wastewater treatment plants are installed in motorway service and rest areas, and Cofiroute is gradually rolling out a reed-filter wastewater treatment system in its motorway service areas.

Preserving biodiversity

VINCI companies carry out environmental impact studies that include impact on fauna and flora. For the Mont Saint Michel sand-dredging project, VINCI Construction France carried out work to preserve a protected species of frog, the mud-diver, by building a new habitat consisting of a dozen or so freshwater ponds. The environmental expertise of the construction companies has also been put to use on infrastructure worksites such as the LGV Est Européen high-speed rail line, where Group companies installed nesting points for bank swallows on sandy cutting faces. VINCI Concessions motorway companies take an ecological approach to management of a very rich natural heritage. ASF and ESCOTA are responsible for the upkeep of 11,539 hectares of natural spaces. They work to ensure preservation of biodiversity and the balance of ecosystems by adapting environmental management practices to the particular characteristics of the site. Over the whole of the network managed by VINCI, 443 motorway crossings have been built for large and small animals – long-term studies were carried out in collaboration with hunting federations and nature preservation experts to analyse animal behaviour and improve animal crossing points. ESCOTA has developed a partnership with regional nature conservation conservatories to identify species and habitats on its network with the aim of setting up appropriate management plans.

Environmental reporting

Environmental reporting is carried out once a year in accordance with a methodological guide and measurement procedures that can be consulted on the VINCI intranet. More than 250 Group employees – including the environmental reporting officers of ASF and ESCOTA, who joined the system in 2006 – work on collecting, validating and consolidating information.

In line with the environmental reporting master plan established in 2003, the reporting mechanism has been extended to cover VINCI Park. After the integration of ASF and ESCOTA and elimination of data concerning the airport services activities, sold in 2006, the environmental reporting scope covered 50% of VINCI's total revenue compared to 49.8% in 2005 and 34.4% in 2004.

2006 environmental reporting scope

	% of total revenue in 2006
VINCI	50%
VINCI Construction	32%
GTM	100%
VINCI Construction Grands Projets	100%
Sogea-Satom (VINCI Construction Filiales Internationales)	100%
Eurovia	33%*
VINCI Concessions	87%
Cofiroute	99%
ASF-ESCOTA	100%
Consortium Stade de France	100%
VINCI Park	17%
VINCI Energies	95%

** 56% of revenue in France*

Environmental performance indicators

	2006	2005

Consumption of resources

Electricity

Electricity consumption

	2006	2005
VINCI Concessions (MWh)		
Motorway concession companies (Cofiroute, ASF, ESCOTA)	128,379	118,440
VINCI Park	29,030	—
Consortium Stade de France	20,702	20,001
VINCI Energies (MWh)	43,911	41,799
VINCI Construction		
GTM Construction (thousands of euros)	5,544	5,692
VINCI Construction Grands Projets (MWh)	83,256*	49,260

** Change in business scope*

Renewable energy and improvement in energy efficiency

	2006	2005
VINCI Concessions		
Motorway concession companies (Cofiroute, ASF, ESCOTA)		
Number of renewable energy production units**	3,987	3,095
VINCI Park		
% of sites implementing systems to optimise electricity costs (lighting, heating, ventilation)	81%	—
Number of parking meters fitted with solar panels	1,203	—
Sites equipped with electric car recharging facilities	10%	—

*** Heat pumps, photovoltaic panels, solar heating*

Water

Protecting water resources

	2006	2005
VINCI Concessions		
Motorway concession companies (Cofiroute, ASF, ESCOTA)		
Length of motorway with water resource protection (km)	2,743.5	2,357.5
Number of run-off collection tanks	2,724	2,648
VINCI Construction		
VINCI Construction Grands Projets: % of worksites with measures to reduce water consumption	60%	70%

	2006	2005
Water consumption		
VINCI Concessions (cu. metres)		
Motorway concession companies (Cofiroute, ASF, ESCOTA)	1,267,256	1,459,708
VINCI Energies (cu. metres)	132,893	129,208
VINCI Construction		
GTM Construction (thousands of euros)	1,517	1,028
VINCI Construction Grands Projets		
Drinking water (cu. metres)	371,409	277,168
Industrial water (cu. metres)	70,403***	219,826

*** Change in business scope

Fuel consumption		
VINCI Concessions		
VINCI Park (litres)	263,487	—
VINCI Energies (litres)	28,150,487	27,481,920
VINCI Construction		
GTM Construction (fuel and lubricants, thousands of euros)	14,997	14 942
Sogea-Satom (VINCI Construction Filiales Internationales) – Diesel – litre/kWh	0.11	0.11

Discharges and pollution affecting the environment

Direct CO_2 emissions (tonnes)		
VINCI Concessions		
Motorway concession companies		
CO_2 emissions due to vehicles and heating buildings	31,775	32,308
- of which Cofiroute	7,385	7,106
- of which ASF and ESCOTA	24,390	25,202

Indirect CO_2 emissions (millions of tonnes)		
VINCI Concessions		
Motorway concession companies		
CO_2 emissions due to global customer traffic	14.3	13.8
- of which Cofiroute	3.3	3.1
- of which ASF and ESCOTA	11	10.7

Measures taken to reduce discharges and pollution affecting the environment		
Discharges in the air		
Eurovia		
% of quarries (located less than 200 metres from the nearest house) implementing effective measures and processes to combat pollution due to dust	90%	94%
VINCI Construction		
VINCI Construction Grands Projets: % of worksites implementing effective measures and processes to combat pollution due to dust	57%	63%
Sogea-Satom (VINCI Construction Filiales Internationales)		
Drilling equipment fitted with a dust-recovery system	80%	80%
Concrete plants with dust filters	100%	100%
Coating plants fitted with a flue gas treatment system	61.5%	50%
VINCI Concessions		
VINCI Park: sites equipped with a CO detector	88%	—
Noise pollution		
VINCI Concessions		
VINCI Park: sites fitted with a noise reduction system (sound traps)	86%	—
Eurovia		
% of quarries (located less than 200 metres from the nearest house) implementing effective measures and processes to combat noise pollution	74%	93%

	2006	2005
Discharges into water		
Eurovia		
% of stations with sealed distribution and storage areas, where the water collection system is connected to a hydrocarbon separator	86%	81%
% of separators regularly emptied and maintained by specialist companies	91%	92%
% of sealed parking areas for HGV and construction site machinery	74%	63%
% of sealed areas for light vehicles and utility vehicles	91%	86%
% of sealed areas with a water collection system connected to a regularly maintained hydrocarbon separator	58%	54%
% of production from quarries with drain water measuring their discharge regularly	88%	94%

Waste management

Waste sorting		
VINCI Concessions		
Motorway concession companies		
Operations centres equipped for selective sorting	84%	70%
- of which Cofiroute	100%	100%
- of which ASF and ESCOTA	78%	58%
VINCI Construction		
VINCI Construction Grands Projets		
Construction sites sorting waste	77%	83%
Construction sites with traceability of hazardous waste	51%*	67%
Construction sites taking measures to reduce the quantity of waste	51%*	58%
VINCI Energies		
Business units sorting waste paper	51%	44%
Business units sorting cardboard waste	59%	53%
Business units sorting metal waste	62%	64%
Business units sorting used printer cartridges	86%	82%

** Change in business scope*

Recycling		
Eurovia		
Recycled materials production (bottom ash, slag, schist, worksite rubble, in tonnes)	6,505,580	6,503,000
- of which bottom ash	712,500	745,000
- of which slag	1 504,080	1 533,000
- of which schist	574,000	532,000
- of which worksite rubble (asphalt mix crust, planings, demolition concrete, etc.)	3,715,000	3 693 000
% of production using recycled materials compared with total aggregate production	13%	14%
Number of worksite rubble recycling facilities	94	91
VINCI Construction		
VINCI Construction Grands Projets		
Use of bought-in recycled materials	20%*	21%
Re-use of worksite materials	40%*	54%

** Change in business scope*

Protection of biodiversity

VINCI Concessions		
Motorway concession companies (Cofiroute, ASF, ESCOTA)		
Number of crossings for small and large animals	443	443
Number of km of fences to protect animals	6,656	6,532

Opinion of one of the Statutory Auditors on the application of procedures for the collection of information contained in the section of the 2006 annual report entitled "A responsible group"

As requested by the VINCI Group and in our capacity as Statutory Auditors, we have carried out the work described below relating to the verification of the application of procedures for the collection of social and environmental information contained in the section of the 2006 annual report entitled "A responsible group", pages 95 to 128. These procedures were established under the responsibility of VINCI's Executive Committee. Based on our work, which constitutes neither an audit nor a limited examination of data within the meaning of international auditing standards, we are required to inform you of our findings.

Nature and scope of our work

Our work covered the following aspects:

– analysis of the procedures for the collection, validation and consolidation of social and environmental indicators included in the section of the annual report entitled "A responsible group";
– discussions:
  - in respect of social aspects, at the head office with the person responsible for social reporting, and at six entities[1] with the main persons responsible for supervising the application of the information collection procedures;
  - In respect of environmental aspects, at the head office with the sustainable development officer and at five sub-groups[2] and nine sites[3] with the persons in charge of reporting.

Comments

We have the following comments to make based on the work we carried out:

– the procedures for social and environmental reporting have been disseminated among the various contributors and applied in all the establishments that we visited;
– with respect to environmental and social information, the reporting principles defined have been correctly applied in all the entities reviewed;
– in the context of a process of continuous improvement, the Group's environmental procedures should be further harmonised, strengthened and extended to all sub-groups, since the published indicators do not cover the entirety of revenues. In addition, environmental indicators common to all the Group's businesses should be introduced.

Paris, 28 March 2007

Salustro Reydel
Member of KPMG International

Philippe Arnaud
Partner
In charge of the Environment and Sustainable Development Department

Benoît Lebrun
Partner

Bernard Cattenoz
Partner

(1) ASF, GTM Construction, two reporting centres at VINCI Construction Grands Projets, a division of VINCI Energies IDF and one entity of VINCI Immobilier
(2) ASF and ESCOTA, Cofiroute, Eurovia, GTM Construction, VINCI Construction Grands Projets
(3) ASF: operating centre at Vedène (France); ESCOTA: district of Orange (France); Cofiroute: operating centres at Vivy and Joué (France); Eurovia: quarries at Montebourg and La Garenne (France); GTM Construction: building sites at Champerret and Chesnay Moxouris (France); VINCI Construction Grands Projets: building site at Hallandsås (Sweden)

Free translation of the original French text. For information purposes only.

R&D and innovation

01 **Towards new technologies**
The avalanche prevention system reinforced by carbon fibres, developed by Freyssinet as part of the Opale programme, has been used twice in Iceland to protect metropolitan areas.

02 **In the laboratory**
Eurovia carries out over 4,000 trials every year in its Mérignac research centre near Bordeaux.

Innovation is one of the main drivers of VINCI's sustainable development programme. The Group's goal is to create value by reconciling economic, social and environmental imperatives. Strong impetus at corporate level – notably through the VINCI Innovation Awards Competition – is combined with research programmes and initiatives developed by the business units.

Networking skills and energies

Research programmes

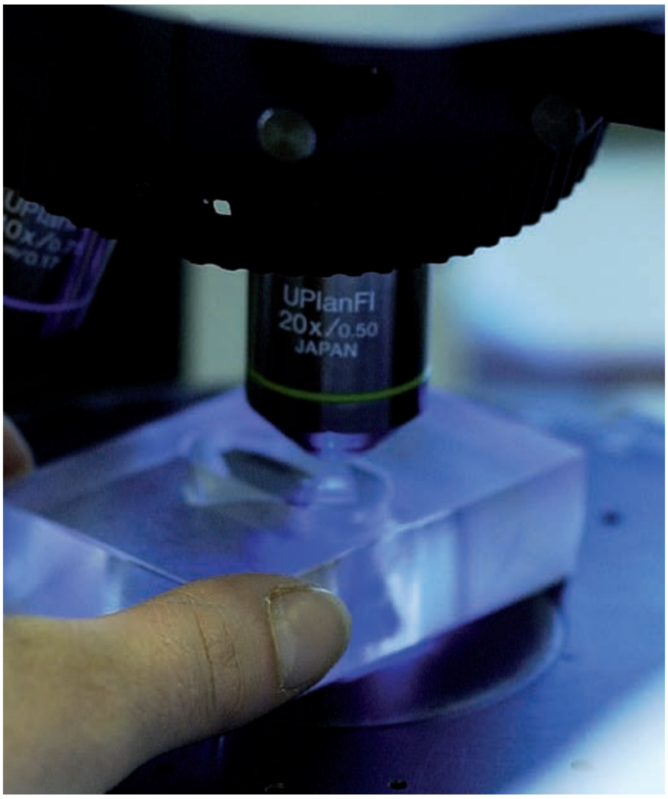
The task of the research, development and innovation committee, which is made up of representatives from various VINCI entities, is to facilitate the sharing of ongoing research within VINCI or in the framework of national and European projects. Some 40 programmes were in place in 2006, almost half of them co-financed by the European Union. Each business line manages its own budget and chooses R&D projects addressing the specific challenges of its activity.

VINCI Construction participates in research for the ENCORD network (European Network of Construction Companies for Research and Development), particularly in the field of infrastructure and intelligent buildings (optimised technical management of buildings). As a high-level participant in ECTP (European Construction Technology Platform), VINCI Construction is working with the other major players in this field to encourage the integration of construction companies in the new European Union member states. The ECTP is projecting forward to 2030 and reflecting on the sector's challenges in terms of society's needs, product sustainability and technological development. VINCI is co-steering the preservation of cultural heritage assets project with the University of Ljubljana (Slovenia).

In France, VINCI Construction companies belong to several competitiveness clusters: Trimatec (nuclear technologies in Sophia Antipolis) and "cultural industries and heritage" in Arles. Active alongside other partners in the "towns and sustainable mobility" cluster, VINCI Construction companies, working with the University of Marne la Vallée, is involved in combating the effects of climate change (greenhouse gases and energy savings). This "towns and sustainable mobility" initiative is one of the competitiveness clusters launched by the public authorities in July 2005. The partners involved – businesses, local authorities and research organisations – work on themes such as "towns, town planning and management", "habitat and construction" and "mobility of people, goods and information." Their challenge is to find solutions that will improve the sustainability of structures and engineering works, reduce energy costs, improve air quality and reduce noise emissions, manage water resources and optimise waste management, etc.

In the roads sector, Eurovia designs its own products and processes using the resources of its Mérignac research centre, the hub of a network linking over 400 engineers and technicians throughout the world. Over 4,000 trials are carried out every year by the 30 or so researchers at the centre, whose work focuses primarily on environmental and safety issues and management of the road network. Recent innovations resulting from this research include NOxer® pollution-reducing noise barriers and road surfacing, and warm-mix asphalts, which have already been used in several projects (see p. 66). Eurovia has an active partnership policy with industrial groups and universities and since 2006 has been a partner in one of the first six projects selected by the French Agency for Industrial Innovation. The project, known as the Bio-Hub, aims to develop a new "green chemicals" industry through biorefineries producing polymers, solvents, surfactants, biodegradable plastics and food packaging, with the aim of decreasing oil consumption and greenhouse gas emissions.

VINCI's motorway concession companies are also participating in research programmes aimed at developing new information and traffic management systems to increase customer safety. Cofiroute is a partner in the European ARTS programme (Advanced Road Traffic in South-west), dedicated to transport systems in France, Portugal and Spain, the SafeSpot project (real-time exchange of information on incidents occurring on the network). ASF participates in a variety of projects such as CVIS (Cooperative Vehicle Infrastructure System), supported by the European Union, and Propice (Optimised preservation and rehabilitation of infrastructure integrating traffic, environmental and local neighbourhood constraints), supported by the French National Research Agency (ANR). →



01

02

Research programmes under way or completed in 2006

Combating climate change	→ The ecological road – NOx-absorbent noise barriers (Eurovia) → Pollution removal from facades (PICADA programme – GTM Construction) → Plant-based binders and resins (Eurovia) → Simulation exercises for hazardous waste transport accidents involving spills (ASF) → Bio-Hub (Eurovia) → Pollution removal by cold plasma treatment (Eurovia) → Recycling in Europe (Samaris programme, Eurovia) → Environmentally friendly construction (Eco-Housing programme – GTM Construction) → Lower temperature asphalts (Eurovia)
Improving road safety and transport systems	→ New concepts in road construction (European NRCC programme – Eurovia) → Cooperative road-vehicle communication system enabling motorway operators to send alert messages to drivers (AIDA – Cofiroute) → Road-risk warning system for avoiding pile-ups (European Marta programme – Cofiroute) → Improving safety in tunnels through better respect of inter-vehicle distances (Aristote – Cofiroute) → Automatic incident detection system using radar technology (Armada – Cofiroute) → Emergency vehicle-to-vehicle communication system (IV WF – Cofiroute) → Deployment of intelligent transport systems on the trans-European road network (European ARTS programme – Cofiroute) → System for warning drivers of dangerous situations and driver information service (CVIS – ASF) → Traffic management: Propice programme (ANR, ASF) → New toll system: implementation of the EMV standard on automated payment terminals (ASF and ESCOTA)
Natural hazard warning and prevention systems	→ Earthquakes and landslides (European LessLoss programme – VINCI Construction Grands Projets) → Folding fusegates for dams (Hydroplus – VINCI Construction) → Avalanche-prevention system reinforced by carbon fibres (Opale programme – Freyssinet) → Ground improvement using rigid inclusions (A.S.I.RI project – Ménard, VINCI Construction)

In the longer term, major innovations are expected to be made as a result of the requirement for electronic toll interoperability throughout Europe. Another source of innovation will be the development of free flow toll systems similar to Toll Collect, the HGV toll collection system already implemented by Cofiroute in Germany.

VINCI Energies often invites its clients to participate in R&D programmes so as better to respond to their expectations. Use of the new information and communication technologies and development of global multi-technology solutions are the main pillars of its approach. For instance, "Citéos Center" is a comprehensive urban lighting management service. It brings together several VINCI Energies business units over a two-year period with the aim of drafting a complete description of all a town's structures and facilities. Surveillance and GPS positioning are then used to identify weak spots. VINCI Energies has also implemented SIOMA, an integrated weather observation system developed in an earlier R&D programme, which is now installed at airports in some 60 countries.

University-business relations

As a member of France's technological research association (ANRT), VINCI recruits PhD students under industrial training and research contracts (CIFRE) and participates every year in the CIFRE forum. VINCI companies recruited some 15 young researchers under this programme in 2006. They worked primarily on construction techniques (fatigue behaviour in road materials, earthquake-resistant reinforcement of concrete structures, ground improvement using rigid inclusions, etc.), but also in areas such as ergonomics, the psychology of work, management and safety.

Developing the Group's creative potential

The VINCI Innovation Awards Competition

With the aim of developing the Group's creative potential and making full use of the innovations of its employees, VINCI organises the VINCI Innovation Awards Competition every two years, which is open to all its employees. 2006 was devoted both to preparing the 2007 competition and encouraging wider application of winning innovations from the 2005 competition, in which 2,400 employees participated. This initiative to capitalise on innovative ideas is supported by a network of around 100 innovation correspondents working in Group companies.

Examples of innovations that have been applied include the mass production of a roller for lubricating formwork (2004 prize in the Equipment and Tools category) which dispenses the exact quantity of vegetable oil required without waste or vaporisation; the use, after certification, of the high-voltage line proximity detector (2005 Safety prize) in more than 20 VINCI Energies business units, and the use of Papyrus software on 2,700 worksites in France and elsewhere – this software, which won the Management prize, allows site foremen to enter worksite data directly into the company's information system using a tablet PC.
As a spin-off from the VINCI Innovation Awards competition, some Group companies organise in-house competitions to promote the creative potential of their employees. For instance, Eurovia's UK subsidiary Ringway has created its own Innovation Awards, and ASF (VINCI Concessions) is continuing with its *Coups de pouce à l'innovation* (innovative ideas) initiative.

general and financial information

Contents

A free translation into English of each of the Statutory Auditors' reports issued in the French language is provided solely for the convenience of English-speaking readers. The Statutory Auditors' reports include for the information of the reader, as required under French law in any auditor's report, whether qualified or not, an explanatory paragraph separate from and presented below the audit opinion discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were made for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on an individual account caption or on information taken outside of the consolidated financial statements. Such reports should be read in conjunction and construed in accordance with French law and French auditing professional standards.

Corporate governance

1. Separation of the functions of Chairman and Chief Executive

In January 2006, VINCI implemented the separation of the functions of Chairman and of Chief Executive Officer, of which the principle had been agreed by the Board of Directors on 14 June 2005 following a proposal made by its former Chairman, Antoine Zacharias, because of his wish to cease his involvement in the Group's operational management.

This organisation has been maintained after the departure of Antoine Zacharias on 1 June 2006. Separation of the functions of Chairman and of Chief Executive Officer today seems to be a model that is well suited to ensuring effective management for VINCI, given the complementary competencies and experience of Yves-Thibault de Silguy and Xavier Huillard.

With respect to daily operations, the Chairman, who devotes himself full-time to VINCI business, and the Chief Executive have determined their respective duties jointly

Chairmanship

Since taking up his duties, Yves-Thibault de Silguy has attached particular importance to improving the rules of corporate governance. In particular he has proposed to the Board, which accepted:

- implementation of a process to assess the Board with the help of an external consultant, which led to five directors tendering their resignation in order to enable changes to be made in the Board's membership;
- changes in the Board's internal rules and a review of the membership of its committees;
- the removal of potential conflicts of interest on the part of some directors. In this respect, it was in particular proposed to the Board to terminate the assistance agreements entered into with AM Conseil and Soficot.

General Management

As Chief Executive Officer, Xavier Huillard is responsible for the operational management of the Group. He has proposed to the Board, which approved, maintaining Roger Martin and appointing Jacques Tavernier as Senior Executive Vice-Presidents.

Xavier Huillard has also altered the composition of the Executive Committee, of which he is the chairman. The membership of this Committee is given on pages 6 and 7. In 2006, the Group was sad to learn of the death of Philippe Ratynski (Executive Vice-President of VINCI).

The Executive Committee met 28 times in 2006, an average of twice a month.

The Coordination and Strategy Committee consists of the members of the Executive Committee and the Group's main operational and functional executives. Its purpose is to ensure broad consultation on VINCI's strategy and development and on policies that affect several Group entities. This committee has 26 members, whose names are given on page 7. It met four times in 2006.

2. The Board of Directors

2.1 Membership of the Board of Directors

At the date of this registration document, the Board of Directors had 13 members.
In 2006, three Directors tendered their resignation. Antoine Zacharias resigned from his appointments as Director and as Chairman of VINCI on 1 June 2006. Alain Dinin and Bernard Val resigned as Directors on 8 December and 31 December 2006 respectively. Willy Stricker, Alain Minc and Serge Michel also resigned as Directors on 29 January, 30 January and 26 February 2007 respectively.

The term of office of Directors is four years for those appointed or re-appointed since 1 January 2005, which applies to seven Directors, and six years for those already serving on 1 January 2005, which applies to four Directors. The Company's articles provide that no-one may be appointed or reappointed as a Director if they have reached the age of 75 and that not more than one third of the Directors in office at the balance sheet date of the period for which the Shareholders Meeting is asked to vote may be over 70.

2.2 Directors' appointments and functions

The table below shows the appointments and functions of the 13 Directors, the persons who served as Directors during 2006 and of the Senior Executive Vice-Presidents who are not Directors:

Serving Directors

	Term ends	
Yves-Thibault de Silguy Age 58 • 2000 VINCI 1 cours Ferdinand de Lesseps 92500 Rueil Malmaison Chairman of the Strategy and Investments Committee and of the Appointments Committee	AGM 2010	**Chairman of the Board of Directors of VINCI** **Main appointments within the VINCI Group:** permanent representative of VINCI on the Board of Directors of ASF (since 24 July 2006). **Appointments outside the VINCI Group:** Director of Suez Tractebel; Director of SMEG (Monaco) and member of the Supervisory Board of Sofisport. Yves-Thibault de Silguy is also Chairman of the France-Algeria and France-Qatar committees of MEDEF, the French employers' organisation, and Chairman of the Board of Directors of Agro Paris Tech. **Appointments outside the Group that expired in 2006 or in January 2007:** Chairman of the Board of Directors of Aguas Argentinas; Chairman of the Board of Directors of Sino French Holdings; Director of Degrémont, Suez Environnement, Suez Energies Services and Swire Sita Waste Services Ltd (China); Chairman of the Board of Directors or Director of subsidiaries of the Suez Group in New Caledonia, French Polynesia and Vanuatu; member of the Supervisory Board of Métropole Télévision-M6; Vice-President of the France-China committee of MEDEF; Chairman of the Board of Directors of the French university in Egypt. **Appointments that expired during the last five financial years:** Director of Lyonnaise Europe, Ondéo-Degrémont, Ondéo Services, Société Générale de Belgique, SITA, CDE, EEC, Marama Nui, Socif 4, Unelco Vanuatu, and Fabricom; member of the Supervisory Board of Elyo; permanent representative of Lyonnaise Satellite on the Board of Directors of TPS Gestion; permanent representative of TPS on the Board of Directors of TPS Motivation. **Background:** Yves-Thibault de Silguy has a degree in law from the University of Rennes, a Master's degree in public law, and is a graduate of the Institut d'Études Politiques Paris, public service section, and of the École Nationale d'Administration. From 1976 to 1981, he worked at the Ministry of Foreign Affairs and then from 1981 to 1985, for the European Commission. He then worked at the French Embassy in Washington as a Counsellor (economic affairs) from 1985 to 1986. From 1986 to 1988, he was an adviser in the Prime Minister's office with responsibility for European affairs and international economic and financial affairs. From 1988 to 1993, he was Director in the international affairs department and then Director for International Affairs of the Usinor Sacilor Group. From 1993 to 1995, he was Secretary-General of the Interdepartmental Committee for Questions of Economic Cooperation in Europe and at the same time, adviser for European affairs and vice-sherpa in the Prime Minister's office, assisting in the preparation of summits of the industrialised nations. From 1995 to 1999, he was European Commissioner responsible for economic, monetary and financial affairs. In January 2000, he became a member of the Executive Board of Suez Lyonnaise des Eaux, of which he was Chief Executive Officer from 2001 to 2002. He was then Executive Vice-President of Suez from 2002 until June 2006. He was appointed Chairman of the Board of Directors of VINCI on 1 June 2006. He has resigned from all his appointments at Suez.
Xavier Huillard Age 52 • 2006 VINCI 1 cours Ferdinand de Lesseps 92500 Rueil Malmaison	AGM 2010	**Director and Chief Executive Officer of VINCI** **Main appointments within the VINCI Group:** Director of VINCI Concessions, VINCI Park, VINCI PLC and VINCI Investments Ltd; member of the Supervisory Board of VINCI Energies Deutschland GmbH; permanent representative of VINCI on the Board of Directors of VINCI Energies (since 23 August 2006) and of Snel on the Board of Directors of ASF, Director of the Fondation d'Entreprise VINCI pour la Cité. **Appointments within the Group that expired in 2006:** Chairman of VINCI Construction (until 20 March 2006); Director of VINCI Energies (until 23 August 2006). **Appointments outside the VINCI Group:** Director of Soletanche. **Appointments outside the VINCI Group that expired during the last five financial years:** none **Background:** Xavier Huillard is a graduate of the École Polytechnique and the École Nationale des Ponts et Chaussées. He has spent most of his working life in the construction industry in France and abroad. He joined Sogea in December 1996 as Deputy Chief Executive Officer in charge of international activities and specific projects, and then became its Chairman and Chief Executive Officer. He was appointed Deputy General Manager of VINCI in March 1998, and was Chairman of VINCI Construction from 2000 to 2002. He was appointed Co-Chief Operating Officer of VINCI and was Chairman and Chief Executive Officer of VINCI Energies from 2002 to 2004, then Chairman of VINCI Energies from 2004 to 2005. He became Director and Chief Executive Officer of VINCI in 2006.

Dominique Bazy Age 55 • 1996 UBS Investment Bank 65 rue de Courcelles 75008 Paris Chairman of the Audit Committee and Member of the Remuneration Committee	AGM 2008	**Vice-Chairman Europe of UBS Investment Bank** Dominique Bazy is also a Director of Atos Origin. **Appointments that expired during the last five financial years:** Chairman and Chief Executive Officer of UBS Holding France SA; Chairman of the Board of Directors of UBS Securities France SA; Director of GrandVision; member of the Supervisory Board of Atos Origin. **Background:** Dominique Bazy has a degree in law, and is a graduate of the Institut d'Études Politiques Paris and the École Nationale d'Administration. He is also a qualified economist. After holding various positions in government departments, he joined Athéna in 1984, became Chief Executive of Athéna Banque in 1985 and Deputy Chief Executive of Athéna from 1986 to 1988. He was appointed Chairman of Sicav Haussmann France in 1987. From 1990 to 1992, he held various positions with UAP. He was a member of the Executive Committee of Crédit Lyonnais in 1993 and Chairman of Clinvest from 1993 to 1994, Chairman of the Supervisory Board of Altus Finance in 1993, Executive Vice-President of Compagnie de l'UAP from 1995 to 1996, Chairman of Allianz Assurances France from 1997 to 2000, General Manager in charge of AGF's general agents department from 1998 to 2000, member of the International Executive Committee of Allianz AG from 1997 to 2000, Chairman and Chief Executive Officer of UPS Warburg (now UBS) Holding France from 2000 to 2003, Chairman of UBS Securities France SA from 2003 to 2004. He has been Vice-Chairman Europe of UBS Investment Bank since 2004.
Robert Castaigne Robert Castaigne Age 61 • 2007 Appointment proposed at the 2007 AGM AGM 2011 Total 2 place de la Coupole La Défense 6 92400 Courbevoie		**Chief Financial Officer of Total** Robert Castaigne is also Chairman of Total Chimie and of Total Nucléaire and Director of Elf Aquitaine, Hutchinson, Sanofi-Aventis, Total Gestion Filiales, Omnium Insurance & Reinsurance Company Ltd, Petrofina, Total Gabon and Total Upstream UK Ltd. **Appointments that expired during the last five financial years:** Director of Compagnie Générale de Géophysique, Eramet, Société Financière d'Auteuil, Total E & P Algérie, Total Raffinage Distribution, Total Nigeria PLC and Arkema. **Background:** Robert Castaigne is a graduate of the École Centrale, Lille and the École Nationale Supérieure du Pétrole et des Moteurs. He also holds a doctorate in economics from Université de Paris 1 – Panthéon-Sorbonne. He has been an engineer at Total since 1 January 1972. From 1972 to 1977, he worked as an engineer then as head of department in the economics department. From 1977 to 1985, he was deputy to the head of the exploration-production subsidiaries department, then head of the gas-diversification subsidiaries department in the Group Finance Department. From 1985 to 15 March 1990, he was Secretary of the Executive Committee and *chargé de mission* in the Chairman's office. From 1990 to 1994, he was Deputy Financial Officer and member of the Management Committee. Since 7 June 1994, he has been Chief Financial Officer and member of the Executive Committee of Total, which became Total Fina (in 1999), then Totalfinaelf (in 2000) and then Total (in 2003).
François David Age 65 • 2003 Coface 12 cours Michelet La Défense 10 92065 Paris - La Défense Member of the Strategy and Investments Committee	AGM 2009	**Chairman of Coface SA** François David is also Chairman of Coface Services, Coface Deutschland and Coface Assicurazioni (Italy), *censeur* (non-voting Director) of Rexel and Director of EADS. **Appointments that expired during the last five financial years:** Chairman and Chief Executive Officer of Coface SCRL Participations and Coface SCRL, Chairman of the Board of Directors of Coface Expert, Chairman of the Supervisory Board of AKC (Allgemeine Kreditversicherung Aktiengesellschaft Coface); Director of Rexel. **Background:** François David has a degree in sociology, is a graduate of the Institut d'Études Politiques Paris and of the École Nationale d'Administration. After holding various positions in government departments between 1969 and 1990, he was Chief Executive Officer (International) of Aérospatiale between 1990 and 1994. He has been Chairman of the Board of Directors of Coface since 1994, Chairman of the Supervisory Board of Coface Deutschland since 1996, Chairman of the Board of Directors of Coface Assicurazioni since 1997. François David has also written several books.
Quentin Davies Age 62 • 1999 House of Commons London SWIA OAA Chairman of the Remuneration Committee and Member of the Audit Committee	AGM 2008	**Member of Parliament, United Kingdom** Director of Lloyds of London. **Appointments that expired during the last five financial years:** none **Background:** Quentin Davies is British and a graduate of Cambridge and Harvard. He held several several positions in the British Diplomatic Service from 1967 before joining Morgan Grenfell in 1974, where he was head of Corporate Finance. He was elected to the UK Parliament as a Conservative Member in 1987 and has been Opposition Spokesman for Social Security and Pensions, for Treasury matters, for Defence and for Northern Ireland, and a member of the Shadow Cabinet. He was a Director of VINCI from 1999 to 2000.

Patrick Faure Age 61 • 1993 Patrick Faure et Associés 18 quai de Béthune 75004 Paris Member of the Strategy and Investments Committee and of the Remuneration	AGM 2009	**Chairman of Patrick Faure et Associés** Patrick Faure is also Director of Cofiroute and Chairman of Association France Amérique. **Appointments that expired during the last five financial years:** Chairman and Chief Executive Officer of Renault Sport, Chairman of the Board of Directors of Renault F1 Team Ltd and Benetton Formula; Director of Compagnie Financière Renault, Compagnie d'affrètement et de transport, Esl & network, Giat Industries, AB Volvo, Renault Agriculture, Grigny UK Ltd; Deputy Chief Executive Officer and member of the Executive Committee of Renault; Chairman of the Board of Directors of Ertico. **Background:** Patrick Faure is a graduate of the École Nationale d'Administration. From 1979 onwards he held various positions with Renault including that of Manager of Renault Austria from 1981 to 1982 and of Renault UK from 1982 to 1984. In 1984, he was appointed central public relations manager of Renault and in July 1985 became manager of public relations and communication. In January 1986, he became Vice-President of Renault, and Company Secretary of the Renault Group in January 1988. In January 1991, he was appointed Deputy General Manager and Marketing Director, and Chairman of Renault Sport. Patrick Faure was Executive Vice-President and member of the Executive Committee of Renault until 1 January 2005. He was also Chairman and Chief Executive Officer of Renault Sport and Chairman of the Board of Directors of Renault F1 Team Ltd until 2006.
Dominique Ferrero Age 60 • 2000 Natixis Arc de Seine 30 avenue Pierre Mendès-France 75013 Paris Member of the Remuneration Committee	AGM 2010	**Chief Executive Officer of Natixis** Dominique Ferrero is also a Director of Assurances Générales de France. **Appointments that expired during the last five financial years:** Vice-Chairman of Merrill Lynch Europe; Managing Director of Société Financière de la BFCE; Director of Crédit Lyonnais Capital Investissement, Gallimard, AGF; member of the Supervisory Board of Atos; member of the Executive Committee of Crédit Lyonnais. **Background:** a graduate of Ecole Normale Supérieure, Dominique Ferrero joined Banque Française du Commerce Extérieur (BFCE) in 1978. He was seconded from BFCE from 1981 to 1986 to various positions in the French Treasury, the Ministry for Foreign Trade and Tourism and the Ministry for Industrial Redeployment and Foreign Trade. From 1988 to 1991, he was development manager at BFCE, a member of the General Management Committee, responsible for creating and developing its long-term corporate finance and merchant banking activities. He was appointed Managing Director of Société Financière de la BFCE then Deputy Managing Director and member of the general management in 1991 and Managing Director of BFCE in 1994. In 1996, he became Managing Director of the Natexis group (resulting from the merger of BFCE and Crédit National), then Managing Director of Natexis Banques Populaires (resulting from the merger of Natexis and Caisse Centrale des Banques Populaires) in 1999, and Chief Executive Officer of Crédit Lyonnais from 1999 to 2003. From 2004 to 2006, he was Senior Adviser and Vice-Chairman of Merrill Lynch Europe and, since 2006, has been Chief Executive Officer of Natixis.
Bernard Huvelin Age 70 • 1983 VINCI 1 cours Ferdinand de Lesseps 92500 Rueil Malmaison Member of the Appointments Committee	AGM 2009	**Vice-Chairman of the Board of Directors of VINCI** **Main appointments within the VINCI Group:** Chairman and Chief Executive Officer of Consortium Stade de France; Vice-President of VINCI USA Holdings Inc.; Director of VINCI Concessions, VINCI Park, VINCI Energies, and CFE; permanent representative of Sogepar on the Board of Directors of Cofiroute and of Semana on the Board of Directors of Eurovia. **Appointments outside the VINCI group:** Director of Société d'Économie Mixte Locale de Rueil 2000, Electro Banque, Cofido and SAS Soficot; Chairman of the professional association Entreprises Générales de France-BTP (EGF-BTP); Vice-President of the European Construction Industry Federation (since October 2006); advisor to the European Economic and Social Committee, Brussels (since October 2006). **Appointments outside the VINCI Group that expired during the last five financial years:** none **Background:** a graduate of HEC, Bernard Huvelin joined SGE in November 1962 and has spent all his working life there. He was appointed Company Secretary in January 1974 and had several General Management positions within the Group from 1982 to 1990 before becoming its Executive Vice-President in 1991, Chief Executive in 1997, Director and Chief Executive in 1999, then Director and Co-Chief Operating Officer of VINCI in 2002. He was appointed Vice-Chairman of the Board of Directors of VINCI in 2005 and was Adviser to the Chairman from 2005 to June 2006.

Jean-Bernard Lévy Age 52 • 2007 Appointment proposed at the 2007 AGM AGM 2011 Vivendi 42 avenue de Friedland 75008 Paris		**Chairman of the Management Board of Vivendi** Jean-Bernard Lévy is also Vice-Chairman of the Supervisory Board of Maroc Telecom, Director of SFR, Vivendi Universal Games Inc. (USA) and NBC Universal Inc. (USA), and member of the Supervisory Board of Canal+ Group. **Appointments that expired during the last five financial years:** Chairman and Chief Executive Officer of VU Net and of VTI; Director of UGC and of HCA; member of the Supervisory Board of Cegetel; Managing Partner of Oddo Pinatton. **Background:** Jean-Bernard Lévy is a graduate of École Polytechnique and École Nationale Supérieure des Télécommunications. He was an engineer at France Telecom from 1978 to 1986, and then technical adviser to Gérard Longuet, the French Minister for Postal and Telecommunication services from 1986 to 1988, General Manager, Communication Satellites at Matra Marconi Space from 1988 to 1993, Chief of Staff to Gérard Longuet, the French Minister for Industry, Postal Services and Telecommunications and Foreign Trade from 1993 to 1994. From 1995 to 1998, he was Chairman and Chief Executive Officer of Matra Communication, then Managing Partner, Corporate Finance at Oddo Pinatton from 1998 to 2002. He joined Vivendi Universal in August 2002 as Chief Operating Officer and was appointed Chairmen of the Management Board of Vivendi on 28 April 2005.
Henri Saint Olive Age 62 • 2006 Banque Saint Olive 84 rue Duguesclin 69458 Lyon Cedex 06 Member of the Audit Committee	AGM 2010	**Chairman of the Board of Directors of Banque Saint Olive** Henri Saint Olive is also Chairman of the Supervisory Board of Saint Olive et Cie and of Saint Olive Gestion; Chairman of the Board of Directors of Enyo; Manager of CF Participations and of Segipa; member of the Supervisory Boards of Eurazeo, Prodith, Monceau Générale Assurances and ANF; Director of Mutuelle Centrale de Réassurance, Compagnie Industrielle d'Assurance Mutuelle, Centre Hospitalier Saint-Joseph et Saint-Luc and of Association de l'Hôpital Saint-Joseph at Lyons. **Appointments that expired during the last five financial years:** Chairman of the Board of Directors of CIARL; Director of Rue Impériale de Lyon, Monceau Assurances Mutuelles Associées and Groupe Monceau-Mutuelles Associées; Manager of LP Participation. **Background:** a graduate of HEC, in November 1969 Henri Saint Olive joined Banque Saint Olive where he has spent his working life. He was appointed Chairman of the Executive Board of this bank on 10 December 1987 then Chairman of its Board of Directors on 19 November 1997.
Pascale Sourisse Age 45 • 2007 Appointment proposed at the 2007 AGM AGM 2011 Alcatel Alenia Space 54 rue La Boétie 75008 Paris		**President of Alcatel Alenia Space** Ms Sourisse is also President of Eurospace and of Alcatel Alenia Space France and Director of Alcatel Alenia Space Italia SpA (Italy), Galileo Industries SA (Belgium), European Space Navigation Industries SpA (Italy). **Appointments that expired during the last five financial years:** Chairman and Chief Executive Officer of Alcatel Cyber Satellite, Chairman of Alcatel Spacecom, Chairman of Skybridge GP Inc, Director and Chairman of Skybridge Satellite Operations, Director of Europe Star Limited, Skybridge LLC, Skybridge 2LLC, Skybridge Operations France, Skybridge Communications par Satellites, Satlynx. **Background:** Pascale Sourisse is a graduate of École Polytechnique and is a telecommunications engineer. She worked as an engineer at Compagnie Générale des Eaux from 1984 to 1985, as an engineer in the telecommunications division of Jeumont-Schneider from 1985 to 1986, and as head of the corporate networks department at France Telecom from 1987 to 1990. From 1990 to 1994, she worked in the French Ministry for Industry, as assistant deputy manager, then deputy manager, of the audio-visual communication and consumer electronics department. Pascale Sourisse has worked since 1995 for Alcatel Group, where she held the positions of Vice-President, Planning and Strategy from 1995 to 1997, Chairman and Chief Executive Officer of Skybridge from 1997 to 2001, Chief Operating Officer and then President and Chief Executive Officer of Alcatel Space from 2001 to 2005. She has been President of Alcatel Alenia Space since 2005.
Denis Vernoux Age 60 • 2002 VINCI Construction Grands Projets 1 cours Ferdinand de Lesseps 92500 Rueil Malmaison Member of the Strategy and Investments Committee	AGM 2008	**Director representing employee shareholders** Denis Vernoux is an engineer at VINCI Construction Grands Projets. He is Chairman of the Joint Supervisory Board of the VINCI "Castor" and "Castor Relais" corporate mutual funds, and Chairman of the Supervisory Board of the "Castor Equilibre" corporate mutual fund. **Background:** a qualified engineer (EIM-CHEBAP), Denis Vernoux has spent all his working life since 1973 in the VINCI Group. He was chief engineer in the technical department of Campenon Bernard and is now chief engineer in the engineering and technical resources department of the subsidiary, VINCI Construction Grands Projets. At the same time, Denis Vernoux has successively been a member and secretary of the local works council at the head office of Campenon Bernard and then of VINCI Construction Grands Projets. He is secretary of the works council of VINCI Construction Grands Projets.

Directors whose appointment ended in 2006 or before the filing of this registration document with the AMF

Guy Dejouany Age 86 Appointment ended: AGM 2006 Veolia Eau Compagnie Générale des Eaux 52 rue d'Anjou 75008 Paris	**Honorary President of Vivendi Universal** Guy Dejouany is also a member of the Supervisory Boards of Dalkia and Compagnie des Eaux et de l'Ozone. **Appointments that expired during the last five financial years:** Director of VINCI, Vivendi Universal Publishing and Dataceo; permanent representative of Vivendi Universal on the Board of Directors of UGC.
Alain Dinin Alain Dinin Age 56 Appointment ended: 8 December 2006 Nexity 1 terrasse Bellini TSA 48200 — La Défense 11 92919 Paris La Défense Cedex	**Chairman and Chief Executive Officer of Nexity** Alain Dinin is also Chairman of Nexity Initiale and CGI George V; Chairman of the Board of Directors of Crédit Financier Lillois SA; Chairman of the Supervisory Board of Saggel Management SCA; member of the Supervisory Board of Parcoval SAS; Manager of Société d'Aménagement et d'Investissements Fonciers SARL, Critère SARL, Nexity Management SNC and Clichy Europe 4 SARL; Director of Nexity-España; Director of Nexity Belgium; Chairman of George V USA; Director of Sea Oaks GP, LC. He is also a Director of the Fédération Nationale des Promoteurs Constructeurs and of the École Supérieure de Commerce at Lille, France. **Appointments that expired during the last five financial years:** Director of VINCI; Chairman and Managing Director of Georges V Gestion and Crédit Financier Lillois Nevalor; Director of Sari Participations; Vice-Chairman of the Supervisory Board of Vivilio; Chairman of the Board of Directors of Nexity España; Chairman of the Executive Board of Nexity Topco and Nexity Holding.
Serge Michel Age 80 Appointment ended: 26 February 2007 Soficot 103 boulevard Haussmann 75008 Paris	**Chairman of Soficot, Groupe Epicure and Société Gastronomique de l'Étoile** Serge Michel is also Chairman of SAS CIAM and SAS Carré des Champs-Élysées; Director of Eiffage, Veolia Environnement, Infonet Services, LCC, and SARP Industries; member of the Supervisory Boards of Compagnie des Eaux de Paris and of Trouville, Deauville et Normandie; permanent representative of CEPH on the Board of Directors of Sedibex and permanent representative of Edrif on the Supervisory Board of Veolia Eau. **Appointments that expired during the five latest financial years:** Director of DB Logistique, Fomento de Construcciones y Contratas SA, FCC Construcción SA, Cementos Portland, VINCI Construction, Chairman of the Supervisory Board of Segex.
Alain Minc Age 58 Appointment ended: 30 January 2007 AM Conseil 10 avenue George V 75008 Paris	**Chairman of AM Conseil and Chairman of the Supervisory Board of Le Monde** Alain Minc is also Honorary Chairman and Director of Société des Lecteurs du Monde, and a Director of Fnac and of Valeo. **Appointments that expired during the last five financial years:** Director of VINCI, Ingenico, Yves Saint Laurent; *censeur* (non-voting Director) of Ingenico; member of the Supervisory Board of Pinault Printemps Redoute.
Willy Stricker Age 64 Appointment ended: 29 January 2007 Ixis Corporate & Investment Bank 47 quai d'Austerlitz 75648 Paris cedex 13	**Senior adviser at Ixis-CIB (Natixis group)** Willy Stricker is also Chairman of the Board of Directors of IFE Fund (Belgium) and a Director of Canal+. **Appointments that expired during the last five financial years:** Director of VINCI; Chairman and Chief Executive Officer of CDC Ixis Private Equity and Director of Electropar France, Fondinvest Capital and IN Com; Chairman of the Supervisory Boards of CDC Ixis Equity Capital and CDC Ixis Services Industrie; Chairman of the Supervisory Board of CDC Ixis Innovation; Chairman of CDC Innovation 2000; Vice-Chairman of the Supervisory Board of Club Méditerranée; member of the Supervisory Board of CDC Ixis Private Capital Management.
Bernard Val Age 64 Appointment ended: 31 December 2006 VINCI 1 cours Ferdinand de Lesseps 92500 Rueil Malmaison Cedex	**Chairman of the Board of Directors of VINCI Concessions and Vice-Chairman of the Board of Directors of ASF** Bernard Val is also a Director of ESCOTA, Penauille Polyservices and a member of the Supervisory Board of Ginger. **Appointments that expired during the last five financial years:** Vice-Chairman of the Board of Directors of VINCI; Chairman of the Board of Directors of ASF; Director of C3D and Egis Project; *censeur* (non-voting Director) of the Board of Directors of SMTPC.

Antoine Zacharias Age 67 Appointment ended: 1 June 2006 VINCI 1 cours Ferdinand de Lesseps 92500 Rueil Malmaison Cedex	**Appointments within the VINCI Group that expired in 2006:** Chairman of the Board of Directors of VINCI; Chairman then Vice-Chairman of the Board of Directors of VINCI Concessions; Chairman of the Supervisory Board of VINCI Deutschland GmbH, permanent representative of VINCI on the Board of Directors of Autoroutes du Sud de la France; Director of VINCI Energies, VINCI Park, VINCI PLC and Cofiroute; Chairman of Fondation d'Entreprise VINCI pour la Cité. **Appointments outside the VINCI Group:** Director of Nexity and member of the Supervisory Board of Veolia Eau–Compagnie Générale des Eaux. **Appointments outside the VINCI Group that expired during the last five financial years:** Director of Nexity Topco; member of the Supervisory Board of Nexity.

Senior Executive Vice-Presidents not serving on the Board of Directors

Roger Martin Age 63 2002-2010 Eurovia 18 place de l'Europe 92500 Rueil Malmaison	**Chairman and Chief Executive of Eurovia** **Main appointments within the VINCI Group:** Director of VINCI Energies, VINCI Park, Ringway Group Ltd; permanent representative of VINCI Construction on the Board of Directors of Cofiroute; member of the Supervisory Board of VINCI Deutschland GmbH. **Appointments outside the VINCI Group:** Chairman of the Supervisory Board of Eurinter and Financière Eurinter; Director of Sade – CGTH. **Appointments outside the VINCI Group that expired during the last five financial years:** none **Background:** a graduate of ESTP and CPA, Roger Martin holds a Master of Science degree from Berkeley. He joined VINCI (Bourdin Chaussé) as a civil engineer in 1966, was appointed Chief Executive Officer of Cochery Bourdin Chaussé in 1985 and Chairman and Chief Executive Officer in 1988. He has been Chairman and Chief Executive Officer of Eurovia since 1998. He was appointed Deputy General Manager of VINCI in 1997 and Co-Chief Operating Officer of VINCI in April 2002.
Jacques Tavernier Age 57 2006-2010 VINCI Concessions 1 cours Ferdinand de Lesseps 92500 Rueil Malmaison	**Chairman and Chief Executive of ASF and Director-Chief Executive Officer of VINCI Concessions** **Main appointments within the VINCI Group:** Chairman and Chief Executive Officer of ASF Holding; permanent representative of VINCI on the Board of Directors of Cofiroute and SMTPC, of VINCI Concessions on the Board of Directors of Arcour and of ASF on the Board of Directors of ESCOTA. **Appointments outside the VINCI Group:** Director of Lorry-Rail SA (Luxembourg) since March 2006; member of the Board of Directors of École Nationale des Ponts et Chaussées as a "qualified public figure" since November 2006. **Appointments outside the VINCI Group that expired during the last five financial years:** none **Background:** Jacques Tavernier is a graduate of the École Polytechnique and the École Nationale des Ponts et Chaussées. He worked as an engineer in local government in Seine Saint Denis near Paris from 1975 to 1982, was involved in management of investment in roads at the Ministry of Capital Works from 1983 to 1986, and was then a *chargé de mission* at DATAR from 1986 to 1989. From 1989 to 1991, he was in charge of town planning and housing in local government in Ile de France (Greater Paris region), then technical adviser to Paul Quilès (French Minister for Capital Works, Housing, Transport and Space) from 1991 to 1992, general manager of the public corporation responsible for creating the Sénart new town from 1992 to 1993, and was in charge of capital works for the Hauts de Seine *département* from 1993 to 1998. He was Chief Executive Officer of Autoroutes du Sud de la France (ASF) from 1998 to May 2006 and since that date, has been its Chairman and Chief Executive Officer.

2.3 The Board of Directors' internal rules

On 14 May 2003, the Board of Directors adopted a set of internal rules, which has been amended several times since and which sets out the rules applicable to the functioning of the Board and its committees, and the behaviour expected of each of its members. These rules may be consulted on the Company's web site (www.vinci.com).

2.4 Personal position of Company Officers

To the Company's knowledge:
- there are no family links between any of VINCI's Officers;
- none of VINCI's Officers has been found guilty of fraud in the last five years; and
- none has been involved as a company officer in a bankruptcy, sequestration of assets or liquidation during the last five years and none has been incriminated or officially publicly punished by a statutory or regulatory authority. None has been disqualified by a Court from serving as a member of a Board of Directors or corporate management or supervisory body of an issuer of securities or from being involved in the management or conduct of the affairs of an issuer of securities in the last five years.

2.5 Assessment of the composition and functioning of the Board of Directors

In application of the Board of Directors' internal rules, which provides that every year it should include on its agenda a discussion on its functioning in order to improve its effectiveness and to assess itself, the Board of Directors made such an assessment in the second half of 2006 with the help of a consultant.

As part of this assessment, it was noted that in June 2006, the Board had overcome a major management crisis by refusing the former Chairman's request that the Chief Executive Officer be dismissed and by confirming the appointment of the Chief Executive Officer and appointing a new person to the separate position of Chairman.

After having spoken with the Board members, the consultant made the following recommendations in particular, corresponding to the Board members' expectations:

- the composition of the Board should be revised, emphasising independence, diversification and a collegial approach; this recommendation led to five Directors spontaneously tendering their resignation;
- the respective roles of the Chairman and Chief Executive Officer should be clarified; the Chairman and Chief Executive Officer took note of this requirement and decided their respective areas of action together;
- Directors' knowledge of the Group's businesses and operational functioning should be strengthened.

At its meeting of 27 February 2007, the Board also made an assessment of the current Directors' independence, in accordance with the recommendations of the 2003 AFEP-MEDEF report.

After receiving the Appointment Committee's report, the Board concluded that the following six Directors cannot be considered to be independent:

- Yves-Thibault de Silguy, who is the full-time Chairman of the Board;
- Xavier Huillard, who is responsible for the Company's general management;
- Dominique Bazy, who is Vice-Chairman Europe of UBS Investment Bank, a financial institution that could be involved in transactions entered into by the Company or its subsidiaries. The Board considered the links that could exist between the UBS Group and the VINCI Group to be material. The Board also noted that, in 2006, it had been asked to make a decision on an acquisition project in which UBS Group was involved on the vendor's side, and that Dominique Bazy had refrained from taking part in the discussions;
- Bernard Huvelin, who has been a Director of the Company for more than twelve years and Co-Chief Operating Officer until January 2005, and who is now Chairman and Chief Executive Officer of Consortium Stade de France (a 66.67% subsidiary of VINCI) and has various other positions within the Group;
- Dominique Ferrero, who is Chief Executive Officer of Natixis, a bank providing financial services to the Company; the Board considered the links between Natixis and the VINCI Group to be material;
- Denis Vernoux, who is an employee of a Group company and who represents the Company's employee shareholders through the corporate unit funds.

The Board of Directors considered that the seven other members of the Board, listed below, have no vested interests and are therefore independent:

- Robert Castaigne, who is Chief Financial Officer of Total;
- François David, who is Chairman of Coface, which provides credit insurance on contracts entered into by VINCI subsidiaries; the Board considered however that any links that may exist between the Coface Group and the VINCI Group are not sufficiently material to unfavourably affect François David's independence of judgement;
- Quentin Davies, who is a Member of the British Parliament;
- Patrick Faure, who has held management duties or has been a Director in automobile manufacturing companies that could at some time enter into contracts for construction work or services with VINCI subsidiaries, or provide goods or services to Group companies; the Board considered however that any links that may exist between the Renault Group and the VINCI Group are not sufficiently material to unfavourably affect Patrick Faure's independence of judgement;
- Jean-Bernard Lévy, who is Chairman of the Management Board of Vivendi. Until 2002, this company was a large shareholder in VINCI and commercial relations remain between VINCI and some Vivendi Group subsidiaries. The Board considered however that these links are not sufficiently material to unfavourably affect Jean-Bernard Lévy's independence of judgement;
- Henri Saint Olive, who is Chairman of the Board of Directors of Banque Saint Olive, a bank that could be involved in transactions entered into by the Company, its subsidiaries or its Management; the Board considered however that any links that may exist between Banque Saint Olive and the VINCI Group are not sufficiently material to unfavourably affect Henri Saint Olive's independence of judgement;
- Ms Pascale Sourisse who is President of Alcatel Alenia Space.

2.6 The Board of Directors' work

This chapter is the Report of the Chairman on the work of the Board of Directors provided for in Article 225-37 of the French Code of Commerce (amended by Article 117 of the Financial Security Act).

2.6.1 Functioning and work of the Board of Directors

The Board of Directors' internal rules require that the Board examines and gives prior approval to any significant transactions undertaken by the Company and in particular the determination of its strategic choices, material acquisitions and disposals of financial holdings and assets that are likely to alter the structure of the Company's balance sheet and, in any case, all acquisitions and disposals of shareholdings and assets of €200 million or more, as well as any transactions that fall outside the Company's announced strategy.

In 2006, the Board of Directors discussed all major matters relating to the Group's activities. The Board met twelve times in 2006 and the average attendance rate at its meetings was 92%.

In particular the Board:
- in connection with the implementation of the decision to separate the functions of Chairman and Chief Executive Officer, appointed Xavier Huillard as Chief Executive Officer in January 2006;
- appointed two Senior Executive Vice-Presidents;
- voted against the proposed dismissal of the Chief Executive Officer made by the former Chairman, who resigned after this vote;
- appointed a new Chairman;
- altered the composition of the Board's committees;
- decided to cancel the three agreements entered into with AM Conseil and Soficot;
- examined the conditions for the implementation of the acquisition of Autoroutes du Sud de la France, namely, the acquisition of the block of shares sold by the French government, the making of a standing market offer for the benefit of the minority shareholders, the making of a public tender offer followed by a compulsory purchase *(offre publique de retrait assortie d'un retrait obligatoire*), and the details of the financing and refinancing of these transactions;
- examined the 2006-2009 strategic plan;
- examined the main acquisition projects and the Group's strategy in its various business lines. In particular, it studied the proposed acquisitions of Amec Spie, Carrières Unies de Porphyre, Spie Rail, and Soletanche;
- decided to implement a share capital increase of €2.5 billion, which resulted in the issue of 36,086,404 new shares;
- decided to issue deeply subordinated, last-ranking bonds for €500 million;
- examined the 2004 financial statements restated under IFRS;
- approved the 2005 financial statements, the 2006 interim financial statements, prepared under IFRS, and examined the various budget updates;
- convened the Shareholders General Meeting, which was held on 16 May 2006;
- regularly examined the Group's financial position and changes in its borrowings;
- decided to pay an interim dividend;
- approved the objectives of the share buy-back programme, monitored its implementation and cancelled the treasury shares held by reducing the share capital;
- examined the Group's position with regard to internal control and studied the work undertaken in connection with the French Financial Security Act;
- decided to make the share capital increases reserved for employees under the Group Saving Scheme, amended the Saving Scheme rules and set up two share subscription option plans and a share purchase option plan relating to the VINCI share, and decided to implement a free share allocation plan;
- set the amount and manner of remuneration of the Company's Officers, as proposed by the Remuneration Committee.

2.6.2 The Board Committees

The terms of reference and the manner of functioning of the Committees are governed by the internal rules of the Board of Directors. Each Committee has a role to play in analysing and preparing certain of the Board's discussions falling within its field of competence and in studying topics and/or projects that the Board or its Chairman may submit to it for examination. It has consultative powers and acts under the authority of the Board of which it is a committee and to which it is answerable.

The Audit Committee

Terms of reference

The Audit Committee helps the Board monitor the accuracy and fair presentation of VINCI's consolidated and individual financial statements and the quality of the information given. In particular its duties are to:
- examine the Group's annual and half-yearly, consolidated and parent company financial statements before they are presented to the Board, to satisfy themselves that the accounting policies and methods are appropriate and consistently applied and to prevent any non-compliance with these rules and monitor the quality of the information given to the shareholders;
- assess proposals on the appointment of the Company's Statutory Auditors and their remuneration and to examine with the Statutory Auditors their work programmes, conclusions and recommendations, as well as actions taken as a result;
- assess the Group's internal control systems with the managers of the internal audit function and to examine with them the internal audit work programme and actions, their conclusions and recommendations arising and the actions taken as a result;
- review regularly the Group's main financial risk exposures and off-balance sheet commitments.

Composition

The Audit Committee comprises at least three and at most five Directors designated by the Board. All the members of the Audit Committee must be competent in finance or accounting. The Chief Financial Officer attends the meeting of the Audit Committee and acts as its Secretary.

Under the chairmanship of Dominique Bazy, the members of this Committee until 12 June 2006 were Dominique Bazy, François David, Bernard Huvelin and Henri Saint Olive. Since 12 June 2006, its members have been Dominique Bazy, Quentin Davies, Henri Saint Olive and Alain Minc (until his resignation on 30 January 2007).

Activities in 2006

The Audit Committee met four times in 2006, with a participation rate of 75%. In particular, in addition to the accounts prepared during the period, it examined:

- the 2005 financial statements prepared under IFRS;
- the plan to finance the acquisition of ASF and how ASF would be consolidated in the Group's financial statements;
- the Company's and Group's debt position and the principles for debt management and cash investments defined by the holding company;
- the statements of provisions and off-balance sheet commitments;
- the work on formalising and assessing the internal control procedures undertaken under the French Financial Security Act;
- the Group's policy in respect of insurance.

In order to carry out these duties, the Audit Committee has in particular interviewed the Chief Financial Officer, the Internal Auditor, the Statutory Auditors, the Insurance Manager, the Chief Legal Officer, and the financial officers of several business lines to which particular attention was paid in connection with the assessment of internal control procedures.

The Strategy and Investments Committee

Terms of reference

This Committee helps the Board develop the Group's strategy. It examines proposed contracts, investments and divestments that could have a material impact on the Company's scope, activities, results or stock market performance before they are presented to the Board.

In particular its duties are to:

- examine the Group's three-year plan;
- prepare the Board's discussions on the Group's strategy;
- formulate an opinion, for the benefit of General Management, on proposed acquisitions or disposals of shareholdings of a value of more than €50 million that do not come under the Board's direct terms of reference.

The Committee is also informed by the General Management of the state of progress of multi-year projects that imply, as regards the VINCI Group's share, a total investment, in equity or debt, of more than €100 million.

Composition

The Strategy and Investments Committee comprises at least three and at most five Directors designated by the Board. Until 1 June 2006, this Committee was chaired by Antoine Zacharias and its members were Alain Dinin, Patrick Faure, Bernard Huvelin and Denis Vernoux. Since 12 June, its chairman has been Yves-Thibault de Silguy and its members have been Yves-Thibault de Silguy, François David, Patrick Faure and Denis Vernoux.

The Chief Executive Officer and the Chief Financial Officer of VINCI attend the Committee's meetings. The Chief Financial Officer acts as its Secretary.

Activities in 2006

The Strategy and Investments Committee met twice in 2006, with a participation rate of 100%.

In particular, in addition to the accounts prepared during the period, it examined:

- the Group's strategic plans and its objectives for 2009;
- the Group's financial policy and its business plan;
- the shareholder base and the share price;
- the projects for the Antwerp ring road, the Corinth-Patras motorway in Greece, and the projects for the acquisition of Spie Rail and Soletanche.

The Remuneration Committee

Terms of reference

The Remuneration Committee proposes the terms and conditions of remuneration of the Company Officers to the Board. Its duties are to:

- make recommendations to the Chairman concerning the remuneration, pension and health and death benefit plans, benefits in kind and miscellaneous pecuniary rights, including any free shares or share subscription or share purchase options granted to the Chairman, the Chief Executive Officer, the Senior Executive Vice-Presidents and if necessary any salaried employees who are members of the Board;
- propose to the Board the determination of an overall package of free shares and/or share subscription or purchase options relating to the Company's shares and the general and specific conditions applicable to these allocations;
- express an opinion on General Management's proposals regarding the number of beneficiaries;
- propose to the Board an aggregate amount of directors' fees and the manner of their allocation.

Composition

The Remuneration Committee comprises at least three and at most five Directors designated by the Board. The Chairman of the Board attends the Committee's meetings. The Company's Human Resources manager acts as its Secretary.

The Committee is chaired by Quentin Davies. Until 12 June 2006, its members were Quentin Davies, Alain Dinin and Dominique Ferrero. Since 12 June 2006, its members have been Dominique Bazy, Dominique Ferrero, Alain Dinin (until his resignation on 8 December 2006) and Patrick Faure (since 12 December 2006).

Activities in 2006

The Committee met three times in 2006 with an average attendance rate of 89%.

The Committee conducted examinations and made proposals to the Board of Directors in respect of the remuneration of Yves-Thibault de Silguy, Xavier Huillard, Roger Martin, Jacques Tavernier and Bernard Val, and in respect of the implementation of a free share allocation plan.

The Appointments Committee

Terms of reference

This Committee

- prepares the Board's discussions on the assessment of the Company's General Management;
- examines, on a consultative basis, the General Management's proposals relating to the appointment and dismissal of the Group's main executives;
- is informed of the policy drawn up by General Management on the management of the Group's executives;
- makes proposals on the selection of Directors;
- examines all candidacies for appointments to the Board and expresses an opinion or recommendation to the Board on those candidacies;
- prepares at the appropriate time recommendations and opinions on the appointment or succession to the posts of Chairman of the Board, Chief Executive Officer and Senior Executive Vice-Presidents.

Composition

The Appointments Committee comprises at least three and at most five Directors designated by the Board.

Until 1 June 2006, this Committee was chaired by Antoine Zacharias and its members were Quentin Davies, Bernard Huvelin and Alain Minc. Since 12 June, its chairman has been Yves-Thibault de Silguy and its members have been Yves-Thibault de Silguy, Bernard Huvelin and Henri Saint Olive.

The Chief Executive Officer attends the Committee's meetings, except when it assesses the General Management's performance. One of the Committee's members acts as its Secretary.

Activities in 2006

The Committee met once in 2006 with an attendance rate of 100%. In particular the Committee examined the report on the assessment of the Board of Directors, the independence of the Members of the Board of Directors and the profile of candidates for Board Membership.

2.7 Company officers' remuneration and interests

2.7.1 Directors' fees

The Shareholders General Meeting of 4 May 2004 set the aggregate amount of Directors' fees at €800,000 as from the financial year starting on 1 January 2004.

As proposed by the Remuneration Committee, the Board of Directors allocated the Directors' fees as follows at its meeting on 13 December 2005:

- €70,000 to the Chairman of the Board of Directors;
- €33,000 for each Director;
- a supplementary amount of €25,000 for the Chairman of each Committee and a supplementary amount of €15,000 for the members of the Audit Committee and of €10,000 for the members of the other Committees.

Of the amount paid to each Director, €20,000 is variable and depends on presence at Board Meetings.

The total amount of Directors' fees paid in 2006 by the Company (for the second half of 2005 and the first half of 2006) amounted to €684,833. Some company officers also received Directors' fees in 2006 from companies controlled by VINCI.

The following table shows the Directors' fees paid in 2006 to the Directors and Senior Executive Vice-Presidents of VINCI:

(in euros)	Directors' fees paid in 2006 by VINCI	Directors' fees paid in 2006 by companies controlled by VINCI
Directors		
Yves-Thibault de Silguy	33,583	—
Xavier Huillard	16,500	22,327
Bernard Huvelin	49,000	30,302
Dominique Bazy	54,000	
François David	44,000	
Quentin Davies	64,000	
Patrick Faure	30,500	
Dominique Ferrero	49,000	
Serge Michel	31,500	
Henri Saint Olive	46,500	
Denis Vernoux	36,500*	
Former Directors		
Antoine Zacharias	90,000	46,973
Alain Dinin	32,500	
Guy Dejouany	28,750	
Alain Minc	36,500	
Willy Stricker	36,500	
Bernard Val	5,500	
Senior Executive Vice-Presidents		
Roger Martin	—	30,680
Jacques Tavernier	—	—
Total	**684,833**	**130,282**

** Denis Vernoux makes over his Director's fees net of tax to Fondation d'Entreprise VINCI pour la Cité.*

2.7.2 Shares held by the Company Officers

In accordance with the Company's corporate statutes, the minimum number of VINCI shares that each Director (except the Director representing employee shareholders) must hold is 500, which on the basis of the share price 29 December 2006 (€96.8), amounts to a minimum of €48,400 invested in VINCI shares.

The table below summarises the number of shares held by the Company Officers at 31 December 2006:

Company officers	Number of VINCI shares
Directors	
Yves-Thibault de Silguy	700
Xavier Huillard	200,083
Bernard Huvelin	262,353
Dominique Bazy	700
François David	592
Quentin Davies	1,632
Patrick Faure	2,400
Dominique Ferrero	935
Henri Saint Olive	20,984
Denis Vernoux	—
Senior Executive Vice-Presidents	
Roger Martin	142,288
Jacques Tavernier	—

2.7.3 Remuneration of Executive Company Officers

The remuneration of the Chairman, the Chief Executive Officer and the Senior Executive Vice-Presidents is determined by the Board of Directors on proposal by the Remuneration Committee.

The remuneration paid during the last three years by VINCI and Group companies to the current executive company officers of VINCI was as follows:

(in euros)	Yves-Thibault de Silguy	Xavier Huillard	Roger Martin	Jacques Tavernier
Gross fixed salary (1)	437,500	700,000	424,270	276,845
Gross variable salary		700,000	440,000	120,000
Total paid in 2006 (1) (2)	437,500	1,400,000	864,270	396,845
Gross fixed salary		354,307	355,172	
Gross variable salary		380,000	437,823	
Total paid in 2005 (3)		734,307	792,955	
Gross fixed salary		318,354	354,960	
Gross variable salary		330,000	425,000	
Total paid in 2004 (3)		648,354	779,960	

Furthermore, in accordance with the recommendations of AFEP and the MEDEF on the remuneration of executive company officers of listed companies, the Company discloses below the remuneration due in respect of each of the last three years, regardless of the year in which payment of the remuneration in question was received:

(in euros)	Yves-Thibault de Silguy	Xavier Huillard	Roger Martin	Jacques Tavernier
Gross fixed salary (1)	437,500	700,000	424,270	280,000
Gross variable salary	437,500	777,400	460,000	220,000
Total due in respect of 2006 (1) (2)	875,000	1,477,400	884,270	500,000
Gross fixed salary	—	354,307	355,172	—
Gross variable salary	—	700,000	440,000	—
Total due in respect of 2005 (3)		1,054,307	795,172	
Gross fixed salary	—	318,354	354,960	—
Gross variable salary	—	380,000	437,823	—
Total due in respect of 2004 (3)		698,354	792,783	

(1) The remuneration shown for 2006, in respect of Xavier Huillard, Roger Martin and Jacques Tavernier includes any allowances and bonuses paid by Caisse des Congés Payés construction industry holiday pay fund.
(2) The remuneration shown includes any Directors' fees paid in 2006 by VINCI and its subsidiaries, except in the case of Roger Martin.
(3) This remuneration does not include the allowances and bonuses paid by Caisse des Congés Payés construction industry holiday pay fund.

a) Remuneration of Yves-Thibault de Silguy

Yves-Thibault de Silguy was appointed Chairman of the Board of Directors on 1 June 2006. The Board of Directors has set his remuneration at €1,500,000 for a full year. This remuneration comprises a fixed portion of €750,000 and a variable portion of €750,000 guaranteed pro rata temporis for 2006. The Shareholders General Meeting will be asked to vote in 2007 on the setting up of a retirement pension of €380,000 per annum in favour of Yves-Thibault de Silguy. The Company has made no commitment to pay him a leaving bonus.

b) Remuneration of Xavier Huillard

The Board of Directors approved in 2005 the remuneration of Xavier Huillard. It was decided that his remuneration would comprise a fixed portion of €700,000 and a variable portion of which part (€450,000) would be linked to a performance-related index and part (€250,000) would be left to the Board's discretion.

The performance criteria adopted by the Board are: a) net earnings per share; b) cash flow from operations per share; c) return on capital employed; d) the change in the VINCI share price; e) the performance of the share price relative to the CAC 40 index; f) the performance of the share price relative to a basket of European companies in the sector; and g) the dividend.

For 2006, these criteria lead to an increase of 17.2% in the non-discretionary, variable portion of Xavier Huillard's remuneration.

Like some of the Group's management staff, Xavier Huillard is also a member of the supplementary retirement benefit scheme mentioned in paragraph (h) below. The Company has made no commitment to pay him a specific leaving bonus.

c) Remuneration of Roger Martin

The Board of Directors approved in 2005 the 2006 remuneration of Roger Martin. It was decided that this remuneration would comprise a fixed portion of €424,270 and a variable portion, of which half is linked to a performance-related index constructed using similar criteria to those applicable to the Chief Executive Officer but applicable to the Eurovia Group and half is discretionary, the total variable portion being capped at €460,000 for 2006.

Roger Martin is a member of a supplementary retirement benefit scheme that guarantees him a total pension of between 40% and 50% of his final year's remuneration or of the average of his final three years' remuneration, the rate being determined on the basis of his length of service and age. The Company has made no commitment to pay him a specific leaving bonus.

d) Remuneration of Jacques Tavernier

Jacques Tavernier was appointed Senior Executive Vice-President on 15 May 2006. He is Chief Executive of VINCI Concessions and Chairman and Chief Executive of Autoroutes du Sud de la France. His total remuneration comprises a fixed portion of €280,000 and a variable portion capped at €220,000 for 2006.

Like some of the Group's management staff, Jacques Tavernier is also a member of the supplementary retirement benefit scheme mentioned in paragraph (h) below. The Company has made no commitment to pay him a specific leaving bonus.

e) Remuneration of Bernard Val

Bernard Val has held positions in VINCI Concessions and Autoroutes du Sud de la France. His remuneration in respect of 2006 was set by the Board of Directors at €1 million. Bernard Val was appointed as a Director of VINCI on 16 May 2006 and resigned as Director on 31 December 2006.

Bernard Val is a member of a pension scheme set up in 2004 in ASF, which guarantees him a pension of 53% of his final gross reference salary (monthly gross salary of the last twelve months excluding exceptional bonuses). Moreover, as Bernard Val retired at the end of February, a lump-sum of €1.92 million was paid to him in accordance with a commitment made in 2005, in addition to a lump-sum of €45,158 under the collective bargaining agreement.

f) Remuneration paid in 2006 to Antoine Zacharias

Antoine Zacharias retired in January 2006. In 2006 he received remuneration of €105,787 in respect of his activity during the period, €2,467,211 in respect of the balance of the remuneration due to him in respect of 2005, and a lump-sum on retirement of €12,870,795. He receives an annual retirement pension of €2,145,132, paid to him by Cardif.

In 2006, Antoine Zacharias received from the Company the Director's fees mentioned in paragraph 2.7.1. Until his resignation on 1 June 2006, he had the use of a company car.

g) Benefits in kind paid to Company Officers

In 2006, Yves-Thibault de Silguy, Xavier Huillard, Bernard Huvelin, Bernard Val, Roger Martin, Jacques Tavernier and Serge Michel had the use of a company car.

h) Supplementary retirement benefit scheme

Some of the Group's executives who meet certain eligibility conditions are members of a supplementary retirement benefit scheme, which guarantees them a total pension of between 20% and 35% of the average of their final three years' remuneration, with a maximum of €82,962 per annum. Xavier Huillard and Jacques Tavernier, Company Officers, are members of this scheme.

At 31 December 2006, the Company's retirement benefit obligations in respect of Company Officers, or persons who were Company Officers in 2006, amounted to €15,691 thousand in total, broken down as follows:

Obligations in respect of supplementary retirement schemes at 31 December 2006

Company Officers

(in thousands of euros)	Obligation at 31 December 2006
Yves-Thibault de Silguy	4,615
Xavier Huillard	733
Roger Martin	6,910
Jacques Tavernier	333
Bernard Val	3,100 (4)
Total	**15,691**

(4) Of which provisions taken for €2,500 thousand.

2.7.4 Policy on granting of options or free shares

The Company no longer grants share subscription or purchase options because the Board currently has no authorisation from the Shareholders General Meeting to make such grants.

In respect of free shares, the Company's policy is to grant free shares to a significant number of the Group's employees in order to associate them with its good performance.

2.7.5 Share subscription or share purchase option plans

Under the authorisations that it had from the Shareholders General Meeting, the Board of Directors of VINCI decided to implement share subscription and/or share purchase option plans, of which the details are given in the following table.

Details of share subscription and share purchase option plans

	Date of		Original number of		Of which, options granted to		Date				
	Share-holders Meeting	Board Meeting	Beneficiaries	Options [1]	Company officers	Top 10 employee beneficiaries [2]	from which exercisable	of expiry of option	Options not exercised at 31/12/2006 [1]	Adjusted exercise price in euros	Number of remaining beneficiaries
VINCI 1998	18/06/93	04/03/98	66	481,000	0	90,000	01/01/99	04/03/08	6,191	12.54	3
GTM 1998	—	—	211	714,720	40,800	99,600	25/03/00	24/03/06	0	12.71	0
VINCI 1999 n° 1	25/05/98	09/03/99	88	1,304,000	120,000	350,000	09/03/01	08/03/09	41,106	18.60	7
VINCI 1999 n° 2	25/05/98	07/09/99	590	2,006,382	313,334	340,000	07/09/01	06/09/09	171,462	20.72	97
GTM 1999	—	—	369	1,385,736	84,000	180,000	24/03/01	23/03/07	147,453	16.13	57
VINCI 2000 n° 1	25/10/99	11/01/00	40	1,950,000	500,000	680,000	11/01/02	10/01/10	83,892	24.49	5
VINCI 2000 n° 2	25/10/99	03/10/00	999	3,535,000	90,000	265,600	03/10/02	02/10/10	804,795	27.92	339
GTM 2000	—	—	355	1,128,240	84,000	122,400	24/01/02	23/05/08	220,625	17.45	87
VINCI 2001	25/10/99	08/03/01	3	465,000	465,000	0	08/03/03	07/03/11	59,004	27.92	1
VINCI 2002 n° 1	25/10/99	17/12/02	287	4,901,000	1,310,000	606,000	25/01/04	17/12/12	2,810,259	31.17	233
VINCI 2002 n° 2	25/10/99	17/12/02	409	5,000,000	1,380,000 [3]	510,000	17/12/04	17/12/12	2,527,811	25.91	341
VINCI 2003	14/05/03	11/09/03	126	2,804,000	700,000	648,000	11/09/05	11/09/13	1,965,079	30.07	115
VINCI 2004	14/05/03	07/09/04	142	3,172,000	820,000	710,000	07/09/06	07/09/14	2,578,937	40.36	140
VINCI 2005	14/05/03	01/03/05	158	2,540,568	1,134,000	588,000	16/03/07	16/03/12	1,968,947	48.39	157
VINCI 2006 n° 1	14/05/03	09/01/06	8	1,315,000	925,000	390,000	09/01/08	07/01/13	627,856	71.16	7
VINCI 2006 n° 2	14/05/03	16/05/06	1,352	1,691,803	25,000	121,000	16/05/08	16/05/13	1,691,803	80.64	1,352
Total subscription plans			**2,410**	**34,421,934**	**8,010,466**	**5,708,753**			**15,705,220**	**40.08**	**1,792**
VINCI 1999 n° 2	25/05/98	07/09/99	590	4,012,618	626,666	680,000	07/09/01	06/09/09	345,934	21.38	97
VINCI 2000	25/10/99	03/10/00	999	3,535,000	90,000	265,600	03/10/02	02/10/10	804,795	23.53	339
VINCI 2001	25/10/99	08/03/01	3	465,000	465,000	0	08/03/03	07/03/11	59,004	27.92	1
VINCI 2002	25/10/99	25/01/02	7	99,000	0	99,000	25/01/04	24/01/12	26,586	31.17	3
VINCI 2006 n° 2	14/05/03	16/05/06	1,352	1,691,803	25,000	121,000	16/05/08	16/05/13	1,691,803	80.64	1,352
Total purchase plans			**2,042**	**9,803,421**	**1,206,666**	**1,165,600**			**2,928,122**	**56.43**	**1,581**
Total			**1,743**	**44,225,355**	**9,217,132**	**6,874,353**			**18,633,342**	**42.65**	**1,794**

(1) Number adjusted following the increase in share capital in April 2006.

(2) Not Company Officers.

(3) The exercise of approximately two thirds of these options is subject to terms relating to the stock market price of the VINCI share.

a) Options granted in 2006

During 2006, the Board decided:

- on 9 January 2006, to implement a share subscription option plan, relating to 1,315,000 options in favour of eight persons, including the three Company Officers and the members of the Executive Committee, at an exercise price of €72.65 (later adjusted to €71.16). The grants made to the Company Officers were as follows:

Company officer	Options granted	Options granted*
Antoine Zacharias	700,000	714,629
Xavier Huillard	130,000	132,717
Roger Martin	95,000	96,986

** Number adjusted following the increase in share capital in April 2006.*

- on 16 May, the implementation of a share subscription option plan with a maximum of 1,691,816 shares and a share purchase plan with a maximum of 1,691,816 shares, at an exercise price of €80.64 per share, in favour of 1,352 executives and employees of VINCI and its subsidiaries. The grants made to the Company Officers were as follows:

Company officer	Options granted
Jacques Tavernier	50,000

In 2006, the top ten employees other than Company Officers were granted the following options:

	Total number of options granted	Average price in euros
Total number of options granted by VINCI during the period to the top ten employees, other than Company Officers, to whom the largest number of options were granted	540,153	73.65

Note: the number of options and the exercise price have been adjusted following the share capital increase in April 2006.

Each option gives the holder the right to subscribe to or purchase one VINCI share. Beneficiaries may exercise two-thirds of the options two years after receiving them and all of their options after three years. Options lapse if they are not exercised at the end of a period of six, seven or ten years, depending on the plans, or if the beneficiaries leave the Group voluntarily or as a result of serious misdemeanour before the end of the vesting period, unless specifically authorised otherwise by the Board of Directors.

The options may be exercised in totality early in one of the following cases: a) in the event of a person acting alone or in concert acquiring a shareholding in VINCI of more than 10%; b) as required for the beneficiaries to provide the shares thus subscribed to or acquired as a guarantee to enable them to acquire VINCI shares or securities giving them a future right to shares; and c) in the event of a public tender offer to buy or exchange VINCI shares. No subsidiary controlled by VINCI grants options to subscribe to or purchase shares to Group employees or officers.

b) Options exercised in 2006

Between 1 January and 31 December 2006, 5,524,851 options were exercised, comprising 4,776,124 subscription options and 748,727 purchase options.

Given the above, and the adjustment to the number of options following the increase in share capital in April 2006, the number of options not exercised as at 31 December 2006 was 18,633,342 options, at an average exercise price of €42.65 (including 15,705,220 subscription options at an average price of €40.08 and 2,928,122 purchase options at an average price of €56.43).

In 2006, VINCI's Company Officers exercised the following options:

Company Officer	Number shares subscribed to or purchased under options granted	Weighted average price (in euros)
Yves-Thibault de Silguy	—	—
Xavier Huillard	60,983	26.84
Roger Martin	227,269	25.32
Jacques Tavernier	—	—
Bernard Val	—	—
Antoine Zacharias	1,539,856	31.00

Note: the number of options and exercise price have been adjusted following the share capital increase in April 2006.

Following his resignation on 1 June 2006, Antoine Zacharias has not been able to acquire the rights relating to a part of the options that had been granted to him, namely 1,819,921 options at an average exercise price of €54.56. In legal proceedings pending before the Nanterre Commercial Court, Antoine Zacharias is however claiming that he has retained these rights (see pages 252 and 253).

In 2006, the top ten employees other than Company Officers exercised the following options:

	Total number of shares subscribed to or purchased under options granted	Weighted average price in euros
Total number of VINCI options exercised during the period by the top ten employees, other than Company Officers, who purchased or subscribed to the largest number of shares through exercise of options	905,191	28.29

Note: the number of options and exercise price have been adjusted following the share capital increase in April 2006.

c) Adjustment of the options following the increase in share capital

In April 2006, the Company carried out an increase in share capital maintaining preferential subscription rights, following which, as required by law, the exercise price of the subscription and purchase options and of the number of options not yet exercised were adjusted. An adjustment coefficient of 0.97953 was determined based on observation of the price of the share and of the preferential subscription right during the three market trading days preceding the transaction. The applicable subscription or purchase price was then multiplied by this coefficient and the number of options was adjusted upwards symmetrically in order to maintain the amount of the beneficiaries' initial investment.

2.7.6 Free share plan

On 12 December 2006, the Board of Directors decided to use the authorisation given to it by the Shareholders General Meeting of 16 May 2006 to implement a plan for the granting of free shares in the Company with effect from 2 January 2007. This plan provides for the granting of 1,100,000 existing shares to 1,434 Group executives and employees. Under this plan, Company Officers were granted the following:

Company officer	Shares granted
Yves-Thibault de Silguy	15,000
Xavier Huillard	12,000
Roger Martin	10,000
Jacques Tavernier	8,000
Bernard Val	10,000

The plan provides that the shares are only definitively allocated at the end of a vesting period of two years, which the Board can extend to three years. Furthermore, the number of shares effectively allocated at the end of the vesting period is determined on the basis of changes in a performance indicator during the period. In order for the number of shares to be the same as the number originally granted, the performance indicator must increase by at least 10% annually on average during the vesting period. If the increase in less than 10% a year, and greater than zero, the number of free shares is reduced proportionally.

The performance indicator takes account of (I) the outperformance of the VINCI share compared with a sample of comparable European shares in the construction and infrastructure concessions sector (for 50%), (II) the increase in earnings per share (for 12.5%), (III) the increase in cash flow from operations before tax and financing costs (for 12.5%), (IV) the increase in operating profit (for 12.5%) and (V) the increase in return on capital employed (for 12.5%).

The plan also provides that the shares thus granted must be held for two years, during which time they may not be disposed of.

The Board of Directors has decided that Company Officers must retain during their period of appointment, one quarter of the free shares granted.

Share transactions by Company Officers

In 2006, the Group's Directors and Executive Company Officers carried out the following transactions on VINCI shares:

	Acquisitions*	Disposals
Yves-Thibault de Silguy	110	0
Xavier Huillard	0	0
Bernard Huvelin	24,720	1,230,367
Dominique Bazy	0	150
François David	92	0
Quentin Davies	622	0
Patrick Faure	400	0
Dominique Ferrero	435	0
Serge Michel	158	0
Henri Saint Olive	8,236	0
Denis Vernoux	0	0
Roger Martin	7,304	91,535
Jacques Tavernier	0	0

** Excluding exercise of share subscription and/or share purchase options, of which details are given on page 148.*

Report of the Chairman on internal control procedures, as required by the Financial Security Act

Article L. 225-37 of the French Code of Commerce (modified by Article 117 of the French Financial Security Act of 17 July 2003) requires the Chairman of the Board of Directors of VINCI to report on:

- how the Board of Directors' work is prepared and organised;
- principles and rules established by the Board of Directors to determine all types of compensation and benefits to company officers; and
- the internal control procedures put in place by the Group.

The Chairman's report on the work of the Board of Directors and the principles and rules established by it to determine all types of compensation and benefits to company officers are given in paragraph 2.7.3 of the Corporate Governance chapter, on pages 145 and 146.

The section below relates to the internal control procedures.

1. Principles governing conduct and behaviour

The businesses in which VINCI operates require the personnel involved to be geographically close to customers in order to provide them promptly with solutions suited to their needs. In order to enable each profit centre manager to take the required operational decisions rapidly, a decentralised organisation has been implemented in each of the four business line divisions (Concessions, Energy, Roads, and Construction) and in VINCI Immobilier.

This organisation entails delegation of authority and responsibility to operational and functional staff at all levels.

This delegation of authority to operational and functional management staff is carried out in compliance with the following principles of conduct and behaviour to which VINCI is strongly committed:

- rigorous compliance with the rules common to the whole Group, in particular in respect of delegation (see paragraph 3.3), acceptance of business (see paragraph 4.1) and financial, accounting and management information (see paragraph 4.2). These common rules, which are deliberately restricted in number given the range of the Group's activities, must be strictly applied by the staff concerned;
- transparency and loyalty of managers towards their line management superiors and towards functional departments and the holding company. In particular, all managers must inform their superiors of any difficulties encountered in the performance of their duties (e.g. with respect to carrying out work on sites, relations with customers, government departments and suppliers, internal relationships, personnel management, safety, etc). Although an integral part of operational managers' duties is to take decisions alone, within the framework of the instructions received, on matters falling within their area of competence, any difficulties encountered must be handled with the assistance, if necessary, of their line management superiors or divisional or holding company functional departments;
- compliance with the laws and regulations in force in the countries where the Group operates, and in particular with the rules laid down in competition regulations and with the OECD's recommendations and guidelines in the area of public service ethics, first published in May 1998 and extended in 2003;
- responsibility of operational executive managers to communicate the Group's principles governing conduct and behaviour to their staff by appropriate means and to set an example. This responsibility cannot be delegated to functional managers;
- safety of persons (employees, external suppliers, subcontractors, etc.);
- a culture of financial performance.

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

2. The objectives of internal control

2.1 Definition

On 31 October 2006, the French Stock Market regulator, the AMF, published the findings of the working group formed under its aegis. This publication, entitled "The Internal Control System – Reference Framework", recommends the use of the standard published by the Committee of Sponsoring Organisations (COSO), which is the most commonly accepted internationally. The Group already applied this standard and continued to do so in 2006.

According to COSO, "internal control is a process, effected by an entity's Board of Directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

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

2.2 Limits of internal control

One of the objectives of internal control is the prevention and control of risks arising from an enterprise's activities and the risks of error and fraud, in particular in the areas of accounting and finance.

However, like any control system, internal control, however well designed and implemented, cannot provide an absolute guarantee that these risks have been completely eliminated.

3. General organisation and the environment of internal control

3.1 The Board of Directors and the Audit Committee

VINCI's Board of Directors represents all the shareholders collectively and commits itself to act in all circumstances in the enterprise's corporate interest. It considers all major matters arising during the Group's business, in particular its major strategic choices.

The Board of Directors has delegated certain specific tasks to the Audit Committee regarding internal control and risk management, such as for example the monitoring of provisions, off-balance sheet commitments and the level of debt.

3.2 The Executive Committee

The Executive Committee has nine members:
- the Director and Chief Executive Officer;
- the two Senior Executive Vice-Presidents (who are also the Chairman of Eurovia and the Chief Executive Officer of VINCI Concessions);
- the two Executive Vice-Presidents (who are also the Group's Chief Financial Officer and the Vice-President, Corporate Communications, Human Resources and Synergies);
- the Chairman of VINCI Construction;
- the Chairman of VINCI Energies;
- the Vice-President, Business Development;
- the Chief Operating Officer of VINCI Concessions.

The Executive Committee is in charge of executing the Group's strategy and of defining and implementing its management policies, relating to finances, human resources, safety, insurance, etc.

3.3 Guidelines

The Chairmen of the companies heading divisions (VINCI Energies, Eurovia and VINCI Construction), the Chief Executive Officer and the Chief Operating Officer of VINCI Concessions, and the Chairman of VINCI Immobilier exercise the powers given to them by law. Under the Group's internal organisation, they are also required to comply with the guidelines issued by VINCI's Director and Chief Executive Officer. These guidelines apply to the following areas:
- acceptance of new business, replies to tenders, offers of services and for projects, studies, provision of services, concessions (including public-private partnerships) and project organisation;
- property development;
- property investments and divestments;
- financial investments and divestments;
- employment matters;
- financial and banking relations, tax, insurance;
- guarantees, collateral and security;
- external and internal communication;
- management and monitoring of major risks.

In particular these guidelines require compliance with the holding company's procedures regarding the acceptance of new business or the making of investments. These procedures define the thresholds above which specific authorisation has to be obtained or prior information submitted to the Chairman and Chief Executive Officer or certain VINCI functional departments or both.

3.4 Internal audit

The internal audit department's role is to draw up and distribute the general procedures laid down by the holding company and to supervise the situation in each division as regards procedures, ensuring in particular that they are adapted to the Group's situation and organisation, while complying with the requirements of the Financial Security Act. It also organises the meetings of the VINCI Risk Committee charged with examining and authorising the acceptance of new business that exceeds certain thresholds (see paragraph 4.1). In this connection, it records and follows up the Risk Committee's decisions. Lastly, it undertakes specific assignments requested either by the Group's General or Financial Management or the various divisions' General Management.
The internal audit department works mainly with divisions' internal audit staff, with whom it undertakes joint assignments, personnel seconded for this purpose by the operational department concerned and personnel from certain of the holding company's functional departments.

3.5 The role of the holding company in relation to divisions

The holding company has staff restricted to some 140 people, suited to the Group's strongly decentralised structure. In particular, the holding company's functional departments have to ensure that the Group's rules and procedures and General Management's decisions are applied. Furthermore, and depending on needs expressed, these departments advise divisions on technical matters but do not interfere in the taking of operational decisions, which are a divisional responsibility.

4. The main internal control procedures

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

4.1 VINCI Risk Committee procedures

Strict procedures are applied before orders are accepted.

The VINCI Risk Committee has to assess:
- acquisitions and disposals of activities;
- the terms and conditions of submitting offers for work worth more than the thresholds set, and in particular the associated technical, legal and financial commitments; these thresholds relate to the entire operation, taking all lots together, whatever the share obtained by Group entities in the operation, and however the enterprise is contacted (directly, through an invitation to tender, etc.);
- all transactions relating to property development, concession operation, public-private partnership (PPP) or long-term commitments, including all associated financing, whether in France or abroad.

For construction work contracts, other thresholds, lower than those necessitating consideration by the Risk Committee, trigger submission of prior information to VINCI General Management on an alert form. The Chief Audit Officer may, if he considers that the alert form renders it necessary, propose that a specific Risk Committee meeting be held. Lastly, under the system of delegation and sub-delegation in place, other thresholds trigger a requirement for a formal agreement from the division's General Management, under the procedure specific to and defined by each division.

The Risk Committee's objective is to examine business that, particularly because of its size, financing, location or specific nature, bears a special risk, whether technical, legal, financial or other.
Submission to the Risk Committee constitutes formalisation of the commitment made by the manager of the subsidiary in question to his or her superiors as to the expected level of profit on the project presented.
The Risk Committee is usually composed of the Director and Chief Executive Officer, the Chief Financial Officer, the Chief Audit Officer, the Chairman of the division concerned and representatives from the operational staff (the general manager, project manager, design office, etc.) and functional departments (legal, insurance, finance, etc.) of the company presenting the project. Moreover, the composition of the Risk Committee may be altered depending on the purpose of its meeting (e.g. examination of property transactions, acquisitions of companies, concessions contracts and public-private partnerships).

The holding company's Risk Committee, in its various configurations, met 175 times in 2006.

4.2 Internal control with respect to financial and accounting information

The Budgets and Consolidation Department, part of the Finance Department, is responsible for the production and analysis of the financial information distributed inside and outside the Group, which it must ensure is reliable. In particular the Department is in charge of:
- preparing, agreeing and analysing VINCI's half-year and annual parent company and consolidated financial statements and forecasts (consolidation of budgets, budget updates and three-year forecasts);
- the definition and monitoring of the Group's accounting procedures and the application of the IFRSs;
- co-ordination of the "Vision" Group financial information system, which incorporates the consolidation process and which is used to unify the various VINCI reporting systems (accounting and financial information, human resources information, commercial data, borrowing).

The budget procedure is common to all divisions and their subsidiaries. It is built around five key dates in the year: the budget for the next year in November followed by four updates in March, May, September and November. For each of these stages, management committees meet to examine each division's position and financial data, in the presence of the Group's Chief Executive Officer and its Chief Financial Officer.
A monthly report on business, new orders taken, the Group's order book and consolidated net borrowing position is prepared by the Finance Department on the basis of detailed information provided by the divisions, and is distributed to the General Management.
The Management of each division prepares a specific report on the month's key events.

The Budgets and Consolidation Department lays down a timetable and closure instructions for the preparation of the half-yearly and annual accounts. These instructions, sent to the division's Finance Departments, are presented in detail to the staff in charge of consolidation in the entities in question.

The Group's accounting rules and methods, including the definition of reporting documents and consolidation packages, are set out in widely distributed procedural notes. Specific monitoring is carried out for some areas, e.g. provisions, deferred tax, and off-balance sheet commitments.
At each accounts closure, divisions send the Budgets and Consolidation Department a dossier with an analysis with commentary of the consolidated data submitted.

The Group Finance Department presents the accounting treatment it intends using for any complex transactions to the Statutory Auditors in order to receive their prior opinion.

The Statutory Auditors present their observations on the half-year and annual accounts to the Audit Committee before they are presented to the Board of Directors. These observations are first presented to the Management of the divisions in question and of the VINCI holding company.

Before signing their reports, the Statutory Auditors request letters of representation from Group Management and divisional management. In these representations, Group Management and divisional management confirm that they consider that the effects of any still unresolved anomalies noted by the Statutory Auditors do not have a material impact, either individually or in aggregate, on the financial statements taken as a whole.
Divisions have their own management accounting systems tailored to their business. Specific budgetary control tools have been installed in the Construction, Roads and Energy divisions and each of the concession activities (motorways, car parks and airports) and allow regular monitoring of the progress of sites and contracts.

5. Actions undertaken to strengthen internal control

5.1 Reminder of work carried out before 2006

In 2003, VINCI initiated an action plan intended to enhance the quality of the internal control system, without bringing into question the principles and features of its management organisation, which combines an entrepreneurial culture, the autonomy of operational managers, transparency and loyalty, and network-based operations.

The project comprised several stages, of which the first, completed in 2003, was to identify the main risks and the associated controls for the main Group entities and processes.

The second stage related to determining and describing the current organisation of internal control, the aim being to describe the internal control arrangements existing in the various divisions. Self-assessment questionnaires on the internal control environment, approved by the Executive Committee, were sent in 2003 and 2004 to managers of a sample of entities, selected from the largest and most representative entities. Their replies were analysed and a list was drawn up of the main procedures in existence.

The third step, in 2003 and 2004, involved listing the risks and associated controls. The objective here was to use the self-assessment questionnaires and the interviews conducted with VINCI's General Management, the managers of the main divisions and VINCI's functional departments to list the main risks and corresponding controls existing within the Group and the divisions. This resulted in the identification of the processes that the various entities should assess from an internal control viewpoint. In this connection, acceptance of new business was identified as the main area to be assessed as a priority. The main risks inherent in the Group's activities are analysed in the "Risk Management" section of this registration document.

2004 also saw the implementation of the decisions taken in 2003 on the improvement of the internal control environment:
- distribution of the Chief Executive's guidelines (see paragraph 3.3) to all the operational and functional managers of divisions in France and abroad;
- harmonisation and fine-tuning of the formalisation of certain procedures (through the creation of working groups and specific dedicated resources), including in particular cash management and accounting at holding company level and a complete revision of operational procedures in the Roads division; holding company procedures have also been made available on the Group's intranet;
- implementation in certain foreign subsidiaries of management methods and procedures complying with Group policy;
- creation of internal audit functions in those divisions where none existed (Concessions and Energies), and an increase of divisions' head-office management control staff;
- implementation of a charter in the largest operational entity of the Construction division (Sogea Construction), covering its ten internal operating rules (on risk taking, financial engineering, outside appointments or functions, acquisition or disposal of securities and reorganisation, property and other tangible assets, human resources, budgetary management, banking relations and financial commitments, administrative management, media, brands and logos);

The survey made in 2005 to assess the quality of internal control under the Financial Security Act covered 193 Group entities (including 38 foreign entities) which replied to 120 questions grouped into three self-assessment questionnaires (internal control of operations and monitoring business; control of financial information; the control environment and risk assessment). The three questionnaires used in previous years were first simplified and clarified by the working group of experts from the Group's various divisions. They are analysed using various criteria: division, business line, geographical area, and revenue.

5.2 Work carried out in 2006

A project to assess the operation of information systems has been launched with 13 entities in continental France, forming a representative sample. These replied to a self-assessment questionnaire comprising four sections:

- the information systems environment (32 questions);
- acquisition, development and deployment of software and hardware (43 questions);
- operation (27 questions);
- information systems security (56 questions).

The 13 entities selected have their own computer systems, which are all very different from each other. Furthermore, most of the entities have centralised their computer equipment (servers and connections) and computer staff (the users being decentralised), while others, fewer in number, have a decentralised computing system. Although, overall, the results of this survey are satisfactory, areas for improvement have been identified for 2007, relating in particular to secure access, back-ups and the development of specific tools. This survey will be repeated regularly and non-French entities will be gradually included in the sample.

In 2006, the sample used in the survey to assess the quality of internal control under the Financial Security Act was larger than in 2005, with 208 Group entities, including 45 foreign entities, replying to the three questionnaires described above in paragraph 5.1.

Furthermore, in 2006, more detailed replies to the questions were requested, with five possible answers instead of three. Given the general improvement in internal control within the Group, this allowed the subjects requiring particular attention to be identified more precisely. Lastly, software improvements allowed each division and sub-division to use the information generated by this survey better, in order to carry out the necessary improvements.

Internal control in the Construction division is performed at the level of each of its component entities: Sogea Construction, GTM Construction, VINCI Construction Grands Projets, VINCI Construction Filiales Internationales, Freyssinet, VINCI PLC (UK) and CFE (Belgium). Each entity has set up its own organisation adapted to its business, the area where it operates, and the size of its sites. An internal control system that is well suited to one entity is therefore usually not very applicable in another entity. VINCI Construction Grands Projets, which is certified ISO 9001 and 14001, has long since implemented rigorous procedures that are well known and well applied. French entities, such as Sogea Construction, have made great efforts to strengthen their internal control, in particular as regards the formalisation and distribution of operating rules. There is now an operational internal control manual and the position of internal auditor was created in 2006 to accompany its implementation. VINCI Construction Filiales Internationales is undertaking action to strengthen internal control in its Central and Eastern European subsidiaries (in Poland, Hungary, the Czech Republic, etc.).

The Energy division has finished drawing up a set of rules applicable to all its entities. This relates in particular to the internal control policy and organisation within the division. In 2006, the second part of a progress plan relating to the drafting of procedures covering 18 processes considered as "priority" by the division (such as acceptance of new business and debt collection), has been implemented with the assistance of the VINCI Energies internal audit department.

VINCI Concessions has appointed an internal auditor, charged with co-ordinating implementation of internal control, which remains the responsibility of the companies within the division. As well as the VINCI Concessions internal audit department, ASF-ESCOTA and VINCI Park also have their own audit organisation. The VINCI Concessions internal audit department also carries out specific reviews of some infrastructure concession entities, and these are updated regularly.

In 2006, 35 audits were conducted at VINCI Park in order to verify that its car park operating procedures were being complied with. Particular attention was paid by ASF-ESCOTA to the accounting treatment of property, plant and equipment, and to the management of user profiles and access rights for the payroll software. Lastly, Cofiroute has sought to verify the quality of its toll debt collection procedures and payroll management. The assignments carried out in the various companies in 2006 revealed no anomalies that would raise doubts as to the level of internal control in the entities audited.

In 2006, Eurovia met the objectives it had set itself, namely to:
- harmonise and fine-tune formalisation of certain procedures, in particular in the area of operations, by drawing up new standing instructions, and by reformulating and simplifying the standard procedures applicable in France;
- improve internal control by continuing the deployment of the division's management methods and procedures in certain foreign subsidiaries;
- progressively deploy the division's computer system in foreign subsidiaries;
- place the Eurovia Management System on line on the intranet, to ensure the widest distribution of the internal control standards.

Eurovia has continued deployment, at the planned pace, of the Kheops computerised management information system, which is used in France and abroad. Eurovia's management principles have now been implemented across the whole division.

This project has shown that:
- the division's organisational structure, with its shared service centres, provides a balanced share of power between operational and functional responsibilities that is favourable to the performance of internal control;
- the management methods have been formalised (in the form of a management manual, written procedures, and instructions);
- an internal audit charter has been prepared and distributed within the division; the internal audit department carried out 29 assignments in 2006, resulting in recommendations that will be followed up; this year, the focus was on the formalisation of the contractual terms and conditions governing activities, on human resource procedures (hiring, temporary and foreign workers) and on the use of Kheops;
- the procedures for the acquisition of companies and control over tendering are correctly defined and followed;
- the involvement of the division's General Management in the execution of management control and internal audit functions strengthens their effectiveness.

VINCI Immobilier has launched a major project to overhaul its procedures, which are based on those of Elige and Sorif, which merged in 2005 to form VINCI Immobilier. The first part of this project was to identify existing procedures and analyse the internal control environment. Well under way in the second half of 2006, this work should be completed in the first quarter of 2007.

5.3 Work to be done in 2007 and beyond

VINCI's various divisions have an awareness of internal control and are organised to continue making progress in this area. The two priorities for the coming years remain:
- to strengthen control in foreign subsidiaries, in particular by deploying the management tools used in France;
- to assess internal control, in particular by sampling during specific internal audit assignments carried out by management controllers assigned solely to those duties.

In 2007, the improvement of internal control in the Concessions division will take the form of continuing audit assignments in all subsidiaries and the updating or the preparation of a mapping of the company's risk exposure.

The annual internal control survey based on self-assessment questionnaires will again be extended to a larger number of operational or functional entities abroad. The information collected will result in the preparation of annual action plans for each country and division. A new survey on computer systems will be prepared from the 2006 survey results, ready for use in 2008.

While striving to continue to improve the organisation of internal control within the Group, VINCI intends maintaining light command structures, at both holding company and divisional level. The Group's operating principles, based on the autonomy of operational entities, will be widely disseminated and compliance with them will be imperative, the objectives being to:
- ensure the correct application of the Group's rules and procedures;
- monitor changes in regulatory requirements;
- maintain effective management of the main risks;
- guarantee financial information of quality.

Report of the Statutory Auditors in application of Article L. 225-235 of the French Code of Commerce

on the report of the Chairman of VINCI's Board of Directors on internal control procedures relating to the preparation and treatment of accounting and financial information

Year ended 31 December 2006

To the Shareholders,

As the Statutory Auditors of VINCI, and in application of Article L. 225-235 of the French Code of Commerce, we present our report on the report prepared by the Chairman of your Company in accordance with the last subsection of Article L. 225-37 of the French Code of Commerce, for the period ended 31 December 2006.

The Chairman is required to report to you in particular on the conditions under which the work of the Board of Directors is prepared and organised and on the internal control procedures implemented within the Company.

Our role is to communicate to you any comments required by the information and declarations contained in the Chairman's report concerning internal control procedures relating to the preparation and treatment of accounting and financial information.

We conducted our review in accordance with the professional standards applicable in France. Those standards require us to plan and perform our work so as to obtain reasonable assurance that the information presented in the Chairman's report, with respect to the internal control procedures relating to the preparation and treatment of accounting and financial information, is free of material misstatement. Those standards notably require that we:

- inform ourselves of the objectives and the general organisation of internal control, and of the internal control procedures relating to the preparation and treatment of accounting and financial information, presented in the Chairman's report;
- inform ourselves of the work underlying the information thereby provided in the Report.

On the basis of our work, we have no comments to make on the description of the Company's internal control procedures relating to the preparation and treatment of accounting and financial information, contained in the report of the Chairman of the Board of Directors, prepared in application of the provisions of the last subsection of Article L. 225-37 of the French Code of Commerce.

Paris and Neuilly sur Seine, 29 March 2007
The Statutory Auditors

Salustro Reydel
A member of KPMG International

Bernard Cattenoz
Benoît Lebrun

Deloitte & Associés

Thierry Benoit

Free translation of the original French text. For information purposes only.

Report of the Board of Directors

A. Report on the financial statements for the year

1. Consolidated financial statements

The consolidated financial statements for 2006 are marked by VINCI's acquisition of a further 77% shareholding in ASF for a total of €9.1 billion, bringing its total holding to 100% as of 9 November 2006. The acquisition was financed partly by an increase in share capital completed on 25 April 2006 for €2.5 billion and by the issue of deeply subordinated undated (perpetual) bonds for €0.5 billion. The balance was financed by an acquisition loan and from the Group's available cash resources.

VINCI's published statutory consolidated financial statements at 31 December 2006 consolidate ASF as from 9 March 2006, the date on which it acquired control of ASF.

To enable analysis on a comparable basis, this report comments on the data for 2006, as well as for 2005 restated to show the effect of full-year consolidation of ASF. Note 1.7 presents a reconciliation between the statutory financial statements and the pro forma data analysed below.

Furthermore, VINCI's airport services operations, which were sold in the second half of the year, are shown on a separate line in the 2005 and 2006 statutory and pro forma financial statements, in accordance with IFRS 5 *Non-Current Assets Held for Sale and Discontinued Operations.*

The good trends observed in 2005 continued in 2006, with very brisk business in concessions and civil engineering and construction activities in France and other countries, profitability maintained at a high level and increasing numbers of public-private partnerships (PPPs) in France and the rest of Europe. Traffic on the motorways operated by the Group was also heavy in the second half of the year.

The order book continued to be renewed under good terms in 2006, with order-taking following the same pattern as revenue. As a result, despite the strong level of activity recorded in the fourth quarter of the year, the order book stood at €17.9 billion at 31 December 2006, almost 13% up on the previous year. Based on 2006 data, this represents 10 months of average business activity for the Construction, Roads and Energy business lines.

Overall, the Group recorded more than 10% growth in its business activity – exceeding its initial projections – and a further improvement in operating margins.

1.1 Revenue

VINCI generated consolidated revenue of €26 billion in 2006, a 10.7% increase against 2005[1].

This increase is attributable mainly to organic growth of the Group's business lines, with the effects of currency fluctuations and changes in consolidation scope having a positive effect of only 1.2%.

Business was particularly brisk during the fourth quarter of 2006, increasing 15.7% compared with the same period in 2005. In addition to favourable weather conditions, this excellent performance reflects the high level of VINCI Construction activity in France and other countries, as well as the momentum of Eurovia and motorway operators, which recorded significant traffic at the end of the year.

In France, revenue increased 10.8% to €17.2 billion[1], accounting for 66% of consolidated revenue. All Group business lines contributed to this growth.

Outside France, revenue amounted to €8.8 billion[1], up 10.5%. The strongest growth was recorded by VINCI Construction and Eurovia.

On an actual basis, with ASF and ESCOTA consolidated from 9 March 2006 when VINCI acquired control, revenue amounted to €25.6 billion, representing growth of almost 22% (11.3% excluding ASF and ESCOTA) over the 2005 figure of €21 billion. On this same basis, 27% growth was recorded in the fourth quarter (16.4% excluding ASF and ESCOTA).

VINCI Concessions: €4,292 million (+6.6%)[1]

ASF and ESCOTA generated total revenue of €2,625 million in 2006. This reflects a 6% increase in toll receipts to €2,572 million, of which €2,036 million for ASF (up 6.2%) and €536 million for ESCOTA (up 5.1%).

Traffic on a stable network basis increased 2.1% on ASF's network (light vehicles up 2.2%; heavy goods vehicles up 1.6%) and 2.5% on ESCOTA's network (light and heavy vehicles up 2.5%). ASF's network was extended in January 2006 by the opening to traffic of two sections on the A89: Le Sancy–Combronde (52 km) and Terrasson–Brive Nord (11 km). This extension had a positive impact of 0.5% on toll receipts. Traffic was particularly brisk during the fourth quarter, increasing 4% overall for ASF and ESCOTA and leading to a rise of about 8% in toll receipts for the period.

(1) Pro forma data including full-year revenue of ASF and ESCOTA and excluding revenue of airport services operations, which were sold in October 2006, in application of IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations, *for both 2006 and 2005.*

Cofiroute generated revenue of €966 million, including €940 million in toll receipts, representing an increase of 7.4%. On a stable network basis, traffic grew 3.1% (light vehicles up 3%; heavy goods vehicles up 3.9%). The opening of the Le Mans–Tours link had an additional positive impact on traffic of almost 2%. Growth in traffic accelerated in the latter part of the year, generating a 9% increase in toll receipts in the fourth quarter.

VINCI Park's revenue rose 6% to €523 million. This growth, which breaks down as 5.6% in France and 6.9% outside France, reflects good car park occupancy and the increased pace of international expansion, particularly in Germany, Spain and Canada.

Other infrastructure concessions recorded revenue of €183 million, up 13.4% despite the impact of disposals during the year (sale of Autopista Del Bosque in Chile and reduction of the shareholding in the Confederation Bridge in Canada from 50% to 19%). The airports in Cambodia performed very well, with traffic increasing to almost 2.7 million passengers, representing 25% growth in revenue, as did the Stade de France stadium, where revenue rose 33% with 25 events managed in 2006.

Following the full disposal of airport services operations in October 2006 and in application of IFRS 5 *Non-Current Assets Held for Sale and Discontinued Operations*, revenue from those assets is no longer included in the published consolidated revenue. The 2005 revenue from airport services, which amounted to €505 million, has been entirely eliminated from the 2005 data.

VINCI Energies: €3,654 million (+4.1%)

VINCI Energies generated revenue of almost €3.7 billion in 2006, representing an increase of 4.1% despite the sale of TMS at the beginning of the year. TMS, a company specialising in the automation of car assembly lines, generated revenue of almost €100 million in 2005. Excluding the impact of this sale, VINCI Energies' revenue increased 7%.

In France, revenue amounted to €2.7 billion, representing an increase of 5.2%. Business was buoyant in the tertiary sector, but there was a slight decline in the industrial sector.

Outside France, revenue amounted to €952 million, representing a rise of 12% excluding TMS. Business was particularly brisk in Germany and Poland. It benefited in addition from the contribution of recent acquisitions in Germany, Portugal, Belgium and the Netherlands.

VINCI Energies' order book was €1.7 billion at 31 December, up 21% year on year and representing 5.7 months of average business activity.

Eurovia: €7,234 million (+12%)

In France, revenue amounted to €4.2 billion, up 15.6%. Business growth was brisk across the country and accelerated in the fourth quarter, benefiting from good weather conditions. This performance also reflects the rise in raw materials prices, especially oil, which was particularly significant during the first part of the year.

Outside France, revenue amounted to €3 billion, up 7.4%. This represents 42% of the business line's total revenue.
On the basis of constant exchange rates and a comparable consolidation scope, the strongest growth was recorded in the United States, Poland, Slovakia and Canada. To a lesser degree, Germany confirmed its recovery. Other countries maintained their good level of business.

Eurovia's order book was €4.6 billion at 31 December 2006, up 7% year on year and representing 7.6 months of average business activity.

VINCI Construction: €10,617 million (+13%)

In France, VINCI Construction generated revenue of €6 billion, representing an increase of over 12%. Continuing the trend observed in recent years, business across the country continued to benefit from strong demand in the building sector. The performance achieved in the fourth quarter was particularly remarkable, with revenue increasing more than 20%.

Outside France, revenue rose more than 14% to €4.6 billion, which represents 43% of the business line's total revenue. This excellent performance is attributable to the dynamism of Central European subsidiaries, Freyssinet, VINCI Construction Grands Projets and CFE's dredging activities. These entities posted growth rates of close to or more than 20% over the year.

VINCI Construction's order book at 31 December 2006 exceeded €11.5 billion, up almost 14% year on year and representing 13 months of average business activity.

Revenue by business line(1)

(in € millions)	2006 Pro forma	2005 Pro forma	2006/2005 change Pro forma
Concessions	4,292	4,024	6.6%
Energy	3,654	3,509	4.1%
Roads	7,234	6,457	12.0%
Construction	10,617	9,399	13.0%
Property	565	409	38.0%
Eliminations	*(330)*	*(286)*	
Total	**26,032**	**23,512**	**10.7%**

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

Revenue by geographical area

(in € millions)	2006 Pro forma	% revenue	2005 Pro forma	2006/2005 change Pro forma
France	17,223	66%	15,539	10.8%
Germany	1,662	6%	1,574	5.6%
United Kingdom	1,714	7%	1,738	(1.4%)
Central and Eastern Europe	1,704	7%	1,560	9.2%
Belgium	690	3%	630	9.5%
Spain	316	1%	317	(0.5%)
Rest of Europe	526	2%	352	49.4%
Europe excluding France	**6,612**	**25%**	**6,171**	**7.1%**
North America	687	3%	564	21.8%
Rest of the world	1,510	6%	1,238	22.0%
Total	**26,032**	**100%**	**23,512**	**10.7%**

1.2 Operating profit from ordinary activities and operating profit(1)

Pro forma 2006 operating profit from ordinary activities(1) amounted to €2,669 million, representing an increase of 12.9% compared with that of 2005 (€2,365 million pro forma).
Restated to take account of the amortisation of ASF's contracts, representing an expense of €268 million for the year, consolidated operating profit from ordinary activities amounted to €2,937 million at 31 December 2006, an 11.5% increase over the 2005 figure of €2,633 million. The operating margin was 11.3% as against 11.2% in 2005.

Excluding ASF and ESCOTA, operating profit from ordinary activities amounted to €1,725 million against €1,568 million in 2005, a 10% improvement.

VINCI Concessions, with operating profit from ordinary activities of €1,581 million (operating margin of 37%) against €1,433 million in 2005, has become the biggest contributor to consolidated operating profit from ordinary activities (59% of the total).

Overall growth was 10.3% after taking account of the impact of amortisation of the revaluation surplus allocated to ASF's and ESCOTA's contracts. Restated for this item, operating profit from ordinary activities amounted to €1,849 million with an operating margin of 43.1%, compared with the 2005 pro forma figure of €1,701 million and 42.3% operating margin.

Operating profit from ordinary activities for ASF and ESCOTA before amortisation of goodwill amounted to €1,173 million, a 9.3% increase against the 2005 figure of €1,073 million, attributable mainly to business growth.

Cofiroute's operating profit from ordinary activities increased almost 10% to €514 million, driven by business growth and the positive impact of opening new sections to traffic.

VINCI Park's operating profit from ordinary activities declined slightly to €121 million against €127 million at 31 December 2005 due to the favourable impact of non-recurring items in 2005.

Operating profit from ordinary activities for other infrastructure concessions rose 11% to €61 million, attributable to a good overall performance but especially to that of the airports in Cambodia.

VINCI Energies recorded a 1.5% increase in operating profit from ordinary activities to €192 million at 31 December 2006, representing an operating margin of 5.2%, against €189 million in 2005 when its operating margin was 5.4%. This growth was achieved despite the decline of operating profit from ordinary activities in France due to an unfavourable comparison with 2005, which included the positive impact of non-recurring items.

(1) Operating profit from ordinary activities is defined as the operating profit before share-based payment expenses (IFRS 2), goodwill impairment losses and any material non-recurring items.

The contribution made by international business showed a clear improvement following the finalisation of the sale of TMS at the beginning of the year, the restructuring costs of that company having had an unfavourable impact on the business line's 2005 operating profit from ordinary activities. There was good progress in operating profit in Germany.

Eurovia recorded an 18.5% increase in operating profit from ordinary activities to €288 million, representing an operating margin of 4%, compared with operating profit of €243 million at 31 December 2005 (an operating margin of 3.8%).

There was significant growth in France, along the same lines as that of revenue. At 5.3%, the operating margin remained generally stable from one period to the next despite the unfavourable impact of continuous rises in the cost of oil products.

Eurovia's operating profit from ordinary activities outside France also improved significantly, driven in particular by the positive impact of the restructuring programme started in 2005 in the United States, where operating profit from ordinary activities was at break even in 2006 after being a loss in 2005. In Germany, although the market remained difficult, an operating profit from ordinary activities was achieved. Lastly, good results were recorded in the Czech Republic, with operating profit from ordinary activities of €31 million.

VINCI Construction's operating profit from ordinary activities rose 4.4% to €496 million at 31 December 2006, representing a margin of 4.7%. These figures compare with €475 million at 31 December 2005 and a margin of 5.1%. This good result is attributable to growth in virtually all the entities in this business line and more particularly to the good performances achieved outside France. Profitability in this business line remained high, the slight decline in margins compared with 2005 being due mainly to the favourable impact in 2005 of several non-recurring items.

Operating profit from ordinary activities at **VINCI Immobilier** amounted to €73 million, more than double that of 2005, representing an operating margin of 13%. It includes in particular the effects of the completion in the period of several office building projects and significant commercial transactions.

The holding companies generated €40 million in operating profit from ordinary activities at 31 December 2006 compared with a loss of €9 million at 31 December 2005. This figure includes the capital gain of €53 million on the sale of a property complex in Nanterre, near Paris, and a €23 million impairment allowance against the carrying amount of the property in Rue de Balzac, Paris.

Operating profit from ordinary activities and operating profit by business line

(in € millions)	2006 Pro forma	% of revenue	2005 Pro forma	% of revenue	2006/2005 change
Concessions	1,580	36.8%	1,433	35.6%	+ 10.3%
of which ASF[1]	*904*	*34.4%*	*805*	*32.5%*	
Energy	192	5.2%	189	5.4%	+ 1.6%
Roads	288	4.0%	243	3.8%	+ 18.5%
Construction	496	4.7%	475	5.1%	+ 4.4%
Property	73	13.0%	34	8.2%	+ 114.7%
Holding companies	40		(9)		
Operating profit from ordinary activities	**2,669**	**10.3%**	**2,365**	**10.1%**	**+ 12.9%**
Share-based payment expense (IFRS 2)	(90)		(71)		
Goodwill impairment expense	(14)		(13)		
Operating profit	**2,565**	**9.9%**	**2,281**	**9.7%**	**+ 12.5%**

(1) Of which amortisation of revaluation surplus on ASF's contracts for €268 million.

After taking account of the expenses related to share-based payments and goodwill impairment for a total of €104 million, operating profit was €2,565 million in 2006, representing 9.9% of revenue and an increase of 12.5% against 2005.

1.3 Net profit

Pro forma net profit attributable to equity holders of the parent was €1,277 million, up 31.1% against that of 2005 restated on a comparable basis (€974 million).

Actual net profit at 31 December 2005 was €871 million. The 2005 pro forma figure was calculated by adding €103 million to take account of ASF's profit as if it had been fully consolidated for the period instead of 23% being equity-accounted in the actual financial statements. Conversely, the acquisition financing cost, the impact of adjusting ASF's debt to fair value and the amortisation of goodwill after tax have been deducted.

ASF's contribution to net profit increased significantly to €360 million, compared with €306 million at 31 December 2005. Excluding ASF, the operating business lines' contribution to net profit increased 23.4% from €841 million to €1,038 million. After taking account of the impact of the sale of the property complex in Nanterre, near Paris, for a net after-tax amount of €46 million, the holding companies' contribution to net profit increased by €52 million, from a loss of €173 million in 2005 to a loss of €121 million at 31 December 2006.

Net profit also included several other non-recurring items (and disposal of non-strategic assets), representing a net contribution of €49 million.

Net profit by business line

(in € millions)	2006 Pro forma	2005 Pro forma	2006/2005 change
Concessions	694	562	+ 23.5 %
Energy	111	99	+ 11.6 %
Roads	202	153	+ 32.1 %
Construction	342	313	+ 9.4 %
Property	49	20	x 2.5
Holding companies	(121)	(173)	na
Total	**1,277**	**974**	**+ 31.1 %**

The cost of net financial debt was €679 million, improving against the 2005 figure restated on a comparable basis (€699 million).

The cost of financing borne by the VINCI holding company in connection with the acquisition of the additional 77% shareholding in ASF amounts to about €193 million for the full year.

The main portion of this expense is attributable to VINCI Concessions for €543 million compared with €512 million in 2005.

Financial expense on ASF's and ESCOTA's debt amounted to €344 million in 2006, compared with €355 million in 2005. These figures take account of the positive impact (€66 million on a full-year basis) of adjusting the debt to fair value from the date of acquisition.

Cofiroute's financial expense increased to €133 million, against €99 million at 31 December 2005, due to the increase of its net financial debt as the company continued its investment programme.

VINCI Park's financial expenses rose €10 million following the increase in its debt caused by the distribution of an exceptional dividend of €500 million at the end of June 2006.

Excluding VINCI Concessions and the cost associated with the acquisition of ASF, net financial income amounted to €57 million at 31 December 2006, compared with net financial income of €6 million at 31 December 2005. This improvement is attributable mainly to:
- the reduction of the holding company's financial expenses, which benefited from the positive effects of the floating-rate interest policy applied to its debt;
- the increase in income from cash management investments made by operating business lines other than concessions.

Other financial income and expenses amounted to net income of €140 million, against €73 million in 2005.

This figure includes capitalised borrowing costs related to the investment programmes of Cofiroute for €83 million and ASF for €7 million, as well as the impact of the disposal of financial assets, which generated a total pre-tax capital gain of €69 million.

It also includes the cost of discounting provisions for retirement benefit obligations for €33 million.

The tax expense for the period amounted to €666 million, up €109 million compared with that at 31 December 2005 (€557 million). The effective tax rate was 31%.

The Group's share in the results of equity-accounted associates amounted to €13 million in 2006, compared with €10 million in 2005. This is made up mainly of the results of VINCI's shareholdings in the Prado–Carénage tunnel, Confederation Bridge, and Tagus crossings concessions, as well as shareholdings in the roads sector.

The profit of operations discontinued or disposed of amounted to €49 million, representing the net profit of airport services operations and the capital gain on their disposal, which became effective during the second half of 2006.

Minority interest of €147 million represents mainly the shares not owned by VINCI in Cofiroute in France and CFE in Belgium.

1.4 Cash flow from operations(1)

Cash flow from operations before financing costs and tax increased 8% year on year. It amounted to €3,999 million at 31 December 2006 against €3,706 million in 2005 on a pro forma basis.
It benefited from the business lines' growth in operating profit from ordinary activities and represented 15.4% of revenue for the period. All VINCI's business lines contributed to this improvement.

VINCI Concessions remained the biggest contributor. Its cash flow from operations rose 8.8% to over €2.6 billion, against €2,413 million at 31 December 2005, and represented 61.2% of its revenue compared with 60% in 2005.
ASF and ESCOTA contributed €1,711 million, or 65.2% of revenue, to 2006 cash flow from operations, up almost 9% compared with 2005. Cofiroute's cash flow from operations increased 10% compared with 2005 to €663 million, representing 68.6% of its revenue.

(1) Before tax and financing costs.

Cash flow from operations by business line

(in € millions)	2006 Pro forma	% of revenue	2005 Pro forma	% of revenue	2006/2005 change
Concessions	2,624	61.2%	2,413	60.0%	+ 8.8%
Energy	229	6.3%	215	6.1%	+ 6.6%
Roads	426	5.9%	379	5.9%	+ 12.3%
Construction	680	6.4%	656	7.0%	+ 3.7%
Property	74	13.1%	34	8.4%	x 2.2
Holding companies	(34)		9		na
Total	**3,999**	**15.4%**	**3,706**	**15.8%**	**+ 7.9%**

1.5 Other cash flows

Net cash flows from operating activities amounted to €2,668 million, an increase of €272 million compared with 2005 restated on a pro forma basis (€2,397 million). This increase is close to that of cash flow from operations, the reduction in financial expenses paid having offset both the less pronounced positive variation in working capital requirement and current provisions than that observed in 2005 (€67 million compared with €110 million in 2005), and the €106 million increase in taxes paid in 2006 compared with 2005 (€794 million against €688 million in 2005).
The improvement in working capital requirement and current provisions was not as great as in 2005 due to the deterioration in working capital caused mainly by growth in property development projects and public-private partnerships.
Net financial expenses paid declined significantly from €731 million in 2005 to €604 million in 2006 due mainly to the cash settlements received in respect of the cancellation of the floating-rate interest rate swaps set up previously by ASF.

Free operating cash flow[1] amounted to €2,093 million against €1,815 million at 31 December 2005 (an increase of 15.3%) after taking account of investments in operating assets (net of disposals). These declined 1% compared with the 2005 figure (€575 million against €582 million), including the impact of the sale of the property in Nanterre for €86 million.
Gross capital expenditure increased €64 million to €775 million compared with €711 million in 2005, in particular at VINCI Construction where it rose €93 million to €435 million as a result of increased investments outside France.
Investments in concession assets amounted to €1,329 million for the period, comprising mainly:
- investments by Cofiroute for €754 million (€735 million in 2005);
- investments by ASF and ESCOTA for €463 million (€478 million in 2005), of which €348 million by ASF and €115 million by ESCOTA.

Excluding the acquisition of ASF, net financial investments amounted to €156 million, compared with €92 million in 2005.
These comprised a total of €236 million for acquisitions, of which approximately €60 million by Eurovia in respect of an 88% shareholding in Carrières Unies de Porphyre in Belgium.

Share disposals represented a total of €80 million over the period. These related mainly to 31.1% of the share capital of SCDI (Confederation Bridge in Canada), the sale of the Stratebau shareholding by Eurovia and that of Wiemer und Trachte by VINCI Construction.
In total, before investment in ASF and increases in share capital, pro forma **free cash flow**[2] showed a net cash surplus of €628 million, an increase of almost €109 million compared with 2005 (€519 million at 31 December 2005 restated on a comparable basis). Of this, €386 million was generated by the concessions business line.
The acquisition of ASF generated a net investing activities cash outflow of €8.5 billion, consisting of an investment in shares by VINCI for €9.1 billion, net of expenses, less the net cash investments contributed by ASF and ESCOTA for €0.6 billion.

In total, taking account of the net cash outflows in connection with the investment in ASF, the ***net cash outflow***[2] **after financing growth investments** was €7.9 billion, on the basis of the published 2006 consolidated figures.

Financing activities during the period were mainly those related to the acquisition of ASF.
Cash inflows from increasing the share capital during 2006, which amounted to a total of €3.1 billion, comprise essentially the increase of share capital on 25 April for €2.5 billion and the issue of deeply subordinated undated bonds for €0.5 billion in February 2006.
Other increases in share capital represented a total of €396 million (4.8 million shares issued in connection with the exercise of share purchase options at an average price of €28 and 4.8 million shares subscribed under the Group Savings Scheme at an average price of €55).

Execution of the share buy-back programme involved a total investment of €290 million in 2006 (3,174,300 shares at an average price of €91.5). Overall, after cancellation of 6,975,000 shares, VINCI held approximately 2,286,000 treasury shares at 31 December 2006.

Dividend payments amounted to a total of €552 million, of which €472 million corresponding to the dividend paid by VINCI. The remainder comprises mainly dividends paid by Cofiroute and ASF to their minority shareholders.
Lastly, the dividends paid by VINCI in 2006 include the final dividend in respect of 2005 for €250 million (€1.3 per share for 191

(1) Cash flows (used in)/from operating activities net of investments in and sales of property, plant and equipment, and intangible assets.
(2) Cash flows (used in)/from operating and investment activities.

million shares), the interim dividend in respect of 2006 for €199 million (€0.85 per share calculated on the basis of 233.4 million shares), which was paid on 21 December 2006, and the interest payment on the deeply subordinated undated bonds, considered as a dividend, for €23 million.

1.6 Balance sheet

VINCI's net financial debt increased from €1.6 billion at the end of 2005 to €14.8 billion at 31 December 2006.
The acquisition of ASF contributed €13.9 billion to this change by adding ASF and ESCOTA's debt of €8 billion to the financing loan and the use of the holding company's cash resources, i.e. €5.9 billion.

Concessions subsidiaries' debt (excluding ASF) increased from €3.6 billion to €4.3 billion over the 12-month period. This includes €483 million at VINCI Park in respect of its payment of an exceptional dividend of €500 million.
The other business lines showed a net cash surplus of €2.6 billion, stable overall compared with 31 December 2005.

Net financial (debt)/surplus

(in € millions)	2006 statutory	2005 statutory	2006/2005 change
Cofiroute	*(3,006)*	*(2,544)*	*(462)*
ASF/ESCOTA and ASF Holding	*(9,569)*		*(9,569)*
VINCI Park	*(874)*	*(391)*	*(483)*
Other concessions	*(404)*	*(703)*	*+ 299*
Concessions and services (excl. holding companies)	(13,853)	(3,638)	(10,215)
Energy, Roads, Construction, Property	2,610	2,705	(95)
Holding companies	(3,553)	(646)	(2,907)
Net financial debt	**(14,796)**	**(1,579)**	**(13,217)**

VINCI's consolidated non-current assets at 31 December 2006 amounted to €31.5 billion. 90% of these are concession assets, ASF accounting for almost 70%.

The Group's capital employed, which included a working capital surplus of €1.8 billion and current provisions for almost €1.7 billion, amounted to €26 billion at 31 December 2006, up €17.5 billion against the end of 2005 (€8.5 billion).
Capital employed increased €0.1 billion against comparable pro forma data at 31 December 2005, the concessions investments (mainly Cofiroute) having been partially offset by the disposal of assets during the period (airport services and Autopista Del Bosque in particular).

The Concessions business line accounted for over 97% of the Group's capital employed.

In parallel, total equity, including minority interest for €748 million, amounted to €9.6 billion at the year end, against €8.6 billion using restated pro forma data at 31 December 2005.

1.7 Reconciliation between published consolidated financial statements and pro forma consolidated financial information

The pro forma adjustments in relation to the income statement, balance sheet and cash flow statement were calculated as if the acquisition of the additional 77% of ASF's share capital had taken place on 1 January 2005.

The pro forma financial information was prepared on the basis of the following consolidated financial statements:
- for 2005 pro forma information: consolidated IFRS financial statements at 31 December 2005 was published by VINCI and ASF, the differences in presentation in ASF's past financial statements compared with VINCI's having been brought into line with VINCI's through reclassifications;
- for 2006 pro forma information: VINCI Group consolidated financial statements at 31 December 2006, after full consolidation of ASF as of 9 March 2006.

It is important to note that the pro forma financial information does not necessarily represent the results that would have been observed in VINCI's consolidated financial statements had the acquisition of ASF become effective on either of these dates.

1.7.1 Method used to prepare the pro forma financial information

a) 2005 pro forma financial information

The 2005 pro forma financial information was prepared as follows:

- Elimination of the contribution from VINCI's 23% shareholding in ASF at 31 December 2005;
- As well as certain reclassifications made between accounts in order to adopt the same presentation for the ASF financial statements as for VINCI (see above), ASF's accounting policies have been aligned with those used by VINCI. This mainly relates to:
  – the actuarial assumptions used to calculate provisions for employment benefit obligations;
  – the manner of accounting for expenditure on major repairs under contractual obligations to return assets to good condition, for which VINCI, unlike ASF, recognises provisions: pending application of IFRIC 12, a provision for major repairs has been recognised in ASF's consolidated financial statements using the same measurement principles as were previously used by VINCI.
- Determination and allocation of the cost of the acquisition: The fair value of the assets and liabilities acquired used in the 2005 pro forma financial statements was determined on the basis of the fair values calculated at the date of acquiring control (9 March 2006), which were used in preparing the 2006 consolidated financial statements. These items are shown in Note C.1 to VINCI's consolidated financial statements at 31 December 2006 and can be summarised as follows:
  – in accordance with IFRS 3, the fair value of the net assets acquired has been measured consistently with the valuations made in connection with the offer made by VINCI to the French government on 7 November 2005, and with those made for the purposes of the standing market offer for the ASF shares not owned by VINCI that was filed on 13 March 2006;
  – the shares in ASF purchased before VINCI acquired control have been valued, applying the "business combination achieved in stages" method, on the basis of the fair value of the assets and liabilities at the date of acquisition of the corresponding blocks of shares, applying financial assumptions that were consistent with the periods under consideration. The various blocks of shares restated relate to the acquisitions made in 2002 (17% of ASF), 2003 (3%) and 2004 (3%);
  – two items of note have been identified with regard to the difference between the fair value of the assets and liabilities acquired and the consolidated carrying amount of the ASF shares:
    - the value attributable to the operating right granted under the ASF Group's concession contracts: this item, considered as an intangible asset, represents an amount of €6.9 billion, amortisable over the remaining period of the ASF concession contract, which is 25.7 years;
    - the market value of ASF's debt at 31 December 2005 has been assessed at nearly €8.9 billion, which is an adjustment of + €0.3 billion against the carrying amount in the ASF consolidated financial statements of €8.6 billion.

      The resulting modification to the effective interest rate of the debt leads to an adjustment increasing the 2005 and 2006 profit calculated for the purposes of this pro forma information by slightly less than €0.1 billion before tax.
  – in application of IAS 12, a deferred tax liability has also been recognised in respect of the items restated at fair value. This deferred tax liability, associated with the value attributable to the right to operate the concessions, amounts to €2.4 billion. A deferred tax asset of €0.1 billion has also been recognised in respect of the revaluation arising from the recognition of ASF's debt at market value.
  – on the basis the points above, there arises goodwill of €3 billion, which includes:
    - the excess of the acquisition price over the fair value of the assets and liabilities acquired at the date of acquiring control, for €0.6 billion (after taking account of €0.1 billion of negative goodwill arising from application of the "business combination achieved in stages" method);
    - the opposite entry to the deferred tax liability related to the value attributable to the right to operate ASF's concessions for €2.4 billion.

- Accounting for the means of financing the transaction:
  The financing of the acquisition represented in the 2005 pro forma financial statements is as was effected in 2006 for the successive acquisitions that led to the acquisition of the further 77% of ASF, namely:
  – an increase in share capital in April, for €2.5 billion;
  – proceeds of €0.5 billion from the issue of deeply subordinated undated bonds by VINCI in February 2006;
  – use of borrowings for €3.8 billion;
  – use of available cash resources for the balance, of €2.3 billion.

b) 2006 pro forma financial information

The 2006 pro forma financial information has been prepared on the following basis:

- elimination of the contribution arising from VINCI's 23% shareholding in ASF at 9 March 2006;
- addition to the published figures of the share of ASF's results and cash flows for the period from 1 January to 9 March 2006, from which date ASF was fully consolidated by VINCI;
- recognition of the impact of the financing cost for the period from 1 January to 9 March 2006 associated with the investment made by VINCI in ASF financed by debt and available cash resources, on the basis of the average financing rates seen in the period;
- recognition on a pro rata time basis of the full-year effects of the adjustments associated with measuring acquired assets and liabilities at fair value at 9 March 2006 (mainly the fair values associated with concession contracts and debt).

As the effects of the acquisition of the further 77% shareholding in ASF are included in VINCI's consolidated balance sheet at 31 December 2006, no pro forma balance sheet at that date has been prepared. A pro forma comparison may be obtained by comparing the consolidated balance sheet at 31 December 2006 with the pro forma balance sheet presented below.

1.7.2 Pro forma adjustments to the 2005 and 2006 income statement

VINCI/ASF pro forma income statement at 31 December 2005

(in € millions)	VINCI published 31 Dec. 2005	ASF published 31 Dec. 2005 (VINCI format)	Total transaction	Notes	Pro forma 31 Dec. 2005
Revenue	**21,038.1**	**2,474.2**	**0.0**		**23,512.3**
Revenue from ancillary activities	181.8		13.4		195.2
Operating expenses	(19,659.8)	(1,398.5)	(284.3)		(21,342.6)
Operating profit from ordinary activities	**1,560.1**	**1,075.7**	**(270.9)**	**(1)**	**2,364.9**
Share-based payment expense (IFRS 2)	(70.1)	0.0	(0.7)		(70.8)
Goodwill impairment expense	(13.2)		0.0		(13.2)
Operating profit	**1,476.8**	**1,075.7**	**(271.6)**		**2,280.9**
Cost of net financial debt	**(150.3)**	**(406.9)**	**(141.8)**	**(2)**	**(699.0)**
Other financial income/(expenses)	52.7	10.2	9.8	(3)	72.7
Income tax expense	(462.4)	(235.5)	140.9	(4)	(557.0)
Share of profit/(loss) of associates	87.0		(76.8)	(5)	10.2
Net profit before profit or loss of discontinued operations (halted or sold)	**1,003.9**	**443.5**	**(339.5)**		**1,107.8**
Net profit or loss after tax of discontinued operations (halted or sold)	(1.0)		0.0		(1.0)
Net profit (including minority interest)	**1,002.9**	**443.5**	**(339.5)**		**1,106.8**
Minority interest	(131.6)	(1.0)	(0.0)		(132.6)
Net profit attributable to equity holders of the parent	**871.2**	**442.5**	**(339.6)**		**974.2**

(1) Including amortisation, for €268 million, of the intangible asset representing the value attributable to the right to operate ASF's concessions (estimated at €6.9 billion) over 25.7 years.

(2) Including the cost (€193 million) of financing the portion of the acquisition financed by loans and own cash resources, less the positive effect (€66 million) of restating the decrease in the effective interest rate of the ASF debt recognised at fair value.

(3) Reclassification of other financial expenses under cost of debt, in application of VINCI's presentation policies.

(4) Deferred tax connected with the amortisation of the intangible asset mentioned above and the pro forma adjustments connected with the cost of net financial debt.

(5) Elimination of ASF's contribution in VINCI's 2005 consolidated IFRS financial statements.

VINCI/ASF pro forma income statement at 31 December 2006

(in € millions)	VINCI published 31 Dec. 2006	ASF consolidation 1 Jan. to 9 Mar. 2006(*)	Other pro forma adjustments	Notes	Pro forma 31 Dec. 2006
Revenue	**25,634.3**	**398.1**	**0.0**		**26,032.4**
Revenue from ancillary activities	218.8	1.1	0.0		219.9
Operating expenses	(23,273.3)	(260.0)	(50.0)		(23,583.3)
Operating profit from ordinary activities	**2,579.8**	**139.2**	**(50.0)**	**(1)**	**2,669.0**
Share-based payment expense (IFRS 2)	(89.5)	0.0	0.0		(89.5)
Goodwill impairment expense	(14.3)		0.0		(14.3)
Operating profit	**2,476.0**	**139.2**	**(50.0)**		**2,565.2**
Cost of net financial debt	**(581.7)**	**(75.2)**	**(21.6)**	**(2)**	**(678.5)**
Other financial income/(expenses)	137.4	2.7	0.0		140.1
Income tax expense	(667.4)	(22.7)	24.6	(3)	(665.5)
Share of profit/(loss) of associates	18.3	(0.1)	(5.4)	(4)	12.8
Net profit before profit or loss of discontinued operations (halted or sold)	**1,382.6**	**43.9**	**(52.4)**		**1,374.1**
Net profit or loss after tax of discontinued operations (halted or sold)	49.4		0.0		49.4
Net profit (including minority interest)	**1,432.0**	**43.9**	**(52.4)**		**1,423.5**
Minority interest	(161.7)	(0.1)	15.1	(5)	(146.7)
Net profit attributable to equity holders of the parent	**1,270.3**	**43.8**	**(37.3)**		**1,276.8**

(*) Inclusion of ASF's profit for the period preceding full consolidation by VINCI (1 January to 9 March 2006).

Other pro forma adjustments:

(1) Amortisation, for €50 million, of the intangible asset representing the value attributable to the right to operate the ASF concessions, for the period from 1 January to 9 March 2006.

(2) Cost (€31 million) of financing the portion of the acquisition financed by loans and own cash resources, less the positive effect (€9 million) of restating the decrease in the effective interest rate of the ASF debt recognised at fair value, for the period from 1 January to 9 March 2006.

(3) Deferred tax connected with the amortisation of the intangible asset mentioned above and the pro forma adjustments connected with the cost of net financial debt.

(4) Elimination of the equity-accounted contribution by ASF for the period from 1 January to 9 March 2006 in VINCI's consolidated financial statements.

(5) Elimination of the minority interest recognised in VINCI's consolidated financial statements.

1.7.3 Pro forma adjustments to the balance sheet at 31 December 2005

VINCI/ASF pro forma balance sheet at 31 December 2005

Assets (in € millions)	VINCI published 31 Dec. 2005	ASF published 31 Dec. 2005 (VINCI format)	Total transaction	Notes	Pro forma 31 Dec. 2005
Non-current assets					
Intangible assets	103.7	23.4	6,889.3	(1)	7,016.4
Goodwill	813.1		2,966.0	(2)	3,779.1
Concession fixed assets	5,741.0	11,720.2	4.7		17,465.9
Property, plant and equipment	2,214.8	126.1	(0.9)		2,340.0
Investment property	47.2		0.0		47.2
Investments in associates	1,595.5		(1,505.8)	(3)	89.7
Other non-current financial assets	440.0	167.5	(2.7)		604.8
Deferred tax assets	210.5		134.6	(4)	345.1
Total non-current assets	**11,165.8**	**12,037.2**	**8,485.2**		**31,688.2**
Current assets					
Inventories and work in progress	540.5	13.2	0.0		553.7
Trade and other operating receivables	8,334.3	292.7	(72.8)		8,554.2
Other current assets	218.6	0.0	32.8		251.4
Current tax assets	62.5	0.0	0.3		62.8
Other current financial assets	87.8	16.2	20.9		124.9
Cash management financial assets	885.6	0.0	198.5		1,084.1
Cash and cash equivalents	4,598.7	820.9	(2,440.9)	(5)	2,978.7
Total current assets	**14,728.0**	**1,143.0**	**(2,261.2)**		**13,609.8**
Total assets	**25,893.8**	**13,180.2**	**6,224.0**		**45,298.0**

Equity and liabilities (in € millions)	VINCI published 31 Dec. 2005	ASF published 31 Dec. 2005 (VINCI format)	Total transaction	Notes	Pro forma 31 Dec. 2005
Share capital					
Equity attributable to equity holders of the parent	4,646.8	3,653.5	(419.1)		7,881.2
Minority interest	671.7	3.8	0.0		675.5
Total equity	**5,318.5**	**3,657.3**	**(419.1)**	**(6)**	**8,556.7**
Non-current liabilities					
Non-current provisions	797.3	94.5	149.7	(7)	1,041.5
Bonds	3,588.3		0.0		3,588.3
Other loans and borrowings	1,840.4	7,885.3	3,316.9	(5)	13,042.6
Other non-current liabilities	32.0	66.5	(56.9)		41.6
Deferred tax liabilities	210.6	238.2	2,315.3	(4)	2,764.1
Total non-current liabilities	**6,468.6**	**8,284.5**	**5,725.0**		**20,478.1**
Current liabilities					
Current provisions	1,445.4	0.0	43.3	(7)	1,488.7
Trade payables	5,002.3	66.1	0.0		5,068.4
Other current payables	5,498.6	391.3	47.4		5,937.3
Current tax payables	253.9	27.0	0.1		281.0
Current borrowings	1,906.6	754.0	827.3	(5)	3,487.9
Total current liabilities	**14,106.8**	**1,238.4**	**918.1**		**16,263.3**
Total equity and liabilities	**25,893.8**	**13,180.2**	**6,224.0**		**45,298.0**

(1) Value attributable to the operating right granted by ASF's concessions, amounting to €6.9 billion based on the values used in VINCI's offer to the French government and the standing market offer.

(2) Goodwill of €0.6 billion corresponding to that part of the ASF acquisition price exceeding the fair value of the net asset acquired, which was estimated on the date VINCI acquired control.

This amount is reduced by negative goodwill of €0.1 billion, resulting from applying the "business combination achieved in stages" method.

Goodwill also includes the deferred tax liability of €2.4 billion, recognised when the concession operating right was recognised as an intangible asset (see note 6).

(3) Elimination of the ASF shares accounted for using the equity method in VINCI's 2005 IFRS consolidated financial statements, for €1.5 billion.

(4) Deferred tax asset associated with the remeasurement of the ASF debt following its recognition at market value.

Deferred tax liability associated with the remeasurement of the rights to operate ASF's concessions.

(5) Financing of the acquisition of 77% of ASF for €2.3 billion using available cash resources and for €3 billion by drawing on the acquisition loan and for €0.8 billion by issuing commercial paper.

Recognition of ASF's debt at its market value at 31 December 2005 generating a revaluation of €0.3 billion.

Recognition under cash assets of the proceeds of the issue of deeply subordinated undated bonds of €0.5 billion, in February 2006.

(6) Elimination of ASF's consolidated equity (€3.6 billion), after correction for the effects of the increase in equity attributable to VINCI before the supplementary acquisition.

Recognition under equity of deeply subordinated undated bonds of €0.5 billion, in accordance with the IFRSs.

Issue of new shares for cash of €2.5 billion in April 2006.

Revaluation surplus of €0.2 billion corresponding to the increase in the fair value of the net assets of ASF to the extent of the shareholdings acquired by VINCI before acquiring control, in application of the "business combination achieved in stages" method.

(7) Harmonisation of ASF's accounting policies with VINCI's: recognition of a provision for major repairs and adjustment of discounting rates used in measuring employee benefit obligations.

1.7.4 Pro forma adjustments to cash flows (used in)/from operating activities and investments 2005 and 2006

Extracts from VINCI/ASF pro forma cash flow statement at 31 December 2005

(in € millions)		VINCI published 31 Dec. 2005	ASF published 31 Dec. 2005 (VINCI format)	Total transaction	Notes	Pro forma 31 Dec. 2005
Cash flows (used in)/from operations before tax and financing costs		**2,133.9**	**1,568.6**	**3.4**	**(1)**	**3,705.9**
Changes in working capital requirement and current provisions		114.1	(16.2)	12.0	(2)	109.9
Income taxes paid		(481.0)	(207.0)	0.0		(688.0)
Net interest paid		(100.9)	(436.5)	(193.7)	(3)	(731.1)
Net cash flows (used in)/from operating activities	**I**	**1,666.1**	**908.9**	**(178.3)**		**2,396.7**
Purchases of property, plant and equipment, and intangible assets		(700.3)	(11.5)	0.0		(711.8)
Proceeds from sales of property, plant and equipment, and intangible assets		128.0	1.6	0.0		129.6
Purchases of concession fixed assets (net of grants received)		(811.1)	(488.5)	10.9	(2)	(1,288.7)
Purchases of shares in subsidiaries and associates (consolidated and unconsolidated)		(191.0)	(5.8)	0.0		(196.8)
Proceeds from sales of shares in subsidiaries and associates (consolidated and unconsolidated)		104.4	0.0	0.0		104.4
Net effect of changes in scope of consolidation		6.5		0.0		6.5
Dividends received from associates and unconsolidated entities		65.6		0.0		65.6
Other		27.3	48.0	(63.7)	(2)	11.6
Net cash flows (used in)/from investing activities	**II**	**(1,370.6)**	**(456.2)**	**(52.8)**		**(1,879.6)**

(1) Harmonisation of ASF's presentation policies with VINCI's: reclassification under working capital requirement and current provisions of items affecting cash flow from operations.

(2) Harmonisation of ASF's presentation policies with VINCI's:

– reclassification under working capital requirement and current provisions of items affecting cash flow from operations (see above);

– reclassification of changes in debts associated with concession intangible assets under changes in working capital requirement.

(3) Cost of financing the portion of the acquisition financed by loans and own cash resources.

Extracts from VINCI/ASF pro forma cash flow statement at 31 December 2006

(in € millions)		VINCI published 31 Dec. 2006	ASF consolidation 1 Jan. to 9 Mar. 2006 (*)	Other pro forma adjustments	Notes	Pro forma 31 Dec. 2006
Cash flows (used in)/from operations before tax and financing costs		**3,755.0**	**243.7**	**0.0**		**3,998.7**
Changes in working capital requirement and current provisions		12.7	54.8	0.0		67.5
Income taxes paid		(758.2)	(35.9)	0.0		(794.1)
Net interest paid		(518.0)	(55.1)	(30.6)	(1)	(603.7)
Net cash flows (used in)/from operating activities	**I**	**2,491.5**	**207.5**	**(30.6)**		**2,668.4**
Purchases of property, plant and equipment, and intangible assets		(771.8)	(3.3)	0.0		(775.1)
Proceeds from sales of property, plant and equipment, and intangible assets		199.7	0.0	0.0		199.7
Purchases of concession fixed assets (net of grants received)		(1,205.3)	(123.7)	0.0		(1,329.0)
Purchases of shares in subsidiaries and associates (consolidated and unconsolidated)		(9,322.4)	(0.3)	9,087.0	(2)	(235.7)
Proceeds from sales of shares in subsidiaries and associates (consolidated and unconsolidated)		79.7	0.0	0.0		79.7
Net effect of changes in scope of consolidation		614.2	(11.5)	(605.0)	(2)	(2.3)
Dividends received from associates and unconsolidated entities		15.9		0.0		15.9
Other		5.9	0.6	0.0		6.5
Net cash flows (used in)/from investing activities	**II**	**(10,384.1)**	**(138.2)**	**8,482.0**		**(2,040.3)**

(*) Inclusion of ASF's results for the period preceding full consolidation by VINCI (1 January to 9 March 2006).

Other pro forma adjustments:

(1) Cost of financing the portion of the acquisition financed by loans and own cash resources for the period from 1 January to 9 March 2006;

(2) Restatement of net cash outflows for the investment in ASF, comprising the purchase of shares for €9.1 billion less ASF and ESCOTA's net cash acquired.

1.8 Return on capital

Return on equity (ROE)

ROE, calculated on the basis of consolidated shareholders' equity (excluding minority interest), was 27.3% overall for 2006, slightly down on the previous period (28.9%). This is still high and reflects the good profitability of the civil engineering and construction business lines, which are not capital intensive.

(in € millions)	Statutory 2006	Statutory 2005
Equity at previous year-end	4,647	3,016
Net profit for the year	1,270	871
ROE	**27.3%**	**28.9%**

Return on capital employed (ROCE)

ROCE declined against the 2005 level due to the increase in capital employed as a result of the acquisition of ASF and the continuation of the Group's policy of investing in concessions.

The Group's ROCE is the result of two very different activity profiles:

- very high ROCE in activities other than concessions due to the combination of their low capital intensity (which is even negative for VINCI Construction) and high operating profit;
- lower ROCE in concessions (6% in 2006 and 4.5% using restated data(3)), due to the impact of the investment in ASF (€17.4 billion capital employed) and new infrastructure concession projects at construction and start-up phase (€1.6 billion in total), where profitability is still low.

(in € millions)	2006 restated (3)	2006	2005
Capital employed at previous year-end	22,639	8,481	7,562
Capital employed at this year-end	22,851	26,100	8,481
Average capital employed	**22,745**	**17,290**	**8,022**
Operating profit from ordinary activities	2,580	2,580	1,560
Other items(1)	26	26	92
Theoretical tax expense(2)	(806)	(806)	(493)
NOPAT	**1,800**	**1,800**	**1,159**
ROCE	**7.9 %**	**10.4 %**	**14.4 %**

(1) Group's share of earnings of equity-accounted companies, dividends received and, where applicable, other financial items (excluding financing costs, depreciation, amortisation and provisions, foreign exchange gains and losses, disposal gains and losses, capitalised borrowing costs, and cost of discounting retirement obligations).
(2) On the basis of the effective tax rate for the period (31.3% in 2006 and 31.6% in 2005).
(3) Capital employed at previous year-end and at this year-end adjusted for the capital employed in the acquisition of 77% of ASF (€17.4 billion) prorated to the period of ownership, i.e. from 9 March to 31 December 2006 (€14.2 billion).

2. Parent company financial statements

The parent company's net profit was €1,435 million in 2006, compared with €716 million in 2005.
Expenses referred to in Article 39.4 of the French Tax Code amounted to €67,625 in 2006.

3. Dividends

The net dividend proposed to the Shareholders Meeting is €2.65 per share, up 33% against the dividend of €2.00 per share paid in respect of 2005. This represents a yield, including tax credit, of 2.5% on the basis of the share price at 15 February 2007. Taking account of the interim dividend of €0.85 per share paid in December 2006, the final dividend of €1.80 per share will be paid on 14 May 2007.
The total amount that will be distributed to shareholders in respect of 2005 is estimated at €616 million. This is a 61% increase over the amount distributed in respect of 2005 (€382 million) and represents 50% of the 2006 net consolidated profit (44% in 2005).

B. Risk factors

1. Operating risks

1.1 Construction, Roads, Energy

In general, VINCI Construction's, Eurovia's and VINCI Energies' businesses are dependent on the economic climate and public-sector orders. If these decrease, pressure on business volumes and prices may result.

In fulfilling orders, Group companies are also exposed to the risk that the actual time and/or cost of construction will be different from the estimate made when the contract was awarded. Time and cost depend on a certain number of factors that are difficult or impossible to forecast, such as changes in raw materials prices, labour and subcontracting costs, difficulties associated with the technical complexity of the project to be built, and weather and geological conditions. Group companies are also exposed to the risk of customer insolvency.

The risks described above are lessened by the fact that Group companies' revenue arises from a large number of contracts. Estimated at approximately 260,000 a year, these contracts are generally of modest size, last a few months and involve a very diverse range of skills, geographical locations and customers.

The major projects carried out by VINCI Construction Grands Projets account for less than 6% of the Construction business line's revenue and less than 1.5% of the Group's consolidated revenue. In this area, the Group's policy is to favour projects with high technical value added, enabling its know-how to be leveraged in countries where the environment is known and manageable. These major projects are also usually carried out in consortia with external companies in order to limit the Group's risk exposure.

Regarding order-taking, the Group has set up a policy for selecting new business and procedures for monitoring commitments from an early stage have been applied for many years. In addition, the budgetary procedures and reporting and internal control systems in each business line and at holding company level enable regular – usually monthly – monitoring of key management indicators and a periodic review of each entity's results. All these procedures are described in the *Report of the Chairman on internal control procedures*, page 150.

1.2 Property

The Group's property development activities are exposed to a number of risks associated in particular with administrative, technical and commercial factors that could result in delays (or even abandonment of some projects), budget over-runs and uncertainties regarding the sales price of properties.

VINCI's exposure to property risks is limited. The Group's property development activities are mainly carried out through its specialised subsidiary, VINCI Immobilier. This company's activities are concentrated in the Paris region and major cities in France. In 2006, they accounted for approximately 2% of the Group's revenue.

Some VINCI subsidiaries, within the context of their construction activities, may also participate in property development operations, mainly in France, Belgium and Luxembourg.

Property development projects are submitted to the Risk Committee for prior examination and approval. The Group's policy is to undertake new projects only if the risks related to the property and construction are under control and if the property is sufficiently pre-sold.

1.3 Concessions

The main risks associated with concession projects relate to design and construction (which are, however, usually borne by the companies in charge of construction), financing and financial factors, infrastructure operation and the legal and regulatory framework, due in particular to the long-term nature of these projects.

Since toll receipts account for virtually all the revenue from operating concessions, the main risks associated with this activity relate to traffic or infrastructure usage and users' acceptance of tolls and prices.

Moreover, as motorway operators' price increases are based principally on inflation (excluding tobacco prices), they are exposed to the risk of a decline in the inflation rate. This would cause lower price increases and have an unfavourable impact on operating profit trends.

The main financing and financial risks and the legal and regulatory risks are described in paragraphs 2 and 4 below.

Concession projects are systematically submitted to the Risk Committee for examination and approval. In addition, to limit the amount of risk capital invested by the Group, these projects are generally developed in partnership with external companies and financed so as to maximise the amount of debt, which is generally with no or limited recourse against VINCI.

1.4 Exposure to the risks of natural disasters or strikes

In common with any other company, VINCI could be affected by strike action or natural disasters such as earthquakes or floods, by the collapse or accidental destruction of the Group's engineering structures, or by the dispersal of hazardous materials on its motorway network or construction sites. Such events could lead to a significant reduction in the Group's revenue or to a substantial increase in the costs to maintain or repair its facilities.

1.5 Acquisitions

To control the risks associated with the integration of newly acquired companies and to be able to apply the Group's management principles in them, VINCI's policy is to acquire a majority interest in such companies.

All proposed acquisitions and disposals are submitted to the Risk Committee for approval. The biggest projects are also submitted to the Board of Directors after examination by the Strategy and Investment Committee (see paragraph 2.6.2 p. 142 of the *Corporate Governance* section).

2. Liquidity and market risks

2.1 Liquidity risk

The Group's exposure to liquidity risk relates to its obligations to repay its existing debt and to the financing of future needs, associated in particular with the investment programmes of concession operators and with the Group's general needs.

Details of these obligations and the Group's resources to meet them (cash flow surpluses, unused confirmed credit lines, financial ratings) are given in Notes 24 to the consolidated financial statements.

2.2 Market risks (interest rate, currency and equity)

VINCI is exposed to interest rate risk in connection with its floating-rate debt (mainly in the eurozone).

The Group is also exposed to currency risk in connection with its activities outside France and to financing in foreign currencies. However, approximately 80% of the Group's international business is carried out by subsidiaries operating in the eurozone. Moreover, at the end of 2006, the only foreign currency debt was fully hedged. As a result, VINCI's exposure to currency risk remained limited.

Management of interest rate and currency risks is explained in Note 25 to the consolidated financial statements.

VINCI has no exposure to equity risk. The Group no longer has any material unconsolidated holding in a listed company and the investment vehicles used to manage its cash surpluses are mainly monetary UCITS and negotiable debt securities.

3. Exposure to raw materials prices

VINCI is potentially exposed to a rise in the prices of some raw materials used in the activities of VINCI Construction, Eurovia and VINCI Energies. However, the Group believes that such rises are unlikely to have a material unfavourable impact on its profit. This is because many of the Group's civil engineering and construction contracts include price revision clauses to allow selling prices to be adjusted in line with changes in raw materials prices as work progresses. Furthermore, the Group's civil engineering and construction activities are carried out under a large number of contracts, most of which are short-term. Even if they do not include price revision clauses, the short-term nature of the contracts limits the impact of a rise in raw materials prices.

The fluctuation in oil prices (increase at the beginning of the year, followed by a decline over the last five months of 2006) did not therefore have a material unfavourable impact on the Group's 2006 results. The subsidiary most affected by changing oil prices is Eurovia, which uses bitumen, fuel oil in its industrial plants and petrol and diesel in its vehicles and machinery. The estimated impact on Eurovia's operating profit in 2006 was negligible taking account of the fluctuation in oil prices. Most of the extra costs are generally passed on through selling prices, either when first agreed or during the execution of contracts by virtue of price revision clauses.

4. Legal and regulatory risks

Given the diversity of its activities and geographical locations, the Group operates within a complex legal and regulatory environment governed by the place where the service is provided and the sector involved. In particular, rules relating to public- and private-sector contracts and tenders, competition and market concentration, commercial, financial and stock market law are applicable. These activities could lead to the Group incurring civil or criminal liabilities in France and other countries. Civil liability risks relate in particular to construction companies. The financial risks relating to any invoking of Group companies' civil liability are covered by insurance policies described in paragraph C.

It should also be noted that, with respect to concession operations in France, the Group is dependent on public authorities. Under the French laws applicable to government bodies, these can – subject to compensation – alter the terms and conditions of outsourced public service contracts during their execution.

Detailed information on the principal disputes in which the Group is involved is given in section G of the *Notes to the Consolidated Financial Statements*, page 251.

5. Environmental, industrial and technological risks

5.1 Economic risks and opportunities associated with climate change

Only two VINCI facilities are concerned by France's national greenhouse gas quota scheme (PNAQ 1): Opteor-Sonex at Lisieux in northern France for 14,429 tonnes of CO_2 and CIFC's plant at Fos sur Mer near Marseilles for 159,172 tonnes. In accordance with the law, an inspector validates the emissions before 15 February each year.

Optéor-Sonex's emissions in 2005 amounted to 9,368 tonnes of CO_2; 5,000 quotas were sold at €11.85 a tonne. For 2006, Opteor-Sonex's emissions amounted to 8,592 tonnes and no quotas were sold. Appendix 1 to the draft version of PNAQ 2, which applies for the period 2008 to 2012, provides for an allocation of 9,947 quotas for this facility.

Emissions at CIFC's plant amounted to 118,208 tonnes of CO_2 in 2005 and 170,112 tonnes in 2006. No quotas were sold over the period. It is likely that the plant will be allocated quotas for 190,085 tonnes of CO_2 under PNAQ 2. No other Group facilities are concerned by PNAQ 2.

VINCI divides climate change risks into four categories, each one being the subject of a different approach in terms of economic risks and opportunities:
- physical risks such as damage or project delays due to the increasing number of climate events;
- regulatory risks caused by the introduction of more stringent international, European and national regulations aimed at reducing greenhouse gas emissions;
- competition risks caused by a possible increase in customer demand for more fuel-efficient products and processes;
- the risks of no action being taken to combat climate change.

The Group is participating in national and European programmes in these areas, especially those on buildings and CO_2 and transport and CO_2.

5.2 Industrial and environmental risks

VINCI has low exposure to industrial and environmental risks. Only a few of Eurovia's activities – those that are closely regulated – have characteristics similar to those of industry and can therefore be exposed to limited but well identified risks.
- Binder plants: the use or manufacture of products that are potentially hazardous to the environment is subject to continuous monitoring and internal inspections by Eurovia's quality, safety and environment managers;
- Coating plants: the upgrade programme launched eight years ago is producing results. Regular and ad hoc inspections to analyse products and measure the quantities in stock ensure the plants comply with regulations;
- Quarries: the risks identified relate to noise, vibration and dust emissions. External audits are carried out each year by certified bodies. In compliance with standards, dust emissions are inspected by an external body and a report is sent annually to the regional departments for industry, research and the environment (DRIRE).

Because these risks are limited, no special system has been set up to monitor the costs and investments associated with their management. However, all identified risks are analysed on a case-by-case basis and provisions for environmental risks are taken if appropriate. At 31 December 2006, provisions taken by Eurovia totalled €6.8 million (against €7 million in 2005).

5.3 Specific technological risks

As VINCI has no facilities classified under article L.511-1 and clause IV of article L.515-8 of the French Environmental Code, relating to environmental protection, its subsidiaries are not directly concerned by technological risks. They can however be indirectly exposed to such risks in the following cases:
- some of the Group's activities may be carried out occasionally or on a long-term basis near facilities classified for environmental protection. The VINCI companies involved comply with all

the regulations that apply to such facilities and do not initiate activities that could lead to an increase in the number of employees working close to the classified site;

• some of VINCI Energies' business units may be called upon to work inside classified facilities, where operating rules require them to take all the necessary safety measures, especially those related to employee evacuation.

C. Insurance

1. General policy

Given the Group's decentralised organisation, this policy is defined at several levels of responsibility:

• VINCI's Executive Committee lays down the general framework and rules, and in particular the standards applicable to all subsidiaries;
• Within this framework, and after identifying and rigorously analysing the risks relating to their activities, the managers of business lines or major subsidiaries define the optimum trade-off between the level and extent of the guarantees likely to meet the range of insurable risks, and a cost (comprising premiums and uninsured losses) that allows operational entities to remain competitive in their sector.

With a view to optimising costs and preventing accidents, uninsured losses are defined on a subsidiary-by-subsidiary basis and are often as high as €75,000. Using the same approach, self-insurance budgets have been allocated, as in civil liability or in the motor vehicle sector at Eurovia, GTM Construction or VINCI Energies, with a maximum amount lower than or equal to €4 million in 2006 for each of these entities and each risk.

Subsidiaries' specific cover is in addition to that taken out by VINCI SA on behalf of all its subsidiaries together, in particular regarding:

• civil liability of company officers;
• disaster risks under civil liability;
• liability for environmental damage.

For historical reasons, part of VINCI's activity in the United Kingdom is insured through a captive insurance company based in Guernsey. A reinsurance mechanism restricts its exposure at a level defined on the basis of market conditions. This was €6 million in 2006.

The Group's main insurers are SMABTP and AXA. VINCI has set up its own brokerage firm, VINCI Assurances, in charge of taking out policies and harmonising cover within the Group. With a few exceptions, VINCI Assurances acts as a broker for French subsidiaries. As a simple intermediary, it bears no financial risk as an insurer.

2. Loss prevention and claims record

Loss prevention arrangements are systematically adopted on construction sites and operating sites. This policy, which gives a major role to training, is in line with the efforts made by VINCI companies in terms of quality assurance and prevention of workplace accidents.

On the basis of available statistics and data, and without prejudging any actual responsibility, the Group's claims record is marked by the low number of incidents of more than €1 million (around ten in five years), by a few medium-sized incidents of between €75,000 and €1 million (about 30 in 2006), and by a number of small incidents of less than €75,000, this number being relatively difficult to reduce. Most of these were borne directly by subsidiaries as uninsured losses. Only one incident of an individual amount of more than €1 million but less than €5 million was declared in 2006.

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

3.1 Civil liability

Subsidiaries are exposed to their responsibility for bodily, physical or consequential damage caused to third parties, including customers and principals.

The civil liability cover taken out in this respect comprises a first line that combines the cover in place at subsidiary level, which is intended to cover usual incidents, and a set of complementary lines taken out for the common benefit. To date, no claim has been settled under these further lines of insurance in the business lines concerned.

In addition to this basic cover, specific insurance is taken out as a result of legal or contractual requirements or management decisions in the following areas:
- 10-year warranty (in France);
- motor vehicle third-party cover;
- transport.

3.2 Damage insurance

Office buildings and fixed production facilities are covered for a contractual rebuilding value, either value as new or an estimate of the maximum insurable loss. Site equipment is covered on a case-by-case basis if financially worthwhile depending on value, type and age. Road vehicles, pooled for the most part within fleets by country, are only exceptionally covered on a comprehensive basis.

As a general rule, all risks insurance is taken out in respect of major construction sites. In particular, this covers physical damage arising from accidents or natural events up to the value of the project.

4. Insurance in concessions and services

4.1 Damage insurance

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

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

4.2 Civil liability

Assets operated under concessions by VINCI subsidiaries in France and other countries are also covered by specific civil liability insurance arrangements, which are coordinated with complementary cover at Group level. As in the Construction, Roads and Energy business lines, no claim has been settled to date under these complementary lines. These arrangements are specifically designed to meet local legal requirements and those laid down in concession agreements. Concession operations in which VINCI is a minority shareholder do not automatically benefit from the Group’s complementary civil liability cover taken out on behalf of all entities.

4.3 Business interruption insurance

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

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

D. Other information

1. Investment commitments

Under their concession contracts, Group subsidiaries are committed to making investments in infrastructure that they will later operate.

The investments planned under concession contracts at 31 December 2006 are described in Note 13.2 to the consolidated financial statements.

In addition, under ASF's and ESCOTA's master plans for 2007 to 2011, which were signed by the two companies at the beginning of 2007 and are in the process of being signed by the government, the investments to be made amount to €1,600 million for ASF (excluding the Balbigny–La Tour de Salvagny section) and €800 million for ESCOTA, in 2006 euros.

ASF's and ESCOTA's investments will be financed by drawing on available credit lines (see Note 24 to the consolidated financial statements), by new loans from the European Investment Bank (EIB) and on the bond market.

Cofiroute's investments will be financed by drawing on its available credit lines of €1 billion (see Note 24 to the consolidated financial statements), by new loans from the European Investment Bank (EIB) and on the bond market.

Arcour's investments will be financed initially by capital injections from VINCI and by borrowing from VINCI and financial institutions. The Group plans to make use of refinancing opportunities on the bond market once the construction and operational start-up phases have been completed.

In January 2007, VINCI offered to purchase the 81% of Soletanche's issued shares that it did not yet own. The acquisition will become effective after completion of the operational review and consultation with employee representative bodies and after receiving authorisation from the relevant government bodies.

In addition, on 1 March 2007, VINCI acquired Eiffage's holding in Cofiroute for the sum of approximately €760 million. VINCI will finance this investment using its own cash resources.

2. Information on trends

There has been no material change in the Group's financial and trading position since 31 December 2006.

With an order book representing over 10 months of business activity, up nearly 13% year on year, VINCI has good visibility over 2007. The Group's revenue is therefore expected to show further growth. However, in accordance with its constantly reaffirmed policy of selective order-taking, the Group does not set itself a growth target.

Order book

(in € millions)	31/12/2006	31/12/2005	Change
Energy	1,743	1,445	21%
Roads	4,601	4,289	7%
Construction	11,541	10,155	14%
Total(*)	**17,866**	**15,857**	**13%**
In months of activity	10.1	9.8	

(*) After eliminations

3. The Group's markets: seasonal nature of business

Most of the Group's activities – but especially roadworks, civil engineering and the motorway concessions – record lower business volumes in the first half of the year than in the second due to less favourable weather conditions. In 2006, the difference between the two six-month periods was approximately 19% (14 % in 2005).

The seasonality of the Group's business is also reflected in the net use of cash during the first half due to the low level of receipts during this period and in the pattern of operating cash flows, most of which are generated in the second half of the year. No correcting adjustments are made to take account of the impact of seasonal factors on the financial statements for the first half of the year. Group income and expenses from normal business operations that are of a seasonal, cyclical or occasional nature are accounted for using the same accounting methods as those adopted for the full-year financial statements. They are neither recognised in advance nor deferred in the interim financial statements. Income and expenses invoiced on an annual basis (e.g. patent fees and licence fees) are accounted for pro-rata using an estimate for the full year.

4. Property, plant and equipment

The Group's property, plant and equipment mainly comprises site equipment, technical installations and fittings, and buildings.

No single items are of a material size in relation to the size of the Group.

5. Financing contracts

Certain financing contracts signed by Group entities include a clause stating that a change in the entity or entities controlling the borrower can be grounds for automatic immediate repayment or a request for early reimbursement.

The sections entitled *Stock market and shareholder base* (pages 12 and 13), *A responsible group* (pages 94 to 128), *Report of the Chairman* (pages 150 to 156), *Corporate governance* (pages 133 to 149), *General information about the Company and its share capital* (pages 270 to 279), *Parent company financial statements* (pages 259 to 269) and Notes A, B, 9.1, 9.3, 13.2, 23, 24, 25, 26, G, H and I to the consolidated financial statements form an integral part of the Report of the Board of Directors.

Report of the Statutory Auditors on the pro forma financial information

For the period ended 31 December 2006

To the Chief Executive Officer,

As Statutory Auditors of the Company and in application of Regulation (EC) No 809/2004, we have prepared this report on the pro forma consolidated financial information on VINCI S.A. relating to the periods 2006 and 2005 included in paragraph A-1.7 of your Management Report on the VINCI group for the period ended 31 December 2006.

This pro forma financial information has been prepared for the sole purpose of illustrating the effect that the acquisition of a further, 77% shareholding in ASF – which enabled the VINCI group to gain control of ASF – could have had on the consolidated balance sheet, income statement and cash flow statement of VINCI S.A. at 31 December 2006 and at 31 December 2005 if the transaction had taken effect on 1 January 2005. By its very nature, this information describes a hypothetical situation and is not necessarily indicative of the financial position or results that would have been recorded if the transaction or event had taken place at a date earlier than that at which it actually took place.

This pro forma financial information has been prepared under your responsibility, in application of the provisions of Regulation (EC) No 809/2004 and the recommendations of the CESR on pro forma financial information.

We are required to state on the basis of our work, in accordance with point 7 of Annexe II of Regulation (EC) No 809/2004, whether in our opinion the pro forma financial information has been properly compiled.
We have conducted our review in accordance with the professional practice applicable in France. Our work, which did not include examination of the financial information underlying the preparation of the pro forma financial information, has consisted principally in verifying that the basis on which this pro forma financial information was prepared agrees with the consolidated financial statements of VINCI S.A. and those of ASF S.A., at 31 December 2006 and 31 December 2005, prepared under the International Financial Reporting Standards as endorsed by the European Union, in examining the evidence supporting the pro forma restatements and in holding discussions with the Management of VINCI S.A. to collect the information and explanations that we considered necessary.

In our opinion:
- the pro forma financial information has been properly compiled on the basis stated;
- that basis is consistent with the accounting policies of the issuer.

This report is issued for use solely in connection with filing the registration document relating to the period ended 31 December 2006 with the *Autorité des Marchés Financiers* and may not be used in any other connection.

At Paris and Neuilly sur Seine, 29 March 2007
The Statutory Auditors

Salustro Reydel
A member of KPMG International

Bernard Cattenoz   Benoît Lebrun

Deloitte & Associés

Thierry Benoit

Free translation of the original French text. For information purposes only.

VINCI 2006 consolidated financial statements

Notes to the consolidated financial statements

Consolidated financial statements

VINCI's consolidated financial statements presented on the following pages show VINCI's historical data for 2004 and 2005 and, for 2006, consolidated data that includes Autoroutes du Sud de la France as from 9 March 2006, the date on which VINCI acquired control of ASF.

Key figures

(in € millions)	2006	2005	2004
Revenue	**25,634.3**	**21,038.1**	**19,056.1**
Of which revenue outside France	8,809.5	7,973.6	7,125.6
% of revenue	*34.4%*	*37.9%*	*37.4%*
Operating profit from ordinary activities	2,579.8	1,560.1	1,304.9
% of revenue	*10.1%*	*7.4%*	*6.8%*
Operating profit	2,476.0	1,476.9	1,245.8
Net profit attributable to equity holders of the parent	**1,270.4**	**871.2**	**731.6**
Earnings per share (in euros)	5.80	5.08	4.56
Diluted earnings per share (in euros)	5.55	4.46	4.02
Dividend per share, excluding tax credit (in euros)	2.65	2.00	1.75
Equity including minority interest	9,614.9	5,318.5	3,614.6
Net financial debt	(14,796.4)	(1,579.0)	(2,433.1)
Cash flows from operations	**3,755.0**	**2,134.1**	**2,018.2**
Net investments in operating assets	(572.1)	(572.3)	(445.5)
Investments in concession assets	(1,205.3)	(811.1)	(568.3)
Net financial investments	(9,242.8)	(86.6)	(259.9)

Consolidated income statement

(in € millions)	Notes	2006	2005	2004
Revenue	**1-2-3**	**25,634.3**	**21,038.1**	**19,056.1**
Revenue from ancillary activities	5	218.8	181.8	256.9
Operating expenses	5	(23,273.3)	(19,659.8)	(18.008.1)
Operating profit from ordinary activities	**2-3-5**	**2,579.8**	**1,560.1**	**1,304.9**
Share-based payment expense (IFRS 2)	5-21	(89.5)	(70.1)	(36.3)
Goodwill impairment expense	10-12	(14.3)	(13.2)	(22.8)
Goodwill impairment expense	**2-3-5**	**2,476.0**	**1,476.9**	**1,245.8**
Cost of gross financial debt		(733.7)	(273.3)	(318.7)
Financial income from cash management investments		152.1	122.9	83.1
Cost of net financial debt	**6**	**(581.7)**	**(150.3)**	**(235.6)**
Other financial income	7	186.3	127.8	279.6
Other financial expenses	7	(48.9)	(75.0)	(43.6)
Share of profit / (loss) of associates	16	18.3	87.0	14.0
Income tax expense	8	(667.4)	(462.5)	(365.9)
Net profit before profit or loss of discontinued operations (halted or sold)		**1,382.7**	**1,003.9**	**894.2**
Net profit or loss after tax of discontinued operations (halted or sold)	28	49.4	(1.0)	(55.9)
Net profit for the period		**1,432.1**	**1,002.8**	**838.3**
Minority interest		161.7	131.6	106.7
Net profit attributable to equity holders of the parent		**1,270.4**	**871.2**	**731.6**
Earnings per share before profit or loss of discontinued operations (halted or sold)				
Earnings per share (in euros)	9	5.57	5.09	4.91
Diluted earnings per share (in euros)	9	5.33	4.46	4.31
Earnings per share				
Earnings per share (in euros)	9	5.80	5.08	4.56
Diluted earnings per share (in euros)	9	5.55	4.46	4.02

Consolidated balance sheet

Assets

(in € millions)	Notes	2006	2005	2004
Non-current assets				
Goodwill	2-3-10	3,681.3	813.1	776.9
Other intangible assets	2-3-11	128.3	103.7	82.0
Concession intangible assets	2-3-4-13	24,698.5	5,741.0	5,024.1
Investment property	2-3-4-14	2,322.6	2,214.8	2,006.7
Property, plant and equipment	15	47.3	47.2	41.9
Investments in associates	2-3-16	102.8	1,595.5	1,558.5
Other non-current financial assets	17-26	348.2	440.0	532.8
Deferred tax assets	8	218.8	210.5	167.2
Total non-current assets		**31,547.8**	**11,165.7**	**10,190.0**
Current assets				
Inventories and work in progress	27	567.1	540.7	542.8
Trade and other operating receivables	27	9,503.1	8,334.3	7,279.8
Other current assets	27	241.0	218.6	157.3
Current tax assets	8	37.5	62.5	24.4
Other current financial assets	17-26	158.1	87.8	233.9
Cash management financial assets	19-23	1,223.2	885.6	1,968.3
Cash and cash equivalents	19-23	5,154.8	4,598.7	2,549.5
Total current assets		**16,884.8**	**14,728.1**	**12,756.1**
Total assets		**48,432.6**	**25,893.9**	**22,946.0**

Equity and liabilities

(in € millions)	Notes	2006	2005	2004
Equity				
Share capital		1,176.6	983.2	838.1
Share premium		4,475.5	2,247.5	1,231.5
Treasury shares		(178.4)	(335.8)	(130.3)
Other equity instruments		490.6		
Consolidated reserves		1,601.9	849.4	350.1
Currency translation reserves		20.5	31.3	(5.7)
Net profit for the period attributable to equity holders of the parent		1,270.4	871.2	731.6
Net income recognised directly in equity		9.5	(0.0)	0.6
Equity attributable to equity holders of the parent		**8,866.6**	**4,646.8**	**3,015.9**
Minority interest		748.4	671.7	598.6
Total equity	**20**	**9,614.9**	**5,318.5**	**3,614.6**
Non-current liabilities				
Non-current provisions	22	1,015.0	797.3	843.0
Bonds	23	3,591.3	3,588.3	4,619.9
Other loans and borrowings	23	14,043.7	1,840.4	1,555.4
Other non-current liabilities		49.1	32.0	14.4
Deferred tax liabilities	8	2,612.7	210.6	169.6
Total non-current liabilities		**21,311.8**	**6,468.7**	**7,202.3**
Current liabilities				
Current provisions	27	1,655.9	1,445.4	1,382.8
Trade payables	27	5,554.1	5,002.3	4,619.2
Other current payables	27	6,428.7	5,498.6	4,743.6
Current tax payables	8	138.7	253.9	213.6
Current borrowings	23	3,728.6	1,906.6	1,170.1
Total current liabilities		**17,505.9**	**14,106.7**	**12,129.2**
Total equity and liabilities		**48,432.6**	**25,893.9**	**22,946.0**

Consolidated cash flow statement

(in € millions)		Notes	2006	2005	2004
Net profit for the period (including minority interest)			**1,432.1**	**1,002.8**	**838.3**
Depreciation and amortisation			1,365.9	673.9	617.9
Net increase / (decrease) in provisions			2.2	23.6	48.2
Share-based payments (IFRS 2) and other restatements			40.4	33.6	36.3
Gain or loss on disposals			(166.0)	(68.7)	(36.2)
Change in fair value of foreign currency derivative financial instruments			(0.2)	10.0	(10.7)
Share of profit or loss of associates, dividends received from unconsolidated entities and profit or loss of operations classified as held for sale			(76.2)	(90.7)	0.1
Capitalised borrowing costs			(92.3)	(63.3)	(77.3)
Cost of net financial debt recognised			581.7	150.3	235.6
Current and deferred tax expense recognised			667.4	462.5	365.9
Cash flows (used in) / from operations before tax and financing costs		**2-3**	**3,755.0**	**2,134.1**	**2,018.2**
Changes in working capital requirement and current provisions		2-3-27	12.7	114.1	374.7
Income taxes paid			(758.2)	(481.0)	(330.2)
Net interest paid			(518.0)	(100.9)	(204.7)
Net cash flows (used in) / from operating activities	**I**	**2-3**	**2,491.6**	**1,666.3**	**1,857.9**
Purchases of property, plant and equipment, and intangible assets		2-3-4	(771.8)	(700.2)	(525.4)
Proceeds from sales of property, plant and equipment, and intangible assets			199.7	128.0	79.9
Purchases of concession fixed assets (net of grants received)			(1,205.3)	(811.1)	(568.3)
Purchases of shares in subsidiaries and associates (consolidated and unconsolidated)			(9,322.4)	(191.0)	(460.9)
Proceeds from sales of shares in subsidiaries and associates (consolidated and unconsolidated)			79.7	104.4	201.0
Net effect of changes in scope of consolidation			614.2	6.5	3.0
Dividends received from associates and unconsolidated entities			15.9	65.6	44.4
Other			5.9	27.3	(31.9)
Net cash flows (used in) / from investing activities	**II**	**2-3**	**(10,384.1)**	**(1,370.6)**	**(1,258.0)**
Increases in share capital			3,391.9	270.4	259.6
Purchases of treasury shares			(329.8)	(369.8)	(492.1)
Minority interest in share capital increases of subsidiaries			24.4	(0.0)	1.4
Sums collected during the period on exercise of share options			19.4	39.4	95.2
Dividends paid					
- to shareholders of VINCI SA			*(472.0)*	*(321.7)*	*(287.2)*
- to minority interests			*(79.6)*	*(68.7)*	*(55.5)*
Proceeds from new long-term borrowings			5,600.2	729.5	633.7
Repayment of borrowings and changes in other current financial debt			104.3	(135.7)	(441.7)
Change in cash management assets			(52.2)	1,347.6	(225.0)
Net cash flows (used in) / from financing activities	**III**	**2-3**	**8,206.8**	**1,490.9**	**(511.6)**
Net cash flows associated with discontinued operations (halted or sold)	**IV**		**219.4**	**10.0**	**(4.4)**
Change in net cash and cash equivalents	**I + II + III + IV**		**533.6**	**1,796.6**	**84.0**
Net cash and cash equivalents at beginning of period			**3,993.6**	**2,169.0**	**2,082.6**
Other changes			(39.6)	28.1	2.4
Net cash and cash equivalents at end of period		**23**	**4,487.7**	**3,993.6**	**2,169.0**
Increase (decrease) of cash management financial assets			52.2	(1,347.6)	225.0
(Proceeds from) / repayment of loans			(5,704.6)	(593.8)	(192.0)
Conversion of OCEANE bonds				1,096.5	
Other			(8,059.0)	(125.6)	(60.5)
Change in net debt			**(13,217.4)**	**854.1**	**58.9**
Net debt at beginning of period			**(1,579.0)**	**(2,433.1)**	**(2,492.0)**
Net debt at end of period			**(14,796.4)**	**(1,579.0)**	**(2,433.1)**

Statement of changes in consolidated equity

(in € millions)	Capital and reserves attributable to equity holders of the parent: Share capital	Share premium	Treasury shares	Other equity instruments	Consolidated reserves	Currency translation reserves	Net profit for the period	Net income recognised directly in equity	Total	Minority interest	Total
Balance at 31 December 2004	**838.1**	**1,231.5**	**(130.3)**	**0.0**	**350.1**	**(5.7)**	**731.6**	**0.6**	**3,015.9**	**598.6**	**3,614.6**
Increases in share capital	157.5	1,128.4			52.5				1,338.5	(0.0)	1,338.4
Decreases in share capital	(12.5)	(112.4)	124.9						0.0		0.0
Transactions on treasury shares			(330.4)						(330.4)		(330.4)
Allocation of net income and dividend payments					409.9		(731.6)		(321.7)	(68.7)	(390.4)
Net profit for the period (a)							871.2		871.2	131.6	1,002.9
Financial instruments: changes in fair value (b)								(4.9)	(4.9)	(2.8)	(7.8)
including:											
available-for-sale financial assets								*0.2*	*0.2*	*(0.5)*	*(0.3)*
cash flow hedges								*(5.1)*	*(5.1)*	*(2.4)*	*(7.5)*
Currency translation differences						39.8			39.8	4.7	44.5
Changes in equity of associates recognised directly in equity								1.2	1.2		1.2
Share-based payments (IFRS 2)					64.0				64.0		64.0
Changes in consolidation scope					0.4	(2.8)		3.7	1.3	8.0	9.3
Other					(27.4)	0.1		(0.6)	(27.9)	0.4	(27.6)
Balance at 31 December 2005	**983.2**	**2,247.5**	**(335.8)**	**0.0**	**849.4**	**31.3**	**871.2**	**(0.0)**	**4,646.8**	**671.7**	**5,318.5**
of which total income and expense recognised for the period 2005 (a) + (b)							*871.2*	*(4.9)*	*866.3*	*128.8*	*995.1*
Increases in share capital	228.3	2,673.0		490.6					3,391.9	24.4	3,416.3
Decreases in share capital	(34.9)	(445.1)	479.9						0.0		0.0
Transactions on treasury shares			(322.5)		12.1				(310.4)		(310.4)
Allocation of net income and dividend payments					399.2		(871.2)		(472.0)	(79.6)	(551.6)
Net profit for the period (a)							1,270.4		1,270.4	161.7	1,432.1
Financial instruments: changes in fair value (b)								7.1	7.1	(0.1)	7.0
including:											
available-for-sale financial assets								*(0.2)*	*(0.2)*		*(0.2)*
Cash flow hedges								*7.3*	*7.3*	*(0.1)*	*7.2*
Currency translation differences						(10.0)			(10.0)	(2.5)	(12.5)
Changes in equity of associates recognised directly in equity								0.2	0.2		0.2
Share-based payments (IFRS 2)					75.8				75.8		75.8
Changes in consolidation scope					263.4	(0.4)		0.0	263.0	(25.9)	237.1
Other					1.9	(0.4)		2.1	3.7	(1.4)	2.3
Balance at 31 December 2006	**1,176.6**	**4,475.5**	**(178.4)**	**490.6**	**1,601.9**	**20.5**	**1,270.4**	**9.5**	**8,866.6**	**748.4**	**9,614.9**
of which total income and expense recognised for the period 2006 (a) + (b)							*1,270.4*	*7.1*	*1,277.5*	*161.6*	*1,439.1*

A. Key events in 2006

1. Acquisition of control and full consolidation of ASF (Autoroutes du Sud de la France)

In 2006, VINCI acquired a further 77.01% shareholding in ASF for a total amount of €9,087 million (including transaction costs), taking its holding to 100% at 6 November 2006.

This transaction was made in three successive stages:

1.1 Acquisition by VINCI of 50.37% of ASF

Already a 22.99% shareholder and, through an agreement concluded in June 2004, an industrial partner of ASF, VINCI was chosen by the French Government on 14 December 2005 as the purchaser of the State and Autoroutes de France's (ADF) stakes in ASF, representing in total 50.37% of ASF's share capital and voting rights. The transfer of the shares held by the State and ADF for a sum of €5,934 million occurred on 9 March 2006, in accordance with the share sale agreement made on 6 March 2006.

1.2 Standing market offer

A public offer to buy the 61,528,365 shares not held directly or indirectly by VINCI, representing 26.64% of ASF's capital was filed with the Autorité des Marchés Financiers (AMF), in the form of a standing market offer to the minority shareholders at the same price as that paid to the French Government and ADF (€51 a share). This additional investment amounted to €2,841 million.
At the end of the standing market offer, which took place between 30 March and 28 April 2006, VINCI held 97.48% of ASF's capital and voting rights (225,159,576 shares).

1.3 Public Buyout Offer followed by Compulsory Buyout

In accordance with the commitments made at the time of the standing market offer, a proposal for a public buyout offer followed by compulsory buyout (*offre publique de retrait suivie d'un retrait obligatoire*) for the ASF shares not held by VINCI (6,026,738 shares), at an ex-dividend price of €49.80 a share, was submitted to the AMF, on 12 May 2006. The proposed offer was accepted by the AMF on 16 May 2006.

On closure of the offer, on 3 November 2006, VINCI owned, directly and indirectly through its subsidiary VINCI Concessions, 227,686,974 shares and voting rights in ASF, representing 98.58% of the shares and voting rights in that company. The compulsory buyout and delisting occurred on 6 November 2006. At 31 December 2006, VINCI held, directly or indirectly, 100% of the share capital and voting rights in ASF.

2. Increase of share capital and issue of bonds

The acquisition of the ASF Group was financed in part by share capital increase of €2.5 billion, and by the issue of deeply subordinated perpetual (undated) bonds.

2.1 Increase in share capital

On 25 April 2006, VINCI increased its share capital by €2,506 million by issuing 36,086,404 new shares at a price of €70.25.

2.2 Issue of undated deeply subordinated bonds

On 13 February 2006 VINCI issued €500 million of deeply subordinated, lowest ranking, undated bonds to European institutional investors.

The issue price was 98.831%, and the bonds pay fixed optional interest at a rate of 6.25%, payable annually until November 2015. After that date, the interest rate becomes variable and payable quarterly at the Euribor three-month rate plus 3.75%. VINCI may redeem the bonds at par in November 2015 and subsequently at each interest payment date.

In accordance with the IFRSs, this instrument has been accounted for in equity in the 2006 consolidated financial statements for an amount net of expenses of €491 million. (The payment of the interest is treated as dividend payment).

2.3 Issue of Cofiroute bonds

On 24 May 2006, Cofiroute made a €750 million bond issue, maturing on 24 May 2021, intended to contribute to financing its investment programme. The issue price was set at 98.928% of par and the interest rate at 5%.

3. Disposal of assets

3.1 Sale of a property complex at Nanterre

At the beginning of 2006, the Group sold a property complex at Nanterre for a total price of €86 million. The related gain on disposal was €46 million after tax.

3.2 Disposal of the airport services activities

As a result of the process initiated at the beginning of 2006 to dispose of the airport services activities, VINCI accepted the offer made by LBO France. Following signature of the sale contract on 3 August 2006, the sale became effective at the end of October 2006.

This transaction, of which the effect is presented in the consolidated income statement under the heading *net profit or loss after tax of discontinued operations (halted or sold)*, in application of IFRS 5, generated a net profit on disposal of €43 million and resulted in a reduction in debt of €280 million, of which €60 million was long-term debt. (See Note 28 *Discontinued operations (halted or sold)*).

B. Accounting policies and measurement methods

1. General principles

In application of Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002, the Group's consolidated financial statements for the period ended 31 December 2006 have been prepared under the International Financial Reporting Standards (IFRS) as endorsed by the European Union at 31 December 2006.
The accounting policies applied by the Group at 31 December 2006 are the same as those used in preparing its 2005 consolidated financial statements, except for the Standards and Interpretations adopted by the European Union that are applicable as from 1 January 2006 (see Note B 1.1). These have had no material impact on the financial statements.

The 2004 IFRS data was prepared taking account of IAS 39 *Financial Instruments: Recognition and Measurement* and IAS 32 *Financial Instruments: Disclosure and Presentation*. VINCI had opted for application of these two Standards as from 1 January 2004 in order to ensure better comparability between the 2004 and 2005 financial statements.

The Board of Directors finalised the consolidated financial statements on 27 February 2007.

1.1 New Standards and Interpretations applicable from 1 January 2006

IAS 19 Amendment - *Employee Benefits*
The option allowing the full amount of actuarial gains and losses to be recognised in equity, provided by IAS 19 *Employee Benefits (Revised)*, which is applicable as from 1 January 2006, has not been used by the Group. Actuarial gains and losses therefore continue to be amortised using the corridor method.
The IAS 19 Amendment also sets out how to recognise surpluses and deficits on multi-employer plans, and the supplementary disclosures to make in the Notes.
After examination of the situation, application of this amendment has had no impact on the Group's consolidated financial statements for the period ended 31 December 2006. The supplementary information required is given in Note 22 *Non-current provisions.*

IFRIC 4 - Determining whether an Arrangement contains a Lease
IFRIC 4 *Determining whether an Arrangement contains a Lease* aims to identify the contractual terms of arrangements, which without having the legal form of a lease contract, give customers the right to use a group of assets in return for rent that is included in the overall payments made under the contract. If it is concluded that an arrangement contains a lease, this is analysed and accounted for according to the criteria of IAS 17 (making the distinction between a finance lease and an operating lease).
After examination of the situation, application of this Interpretation has had no impact on the Group's consolidated financial statements for the period ended 31 December 2006.

IAS 39 Amendment – *Recognition and Measurement of Financial Instruments*

In 2005, the IASB published three amendments to IAS 39, relating to:

The Fair Value Option

In June 2005, the IASB published the finalised amendment to IAS 39 relating to the fair value option. IAS 39 (the December 2003 version) introduced the possibility of applying the fair value option to any financial asset or liability, allowing them to be valued at fair value through profit or loss. The fair value option amendment aims to restrict the use of the option.

The Group had already elected on first application of the IFRS for the fair value option for its cash management financial assets and cash equivalents. Given the way in which these assets are managed, this option has been maintained under this Amendment.

Cash Flow Hedge Accounting of Forecast Intragroup Transactions

In April 2005, the IASB published an amendment to IAS 39 relating to cash flow hedge accounting of forecast intragroup transactions. The purpose of this amendment is to allow a forecast intragroup transaction in a foreign currency to be shown in the consolidated financial statements, under certain conditions, as an item hedged against foreign currency risk through cash flow hedging.

Financial Guarantee Contracts

In July 2005, the IASB published an amendment to IAS 39 relating to financial guarantees and credit insurance. Instruments that meet the definition of a financial guarantee as defined by IAS 39 are now accounted for by the guarantor in accordance with the measurement principles set out in IAS 39.

These last two Interpretations are not applicable in the Group's financial statements at 31 December 2006.

1.2 New Standards and Interpretations applicable after 31 December 2006

IFRIC 10 Interim Financial Reporting and Impairment

This IFRIC Interpretation states that an entity shall not reverse an impairment loss that it recognises in a previous interim period in respect of goodwill, an unlisted equity investment or a financial asset carried at cost.

This Interpretation is not applicable in the Group's financial statements at 31 December 2006.

IFRIC 12 Service Concession Arrangements

On 30 November 2006, the IFRIC published Interpretation IFRIC 12 on accounting for service concession agreements:

- The application scope covers public service concession contracts in which the concession grantor is considered to exercise control over the assets operated.
- The various accounting models applicable depend on the consideration received by the operator:
  - under the intangible asset model, the operator recognises the asset under concession as an intangible asset to the extent that it receives a right to collect tolls (or receive other remuneration) from users, in consideration for the financing, building, and operation of the infrastructure. This treatment would apply to most infrastructure concessions that are today operated by VINCI, in particular the motorway networks of ASF, ESCOTA and Cofiroute, the A19, the Rion-Antirion bridge in Greece, and most of the parking facilities managed under concessions by VINCI Park. The intangible asset model also applies whenever the concession grantor remunerates the concession operator on the basis of the extent of use of the infrastructure by users, but with no guarantees as to the amounts that will be paid to the operator (under a simple pass through or shadow toll agreement).
  - under the financial asset model, the operator's rights over the asset under concession are recognised as an interest-bearing financial receivable whenever the concession operator has an unconditional right to receive payments from the concession grantor independently of the extent of use of the infrastructure by users. On the basis of the analysis of VINCI's current contracts, this model would apply to the Newport bypass contract, to some VINCI Park contracts and to the Public-Private Partnership contracts.
  - whenever only part of the investment is covered by a payment commitment from the grantor, it is recognised as a financial receivable up to the amount guaranteed by the grantor, and as an intangible fixed asset for the balance.

VINCI has not elected for early application of this Interpretation, which is in the course of endorsement by the European Union.
The application of IFRIC 12 by VINCI will require the accounting rules and procedures applicable to concession contracts to be adapted, in particular as regards the accounting treatment of provisions for major repairs.

Financial Instruments: Disclosures

In August 2005, the IASB published IFRS 7 *Financial Instruments: Disclosures*. This new standard replaces IAS 30 *Disclosures in the Financial Statements of Banks and Similar Financial Institutions* and makes amendments to IAS 32 *Financial Instruments: Disclosure and Presentation.*

IFRS 7, which is applicable as from 1 January 2007, provides for the disclosure of qualitative and quantitative information on the risk exposure resulting from the use of financial instruments.

The Group is currently identifying the supplementary disclosures on financial instruments that will be made in future consolidated financial statements in application of this Standard.

IFRS 8 Operating Segments

IFRS 8 sets out the segment information prepared under the management approach, based on an entity's internal management data. Application of this Standard might entail a modification to the presentation of the segment information, but has no effect on the measurement and recognition of the transactions.
VINCI does not expect that this new Standard, which is applicable at the latest from 1 January 2009, will alter the presentation of its segment information.

Moreover, on the basis of the transactions effected at 31 December 2006, and in the light of the studies conducted until now, application of the following interpretations should have no effect on the Group's consolidated financial statements:
- IFRIC 9 *Reassessment of Embedded Derivatives*
- IFRIC 8 *Scope of IFRS 2*
- IFRIC 7 *Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies.*

1.3 Change of presentation

1.3.1 AMF communiqué of 9 March 2006 on the classification of money-market funds (UCITS) as cash equivalents.

In accordance with the AMF's communiqué:
- Money-market UCITS falling into the AMF's "monetary euro" category are assumed to meet the definition of cash equivalents in IAS 7 *Cash Flow Statements,* namely: cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.
- UCITS other than monetary euro funds must be analysed on a case-by-case basis.

In view of the AMF's communiqué, cash investments that correspond to the definition of cash equivalents are now shown in the balance sheet and cash flow statement as *cash and cash equivalents*, in accordance with IAS 7, for all the periods shown. Cash equivalents that were previously presented as *cash management financial assets* in the balance sheet at 31 December 2005 have been reclassified accordingly. The effects of this reclassification are mentioned in Note 19, *Cash management financial assets*, *cash and cash equivalents*. This change in presentation has no effect on net financial debt, as defined by the Group.

1.3.2 Share-based payments

In order to supply more useful segment information, the presentation of the IFRS expense under IFRS 2 *Share-based Payment* that is included in operating profit is now broken down by business line. Data for 2005 has been altered accordingly.

2. Consolidation methods

2.1 Consolidation scope

Companies of which the Group holds, whether directly or indirectly, the majority of voting rights enabling control to be exercised, are fully consolidated. Companies that are less than 50% owned but in which VINCI exercises *de facto* control – i.e. has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities – are consolidated using this same method. This relates in particular to CFE, of which VINCI owns 46.84%.
Companies over which the Group exercises significant influence are accounted for using the equity method.
Proportionate consolidation is used for jointly controlled entities, regardless of the percentage of ownership. This relates in particular to unincorporated joint ventures (*sociétés en participation*) and Consortium Stade de France, of which VINCI owns 66.67% and where there is a shareholders' agreement with Bouygues, which owns 33.33%. This agreement organises the joint control by this company's two sole shareholders, and provides that all financial, operational and investments decisions must be made unanimously.
The consolidated financial statements include the financial statements of all companies with revenue of more than €2 million, and the financial statements of subsidiaries whose revenue is below this figure but whose impact on the Group's financial statements is material.

Number of companies by reporting method

	31 December 2006			31 December 2005		
	Total	France	Foreign	Total	France	Foreign
Full consolidation	**1,398**	934	464	**1,364**	928	436
Proportionate consolidation	**320**	161	159	**302**	146	156
Equity method	**48**	14	34	**38**	16	22
	1,766	1,109	657	**1,704**	1,090	614

The main change in the consolidation scope in the period relates to the consolidation of the ASF Group (comprising ASF and ESCOTA, which are fully consolidated, and Transjamaican Highway, which is 34% owned and which is accounted for using the equity method) as from 9 March 2006, which is the date when VINCI acquired control. The other changes mainly relate to the acquisition of 63 small companies, including 24 by VINCI Energies and 27 by VINCI Construction.
Lastly, following the sale on 30 June 2006 of 31.1% of SCDI (which operates the Confederation Bridge in Canada under a concession), SCDI, of which VINCI now owns 18.8% has been accounted for using the equity method since that date.

2.2 Intragroup transactions

Reciprocal operations and transactions relating to assets and liabilities, income and expenses between consolidated or equity-accounted companies are eliminated in the consolidated financial statements. This is done:
- for the full amount if the transaction is between two subsidiaries;
- applying the percentage of proportionate consolidation of an entity if the transaction is between a fully consolidated entity and a proportionately consolidated entity;
- applying the percentage owned of an equity-accounted entity in the case of internal profits or losses realised between a fully consolidated entity and an equity-accounted entity.

2.3 Translation of the financial statements of foreign subsidiaries and establishments

In most cases, the functional currency of entities and establishments is their local currency.
The financial statements of foreign entities of which the functional currency is different from that used in preparing the Group's consolidated financial statements are translated at the closing rate. Balance sheet items are translated at the exchange rate at the balance sheet date and income statement items are converted at the average rate for the period (which represents the best estimate of the exchange rate at the transaction date). Any resulting translation differences are recognised under translation differences in consolidated reserves. Goodwill relating to foreign entities is considered as comprising part of the assets and liabilities acquired and is therefore translated at the exchange rate in force at the balance sheet date.

2.4 Foreign currency transactions

Transactions in foreign currency are translated into euros at the exchange rate at the transaction date. At the balance sheet date, financial assets and monetary liabilities expressed in foreign currencies are translated at the closing rate. Resulting exchange gains and losses are recognised under foreign exchange gains and losses and are shown under other financial income and expenses in the income statement.
Foreign exchange gains and losses arising on loans denominated in foreign currency or on foreign currency derivatives used to hedge investments in foreign subsidiaries are recorded under translation differences in equity.

2.5 Business combinations

The Group applies the so-called purchase method for business combinations made as from 1 January 2004. In application of this method, the Group recognises the identifiable assets, liabilities and contingent liabilities at their fair value at the dates when control was acquired.
The cost of a business combination is the fair value, at the date of exchange, of assets given, liabilities incurred, and/or equity instruments issued by the acquirer in exchange for control of the acquiree, plus any costs directly attributable to the acquisition. When an agreement provides for an adjustment to the purchase price contingent on future events, the Group includes the amount of that adjustment in the cost of the target entity at the acquisition date if the adjustment is probable and can be measured reliably.
The cost of acquisition is allocated by recognising the identifiable assets, liabilities and contingent liabilities of the acquiree at their fair value at that date, except for assets or asset groups classified as held for sale under IFRS 5, which are recognised at their fair value less costs to sell. The positive difference between the cost of acquisition, as defined above, and VINCI's interest in the fair value of the identifiable assets, liabilities and contingent liabilities is recognised as goodwill.
The Group has 12 months from the date of acquisition to finalise recognition of the business combination in question.

In the case of an increase in the percentage holding of a previously controlled entity, the subsidiary's net assets are remeasured at their fair value at the date of the supplementary acquisition, for the supplementary holding acquired.

2.6 Discontinued operations (halted or sold), operations and assets classified as held for sale

Discontinued operation

Whenever discontinued operations (halted or sold), or operations held for sale are:
- a business line or a geographical area of business that is material for the Group and that form part of a single disposal plan; or
- a subsidiary acquired exclusively with a view to resale;

they are shown on a separate line of the consolidated balance sheet at the balance sheet date of the period under consideration.

Assets connected with discontinued operations are measured at the lower of their carrying amount and their estimated sales price less costs to sell. Income statement and cash flow items relating to these discontinued operations are shown on a separate line for all the periods presented.

Assets classified as held for sale

Non-current assets of which the sale has been decided during the period are shown on a separate line of the balance sheet whenever the sale is expected to be completed within one year. Such assets are measured at the lower of their carrying amount and their estimated sales price less costs to sell.

Contrary to discontinued operations, the related income statement and cash flow items are not shown on a separate line.

3. Measurement rules and methods

3.1 Use of estimates

The preparation of financial statements under the IFRSs requires estimates to be used and assumptions to be made that affect the amounts shown in these financial statements.

These estimates assume the operation is a going concern and are made on the basis of the information available at the time. Estimates may be revised if the circumstances on which they were based alter or if new information becomes available. Actual results may be different from these estimates.

Use of estimates relates in particular to the following:

3.1.1 Measurement of construction contract profit or loss using the stage of completion method

The Group uses the stage of completion method to recognise revenue and profit or loss on construction contracts, applying the general revenue recognition rules on the basis of the percentage of completion.

The percentage of completion and the revenue to recognised are determined on the basis of a large number or estimates based on monitoring of the work performed and using the benefit of experience to take account of unforeseen circumstances. In consequence, adjustments may be made to initial estimates throughout the contract and may have material effects on future results.

3.1.2 Values used in impairment tests

The assumptions and estimates made to determine the recoverable amount of goodwill, intangible assets and property, plant and equipment, relate in particular to the assessment of market prospects, needed to estimate the cash flows and discount rates adopted. Any change in these assumptions could have a material effect on the recoverable amount and could entail a change in the impairment losses to recognise.

The main assumptions used by the Group are described in Note 12 *Impairment of goodwill and other non-financial assets.*

3.1.3 Measurement of share-based payment expenses under IFRS 2.

The Group recognises a share-based payment expense relating to the granting to its employees of share options (offers to subscribe to shares), of shares for no consideration and of shares under the Group Savings Scheme. This expense is measured on the basis of actuarial calculations using estimated behavioural assumptions based on observation of past behaviour.

The main actuarial assumptions (expected volatility, expected return on the share, etc.) adopted by the Group are described for each plan in Note 21 *Share-based payments*.

3.1.4 Measurement of retirement benefit obligations

The Group is involved in defined contribution and defined benefit retirement plans. Its obligations are measured actuarially based on assumptions such as the discount rate, the return on the investments dedicated to these plans, future increases in wages and salaries, employee turnover, mortality rates and the rate of increase of health expenses.

These assumptions are generally updated annually. Details of the assumptions used in 2006 and how they are determined are given in Note 22.1 *Provisions for retirement benefit obligations.*

The Group considers that the actuarial assumptions used are appropriate and justified. Obligations may, however, change to take account of future changes in assumptions.

3.1.5 Measurement of provisions

The factors that materially influence the amount of provisions relate to:

- the estimates made on a statistical basis from expenses incurred in previous years, for after-sales service provisions;
- the estimates of forecast profit or loss on construction contracts, which serve as a basis for the determination of losses on completion;
- the forecasts for maintenance expenses spanning several years, and for major repairs, which serve as a basis for the provisions for major repairs. The application of Interpretation IFRIC 12 could moreover alter the determination of these provisions (see section B 1.2 IFRIC 12 *Service Concession Arrangements*).

3.1.6 Measurement of financial instruments at fair value.

In the case of financial instruments that are not listed on a market, the Group uses valuation models based on a certain number of assumptions to assess their fair value, and changes in these assumptions could have a material impact on the valuation of these instruments.

3.2 Revenue

Consolidated revenue of the Energy, Roads and Construction business lines is recognised in accordance with IAS 11 as described below. It represents the total of the work, goods and services produced by the consolidated subsidiaries as their main activity. It includes the Group's revenue from concession assets shown in the VINCI balance sheet as concession intangible assets.
The method for recognising revenue in respect of construction contracts is explained in the Note B.3.4 *Construction Contracts* below.

The Concession business line's consolidated revenue is recognised in accordance with IAS 18. It comprises tolls for the use of road infrastructures operated under concessions, revenue booked by car parks and airport service concessions, and ancillary income such as fees for the use of commercial installations, rental of telecommunication infrastructure and advertising space.
In the property sector, revenue arising on lots sold is recognised as the property development proceeds, using the incurred cost method (cost of land, of work, etc.).

3.3 Revenue from ancillary activities

Revenue from ancillary activities is recognised in accordance with IAS 18. It comprises rental income, sales of equipment, materials and merchandise, study work and fees other than those generated by concession operators.

3.4 Construction contracts

The Group recognises construction contract income and expenses using the stage of completion method defined by IAS 11.
For the Construction business line, the stage of completion is usually determined on a physical basis. For the other business lines (Roads and Energy) the stage of completion is determined on the basis of the percentage of total costs incurred to date.

If the estimate of the final outcome of a contract indicates a loss, a provision is made for the loss on completion regardless of the stage of completion, based on the best estimates of income, including any rights to additional revenue or claims if these are probable and can be reliably estimated. Provisions for losses on completion are shown under liabilities.

Revenue, including the margin on the construction (profit or loss), realised in connection with concession contracts shown under concession intangible assets, is recorded in the income statement using the stage of completion method described above.

Part payments received under construction contracts before the corresponding work has been carried out are recognised under liabilities under advances and payments on account received.

3.5 Share-based payments

The measurement and recognition methods for share subscription and purchase plans and the *Plans d'Epargne Groupe* – Group Savings Schemes – are defined by IFRS 2 *Share-based Payment*.
The granting of share options, free shares and offers to subscribe to the group savings plan represent a benefit granted to their beneficiaries and therefore constitute supplementary remuneration borne by VINCI. Because such transactions do not give rise to monetary transactions, the benefits granted in this way are recognised as expenses in the period in which the rights are acquired, with a corresponding increase in equity. Benefits are measured on the basis of the fair value at the grant date of the equity instruments granted.

3.5.1 Share subscription or purchase option plans

Options to subscribe to or purchase shares are granted to Group employees and officers. The fair value of the options granted is determined at the grant date using a binomial valuation model, of the "Monte Carlo" type. The number of options is adjusted for the probability that the vesting conditions for the exercise of the option will not be satisfied.

3.5.2 Free share allocation plans

On 12 December 2006, the VINCI Board of Directors, in accordance with the authorisations granted by the Ordinary and Extraordinary Shareholders Meeting of 16 May 2006, granted existing shares for no consideration with effect from 2 January 2007, to certain employees and certain company officers.

3.5.3 Group Savings Scheme

Under the Group Savings Scheme, the Group issues new shares in France three times a year reserved for its employees with a subscription price that includes a discount against the average stock market price of the VINCI share during the last 20 business days preceding the authorisation by the Board of Directors. This discount is considered as a benefit granted to the employees; its fair value is determined using a binomial valuation model, of the “Monte Carlo” type, at the date on which the Board of Directors sets the subscription price. As certain restrictions apply to the shares acquired by the employees under these plans regarding their sale or transfer, the fair value of the benefit to the employee takes account of the fact that the shares acquired cannot be freely disposed of for five years.
The Group recognises the benefits granted in this way to its employees as an expense at the time of granting, with a corresponding entry increasing consolidated equity.

The plans, implemented as decided by the holding company’s Board of Directors and approved by the Shareholders General Meeting, are not systematically renewed. As their measurement is not directly linked to divisions’ business operations, VINCI has considered it appropriate not to include this expense in the operating profit from ordinary activities, which is an indicator of divisional performance, but to report it on a separate line, labelled *Share-based payment expense (IFRS 2)*, in operating profit.

3.6 Cost of net financial debt

The cost of net financial debt comprises:

- the cost of gross financial debt, which includes the interest expense calculated at the effective interest rate, gains and losses on interest rate hedges in respect of gross financial debt, and net changes in the fair value of interest rate derivatives related to debt, except those that are recognised in equity.
- the line item *financial income from cash management investments* comprises the return on cash investments (interest income, dividends from UCITS, disposal gains and losses, etc.), the impact of interest rate hedges related to these investments and changes in their fair value.

3.7 Other financial income and expenses

Other financial income and expenses mainly comprises foreign exchange gains and losses, the effects of discounting to present value, dividends received from unconsolidated entities, capitalised borrowing costs and changes in the value of derivatives not allocated to interest rate risk management.

Borrowing costs borne during the construction of assets are included in the cost of those assets. They are determined as follows:

- to the extent that funds are borrowed specifically for the purpose of constructing an asset, the borrowing costs eligible for capitalisation on that asset are the actual borrowing costs incurred during the period less any investment income arising from the temporary investment of those borrowings;
- when borrowing is not intended to finance a specific project, the interest eligible for capitalisation on an asset is determined by applying a capitalisation rate to the expenditure on that asset. This capitalisation rate is equal to the weighted average of the costs of borrowing funds other than those specifically intended for the construction of given assets.

3.8 Income tax

Income tax is computed in accordance with the tax legislation in force in the countries where the income is taxable.

In accordance with IAS 12, deferred tax is recognised on the temporary differences between the carrying amount and the tax base of assets and liabilities. Deferred tax is calculated using the latest tax rates enacted or substantially enacted. The effects of a change in the tax rate from one period to another are recognised in the income statement in the period in which the change occurs.
Deferred tax relating to items recognised directly under equity is also recognised under equity.
Whenever subsidiaries have distributable reserves, a deferred tax liability is recognised in respect of the probable distributions that will be made in the foreseeable future. Moreover, shareholdings in equity-accounted entities and joint ventures give rise to recognition of a deferred tax liability in respect of all the differences between the carrying amount and the tax base of the shares.

Net deferred tax is determined on the basis of the tax position of each entity or group of entities included in the tax group under consideration and is shown under assets or liabilities for its net amount per taxable entity.
Deferred tax is reviewed at each balance sheet date to take account in particular of the impact of changes in tax law and the prospects for recovery. Deferred tax assets are only recognised if their recovery is probable.
Deferred tax assets and liabilities are not discounted.

3.9 Earnings per share

Earnings per share is the net profit for the period after minority interest, divided by the weighted average number of shares outstanding during the period less treasury shares.

In calculating diluted earnings per share, the average number of shares outstanding is adjusted for the dilutive effect of equity instruments issued by the Company, such as convertible bonds and share subscription or purchase options.

3.10 Goodwill

Goodwill is the excess of the cost of a business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities at the date(s) of acquisition, recognised on first consolidation.

Goodwill relating to fully and proportionately consolidated entities is recognised in the consolidated balance sheet under *Goodwill*. Goodwill relating to entities accounted for using the equity method is reported under *Investments in Associates*.

Goodwill is not amortised but is tested for impairment at least annually and whenever there is an indication that it may be impaired. Whenever an asset is impaired, the difference between its carrying amount and its recoverable amount is recognised as an operating expense in the period and is not reversible.
Negative goodwill is recognised directly in profit or loss in the year of acquisition.

3.11 Other intangible assets

Other intangible assets mainly comprise operating rights, quarrying rights of finite duration and computer software. Purchased intangible assets are measured at cost less cumulative amortisation and impairment losses and are amortised on a straight-line basis over their useful life.

3.12 Concession intangible assets

The costs of concession contracts are shown on a specific line in the balance sheet as concession intangible assets. They are amortised on a straight-line basis over the period of the contract, starting at the date of entry into service of the assets.

Renewable assets are depreciated on a straight-line basis over their useful life. Supplementary depreciation charges are made in respect of renewable assets that are returned for no consideration to the concession grantor, in order to bring their residual value to zero at the end of the contract.

3.13 Grants related to assets

Grants related to assets are presented in the balance sheet as a reduction of the amount of the asset for which they were received.

3.14 Property, plant and equipment

Items of property, plant and equipment are recorded at their acquisition or production cost less cumulative depreciation and any impairment losses. They are not revalued.
Depreciation is generally calculated on a straight-line basis over the period of use of the asset. Accelerated depreciation may however be used when it appears more appropriate to the conditions under which the asset is used. For certain complex assets comprising various components, in particular buildings and constructions, each component of the asset is depreciated over its own period of use.

The main periods of use of the various categories of items of property, plant and equipment are as follows:

Constructions:	
– structure	between 20 and 50 years
– general technical installations	between 5 and 20 years
Site equipment and technical installations	between 3 and 12 years
Vehicles	between 3 and 5 years
Fixtures and fittings	between 8 and 10 years
Office furniture and equipment	between 3 and 10 years

Depreciation commences as from the date when the asset is ready to enter service.

3.15 Finance leases

Assets acquired under finance leases are recognised as fixed assets whenever the effect of the lease is to transfer to the Group substantially all the risks and rewards incidental to ownership of these assets. Assets held under finance leases are depreciated over their period of use.

3.16 Investment properties

Investment property is property held to earn rentals or for capital appreciation. Such property is shown on a separate line in the balance sheet.

Investment property is recorded at its acquisition cost less cumulative depreciation and any impairment losses, in the same way as items of property, plant and equipment.

3.17 Impairment of non-financial non-current assets

Under certain circumstances, impairment tests must be performed on intangible and tangible fixed assets. For intangible assets with an indefinite useful life and goodwill, a test is performed at least annually and whenever there is an indication of a loss of value. For other fixed assets, a test is performed only when there is an indication of a loss of value.
Assets to be tested for impairment are grouped within cash-generating units that correspond to homogeneous groups of assets that generate identifiable cash flows from their use. Whenever the recoverable value of a cash-generating unit is less than its carrying amount, an impairment loss is recognised in operating profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit. The discount rate is determined for each cash-generating unit, taking account of its geographical location and the risk profile of its business.

3.18 Investments in associates

Equity-accounted investments in associates are initially recognised at cost of acquisition, including any goodwill arising. Their carrying amount is then increased or decreased to recognise the Group's share of the associate's profits or losses after the date of acquisition. Whenever losses are greater than the value of the Group's net investment in the equity-accounted associate, these losses are not recognised unless the Group has entered into a commitment to recapitalise the associate or made payments on its behalf.
If there is an indication that an equity-accounted investment in an associate may be impaired, its recoverable value is tested as described in Note B.3.17 *Impairment of non-financial non-current assets.*

3.19 Other non-current financial assets

Other non-current financial assets comprise available-for-sale securities, the part at more than one year of loans and receivables measured at their amortised cost and the fair value of non-current derivative financial instruments (assets) (see Note 3.29 *Fair value of derivative financial instruments*).

3.19.1 Available-for-sale securities

Available-for-sale securities comprises the Group's shareholdings in unconsolidated entities.

At the balance sheet date, available-for-sale securities are measured at their fair value. For shares in listed companies, fair value is determined on the basis of the stock market price at that balance sheet date.

For unlisted securities, if their fair value cannot be determined reliably, the securities continue to be measured at their original cost, i.e. their cost of acquisition plus transaction costs.

Changes in fair value are recognised directly in equity and are only transferred to profit or loss when the securities in question are sold.
Whenever a decrease in the fair value of an available-for-sale financial asset has been recognised directly in equity and when there is an objective indication that it is impaired, the cumulative loss is recognised in profit or loss and may not be reversed.

3.19.2 Loans and receivables at amortised cost

Loans and receivables at amortised cost mainly comprises receivables connected with shareholdings, current account advances to associates or unconsolidated entities, guarantee deposits, collateralised loans and receivables and other loans and receivables.

When first recognised, these loans and receivables are recognised at their fair value plus the directly attributable transaction costs. At each balance sheet date, these assets are measured at their amortised cost using the effective interest method.

If there is an objective indication of durable impairment, an impairment loss is recognised at the balance sheet date. The impairment loss corresponding to the difference between the carrying amount and the recoverable amount (i.e. the present value of the expected cash flows discounted using the original effective interest rate) is recognised in profit or loss. This loss may be reversed if the recoverable value increases subsequently and if this favourable change can objectively be linked to an event arising after recognition of the impairment loss

3.20 Inventories and work in progress

Inventories and work in progress are recognised at their cost of acquisition or of production by the entity. At each balance sheet date, they are measured at the lower of cost and net realisable value.

3.21 Trade and other operating receivables

Trade and other operating receivables are current financial assets initially measured at their fair value, which is generally their nominal value, unless the effect of discounting is material. At each balance sheet date, receivables are measured at their amortised cost less any impairment losses taking account of any likelihood of non-recovery.

3.22 Other current financial assets

Other current financial assets comprises the fair value of derivative financial instruments (assets) and the part at less than one year of loans and receivables reported under other non-current financial assets.

3.23 Cash management financial assets

Cash management financial assets comprises investments in monetary and bond securities, and units in UCITS, made with a short-term management objective, that do not satisfy the IAS 7 criteria for recognition as cash.
They are measured and recognised at their fair value. Changes in fair value are recognised through profit or loss, as the fair value option has been adopted by the Group in accordance with the provisions of IAS 39.

Purchases and sales of cash management financial assets are recognised at their transaction date.

Their fair value is determined using commonly used valuation models or, for non-listed cash management assets, at the present value of future cash flows. In assessing the fair value of listed instruments, the Group uses the market price at the balance sheet date or the cash-in-value of UCITS.

3.24 Cash and cash equivalents

This item comprises current accounts at banks and cash equivalents that are not subject to any restrictions. Bank overdrafts are not included in cash and are reported under current financial liabilities.

3.25 Treasury shares and other equity instruments

Treasury shares held by the Group are booked as a deduction from equity at their cost of acquisition. Any gains or losses connected with the purchase, sale, issue or cancellation of treasury shares are recognised directly in equity without affecting the income statement.

In accordance with IAS 32, equity includes perpetual subordinated bonds that meet the definition of an equity instrument.

3.26 Non-current provisions

Non-current provisions comprise provisions for retirement benefit obligations and other non-current provisions.

3.26.1 Provisions for retirement benefit obligations

Provisions are taken in the balance sheet for obligations arising from defined benefit retirement plans, for both current and former employees (people with deferred rights or who have retired). These provisions are determined using the projected unit credit method on the basis of actuarial assessments made at each annual balance sheet date. The actuarial assumptions used to determine the obligations vary depending on the economic conditions of the country where the plan is operated. Each plan's obligations are recognised separately.

For defined benefit plans financed under external management arrangements (i.e. pension funds or insurance policies), the surplus or shortfall of the fair value of the assets compared with the present value of the obligations is recognised as an asset or liability in the balance sheet, after deduction of cumulative actuarial gains and losses and any past service cost not yet recognised in profit or loss. However, surplus assets are only recognised in the balance sheet to the extent that they represent a future economic benefit for the Group.
Past service cost corresponds to the benefits granted either when an entity adopts a new defined benefit plan or when it changes the level of benefit of an existing plan. Whenever new rights to benefit are acquired as from the adoption of the new plan or the change of an existing plan, the past service cost is recognised

immediately in the income statement. Conversely, whenever adoption of a new plan or a change in a plan gives rise to the acquisition of rights after its implementation date, past service costs are recognised as an expense on a straight-line basis over the average period remaining until the corresponding rights are fully vested.

Actuarial gains and losses result from changes in actuarial assumptions and from experience adjustments (the effects of differences between the actuarial assumptions adopted and what has actually occurred).
Actuarial gains and losses that exceed 10% of the higher of the present value of the defined benefit obligation and the fair value of the plan assets are recognised on a straight-line basis over the average expected remaining working life of the employees participating in that plan.

For defined benefit plans, the expense recognised under operating profit or loss comprises the current service cost, the amortisation of past service cost, the amortisation of any actuarial gains and losses and the effects of any reduction or winding up of the plan. The interest cost (cost of discounting) and the expected yield on plan assets are recognised under other financial income and expenses.

Commitments relating to lump-sum payments on retirement for manual construction workers, which are met by contributions to an outside multi-employer insurance scheme (CNPO), are considered as being under defined contribution plans and are recognised as an expense as and when contributions are payable.

That part of provisions for retirement benefit obligations that matures within less than one year is shown under current liabilities.

3.26.2 Other non-current provisions

Other non-current provisions are provisions for other employee benefits and provisions that are not directly linked to the operating cycle, which are generally likely to reverse in more than one year. They are measured at the present value of the best estimate of the consumption of resources required to settle the obligation.

The part at less than one year of other employee benefits is reported under *other current liabilities*. The part at less than one year of provisions not directly linked to the operating cycle is reported under *current provisions*.

3.27 Current provisions

Current provisions are provisions directly linked to each business line's own operating cycle, whatever the expected time of settlement of the obligation.

Provisions for after-sales service cover Group entities' commitments under statutory warranties relating to completed projects, in particular ten-year warranties on building projects in France. They are estimated statistically on the basis of expenses incurred in previous years or individually on the basis of specifically identified defects.

Provisions for completion losses on contracts and construction project liabilities are made mainly when end-of-contract projections, based on the most likely estimated outcome, indicate a loss, and when work needs to be carried out in respect of completed projects under completion warranties.

Provisions for disputes connected with operations mainly relate to disputes with customers, sub-contractors, joint contractors or suppliers. Restructuring provisions include the cost of plans and measures for which there is a commitment whenever these have been announced before the year end.

Provisions for other current liabilities mainly comprise provisions for late delivery penalties, for individual dismissals and for other risks related to operations.

3.28 Financial debt (current and non-current)

Financial debt comprises bond loans, other loans and the fair value of derivative financial instruments (liabilities). Financial debt is recognised at amortised cost using the effective interest method. The effective interest rate is determined after taking account of redemption premiums and issuance expenses. Under this method, the interest expense is measured actuarially and reported under the cost of gross financial debt.

Certain financial instruments, in particular OCEANE bonds, comprise both a debt component and an equity component. In accordance with IAS 32, the issue price of the hybrid instrument is apportioned between its debt component and its equity component, the equity component being defined as the difference between the issue price and the debt component. The debt component corresponds to the fair value of a debt with similar characteristics but without a conversion option. The value attributed to the conversion option is not altered during the term of the loan. The debt component is measured using the amortised cost method over its estimated term. Issuance costs are allocated proportionately between the debt and equity components.

The part at less than one year of borrowings is included in current borrowings.

3.29 Fair value of derivative financial instruments (assets and liabilities)

The Group uses derivative financial instruments to hedge its exposure to market risks (interest rates, exchange rates, equity prices). Most interest rate and exchange rate derivatives used by VINCI may be considered as hedging instruments. Recognition as a hedging instrument is applicable in particular if:

- the hedging relationship is clearly defined and documented at the date when it is set up;
- the effectiveness of the hedging relationship is demonstrated from the outset, and regularly while it is in place.

3.29.1 Financial instruments designated as hedging instruments

Derivative financial instruments designated as hedging instruments are systematically recognised in the balance sheet at fair value. Nevertheless, their recognition varies depending on whether they are designated as:

- a fair value hedge of an asset or liability or of a firm commitment to buy or sell an asset;
- a cash flow hedge; or
- a hedge of a net investment in a foreign entity.

Fair value hedge

A fair value hedge enables the exposure to the risk of a change in the fair value of an asset, a liability such as fixed rate loans and borrowings, assets and liabilities denominated in foreign currency or firm commitments not recognised, to be hedged.

Changes in the fair value of the hedging instrument are recognised in profit or loss for the period. The impact of the revaluation of the hedged item is recognised symmetrically in profit or loss for the period. Except for the ineffective part of the hedge, these two revaluations offset each other within the same line items in the income statement.

Cash flow hedge

A cash flow hedge allows exposure to variability in future cash flows associated with a recognised asset or liability, or a highly probable forecast transaction, to be hedged.

Changes in the fair value of the derivative financial instrument are recognised net of tax under equity for the effective part and in profit or loss for the period for the ineffective part. Cumulative gains or losses in equity must be reclassified in profit or loss under the same line item as the hedged item – i.e. under operating income and expenses for cash flows from operations and under financial income and expense otherwise – whenever the hedged cash flow affects profit or loss.

If the hedging relationship is interrupted, in particular because it is no longer considered effective, the cumulative gains or losses in respect of the derivative instrument are retained in equity and recognised symmetrically with the cash flow hedged. If the future cash flow is no longer expected, the gains and losses previously recognised in equity are immediately taken to profit or loss.

Hedge of a net investment in a foreign entity.

A hedge of a net investment denominated in a foreign currency hedges the foreign exchange risk relating to the net investment in a consolidated foreign subsidiary. In a similar way as for cash flow hedges, the effective portion of the changes in the value of the hedging instrument is recorded in equity under translation reserves and the portion considered as ineffective is recognised in profit or loss. The change in the value of the hedging instrument recognised in translation differences must be reversed through profit or loss when the foreign entity in which the initial investment was made is disposed of.

3.29.2 Financial instruments not designated as hedging instruments

Derivative financial instruments that are not designated as hedging instruments are reported in the balance sheet as current assets or liabilities at fair value and changes in their fair value are recognised in profit or loss.

The fair value of derivative financial instruments designated as hedges of which the maturity is greater than one year is reported in the balance sheet under *non-current financial assets* or *other loans and non-current financial debt*. The fair value of other derivative instruments not designated as hedges and the part at less than one year of instruments designated as hedges are reported under *current financial assets or current financial liabilities.*

The market value of interest rate and foreign exchange transactions is estimated on the basis of valuations provided by bank counterparties or financial models commonly used in financial markets, using market data at the balance sheet date.

3.30 Off-balance sheet commitments

The Group's off-balance sheet commitments are monitored through an annual or six-monthly report.

Off-balance sheet commitments are reported in the appropriate Notes, as dictated by their nature and the activity to which they relate.

C. Acquisition of Autoroutes du Sud de la France

Following a disposal process initiated by the French government on 18 July 2005, VINCI acquired control of the ASF Group under the conditions indicated in Note A.1 *Key Events.*

The ASF Group finances, builds and operates a network of motorways totalling 3,107 km at the end of 2005, the network under concession having recently been increased to 3,160 km by the inclusion of the Lyons–Balbigny section of the A89 motorway. The concessions granted to ESCOTA and ASF expire at the end of 2026 and 2032 respectively.

The ASF Group consists mainly of Autoroutes du Sud de la France and ESCOTA. It also owns 34% of Jamaican Infrastructure Operator, which operates a 33 km network in Jamaica; Truck Etape, which specialises in the development of HGV parking facilities; and Autoroutes-Trafic, which sells multimedia traffic information services.

1. Determination of the identifiable assets and liabilities acquired at the date of acquiring control

In accordance with IFRS 3, VINCI has assessed the fair value of the assets and liabilities acquired and determined the related deferred tax effects. A provisional allocation of the values of the identifiable assets, liabilities and contingent liabilities has been determined as at 9 March 2006 on the basis of information available at the date of closing the accounts. These values may change, and any alterations to the values will be taken into account within 12 months from the transaction date.

The shares in ASF purchased before VINCI acquired control have been valued, applying the "Business combination achieved in stages" method, on the basis of the fair value of the assets and liabilities at the date of acquisition of the corresponding shareholdings, applying financial assumptions that were consistent with the periods under consideration. The various blocks of shares restated relate to the acquisitions made in 2002 (17% of ASF), 2003 (3%) and 2004 (3%). The re-estimate of the assets and liabilities at 9 March 2006, for the portion already held at 31 December 2005 has been recognised in the Group's consolidated reserves for €262.4 million net.

The fair value of the net assets acquired at the date of acquiring control has been measured consistently with the valuations made in connection with the offer made by VINCI to the French Government on 7 November 2005 and with the standing market offer.

The following items of note have been identified with regard to the difference between the fair value of the assets and liabilities acquired and the consolidated carrying amount of the shareholding in the ASF Group:

- The value attributable to the operating right granted by the ASF Group's concession contracts. This item, considered as an intangible concession asset, amounts to €6,889.5 million, amortisable over the remaining period of the ASF and ESCOTA concession contracts, which was 25.7 years at the date of acquiring control.
- Financial debts have been adjusted to their fair value. The market value of the gross debt of ASF and ESCOTA at 9 March 2006 has been assessed at €8,859.8 million, which is an upwards adjustment of €313.7 million (including derivative financial instruments) as against the carrying amount of €8,546.1 million in ASF's consolidated financial statements.
- In application of IAS 12, a deferred tax liability has been recognised in respect of the items restated at fair value. This deferred tax liability, associated with the value attributable to the right to operate the concessions, amounts to €2,372 million. A deferred tax asset of €108 million has also been recognised in respect of the revaluation resulting from recognising ASF and ESCOTA's debt at market value.

The identifiable assets and liabilities acquired at the date of acquiring control can be presented schematically as follows:

Assets and liabilities acquired on 9 March 2006 (in € millions)	**Historical values**	**Fair-value adjustments**	**Fair value**
Non-current assets			
Concession intangible assets *(including other intangible fixed assets)*	11,866.4	6,889.5	18,755.9
Non-current financial assets	87.6	3.3	90.9
Deferred tax assets	82.3	178.8(1)	261.1
Total non-current assets	**12,036.3**	**7,071.6**	**19,107.9**
Current assets	**1,149.0**		**1,149.0**
Non-current liabilities			
Non-current financial debt and derivatives	7,452.9	304.0	7,756.9
Other non-current liabilities	134.9	133.9	268.8
Deferred tax liabilities	295.7	2,384.0(1)	2,679.7
Total non-current liabilities	**7,883.5**	**2,821.9**	**10,705.4**
Current liabilities			
Current financial debt and derivatives	1,093.1	9.8	1,102.9
Other current liabilities	507.6	45.6	553.2
Total current liabilities	**1,600.7**	**55.4**	**1,656.1**
Net assets 100%-acquired	**3,701.1**(2)	**4,194.3**	**7,895.4**
Cash outflow for acquisition(3)			**9,064.8**
Direct costs connected to acquisition			21.9
Taxes			(7.5)
Acquisition price(3)			**9,079.1**

(1) Incl. €108 million relating to fair value of the ASF Group's debt
(2) Incl. ESCOTA minority shareholders for €3.7 million
(3) Excluding previous purchases of shares, before acquiring control

On the basis of the items above, residual goodwill, after the fair value adjustment, amounts to €2,958.3 million. This corresponds to the algebraic sum of positive and negative goodwill determined individually for each stage of the acquisition by comparing the cost of acquisition of each block of shares with the corresponding share of the assets and liabilities held remeasured at their fair value. This net unallocated goodwill corresponds to the future economic benefits that VINCI considers it will receive as a result of acquiring the ASF Group.

2. Other information

On the basis of the fair values presented above, VINCI's revenue and net profit for 2006, including the ASF Group as if the date of acquisition was 1 January 2006, would have been €26,032.4 million and €1,276.8 million respectively.

D. Segment information

Segment information is presented by business line (first level) and geographical segment (second level), based on the Group's internal organisation.
The main activities of each business line are:
• Concessions: management under concessions, tenancy agreements or service provision agreements of motorways and major infrastructures such as bridges and tunnels, car parks and airports.
• Energy: electrical works and engineering, information and communication technology, controlled temperature and atmosphere engineering, insulation.
• Roads: building of new roads, road maintenance, production of road-building materials, environmental work, demolition and recycling.
• Construction: design and construction in the building, civil engineering and hydraulic sectors, and multi-technical maintenance.
• Property: property development and promotion in the areas of

housing, offices, hotels, commercial property and urban development, carried out by VINCI Immobilier.
The segment financial information has been prepared using the same accounting rules as for the full financial statements.

Transactions between the various business lines are carried out at market conditions.

1. Revenue

1.1 Breakdown of revenue by business line

(in € millions)	2006	2005	Change 2006/2005	2004
Concessions	3,893.5 (1)	1,549.9	151.2%	1,478.9
Energy	3,653.7	3,508.5	4.1%	3,338.5
Roads	7,234.5	6,457.0	12.0%	5,755.2
Construction	10,617.2	9,398.9	13.0%	8,283.8
Property	564.8	409.3	38.0%	427.8
Eliminations	(329.4)	(285.5)	15.4%	(228.1)
Total	**25,634.3**	**21,038.1**	**21.8%**	**19,056.1**

(1) Including the ASF Group's revenue of €2,227.2 million as from 9 March 2006

1.2 Breakdown of revenue by geographical market

(in € millions)	2006	%	2005	%	2004	%
France	**16,824.8** (2)	**65.6%**	**13,064.5**	**62.1%**	**11,930.5**	**62.6%**
United Kingdom	1,714.1	6.7%	1,738.2	8.3%	1,508.6	7.9%
Germany	1,662.2	6.5%	1,573.6	7.5%	1,629.0	8.5%
Central & Eastern Europe	1,703.6	6.6%	1,560.1	7.4%	1,095.8	5.8%
Belgium	689.8	2.7%	630.1	3.0%	619.4	3.3%
Spain	315.5	1.2%	317.2	1.5%	306.1	1.6%
Other European countries	705.1	2.8%	538.6	2.6%	546.2	2.9%
Europe (1)	**23,615.2**	**92.1%**	**19,422.4**	**92.3%**	**17,635.5**	**92.5%**
of which European Union	*23,436.5*	*91.4%*	*19,235.2*	*91.4%*	*17,493.8*	*91.8%*
North America	686.9	2.7%	564.1	2.7%	610.1	3.2%
Rest of world	1,332.2	5.2%	1,051.7	5.0%	810.5	4.3%
Total	**25,634.3**	**100.0%**	**21,038.1**	**100.0%**	**19,056.1**	**100.0%**

(1) Includes the eurozone for €20,043.1 in 2006, €15,956.1 million in 2005 and €14,848.9 million in 2004.

(2) Including the ASF Group's revenue of €2,227.2 million as from 9 March 2006

Revenue arising in foreign countries amounted to €8,809.5 million in 2006, 10.5% more than in 2005, and represented 34.4% of the total.

1.3 Breakdown of revenue by location of operations

(in € millions)	2006	%	2005	%	2004	%
France	**17,260.6** (2)	**67.3%**	**13,438.2**	**63.9%**	**12,156.9**	**63.8%**
United Kingdom	1,716.8	6.7%	1,746.2	8.3%	1,510.3	7.9%
Germany	1,717.3	6.7%	1,598.5	7.6%	1,611.2	8.5%
Central & Eastern Europe	1,567.1	6.1%	1,378.4	6.6%	1,022.4	5.4%
Belgium	1,324.2	5.2%	1,077.3	5.1%	977.1	5.1%
Spain	297.5	1.2%	297.7	1.4%	293.8	1.5%
Other European countries	435.5	1.7%	398.9	1.9%	462.3	2.4%
Europe (1)	**24,319.1**	**94.9%**	**19,935.2**	**94.8%**	**18,034.0**	**94.6%**
of which European Union	*24,188.4*	*94.4%*	*19,840.5*	*94.3%*	*17,896.8*	*93.9%*
North America	679.2	2.6%	560.5	2.7%	600.1	3.1%
Rest of world	636.0	2.5%	542.4	2.6%	422.0	2.2%
Total	**25,634.3**	**100.0%**	**21,038.1**	**100.0%**	**19,056.1**	**100.0%**

(1) Includes the eurozone for €20,886.9 in 2006, €16,659.1 million in 2005 and €15,316.7 million in 2004.

(2) Including the ASF Group's revenue of €2,227.2 million as from 9 March 2006.

2. Other segment information by business line

The data below is for each business line separately and is stated before elimination, at their own level, of transactions between the divisions.
The data for 2004 is given in the 2005 registration document D.06-0101-R01, filed with the AMF on 14 March 2006.

2006

(in € millions)	Concessions	Energy	Roads	Construction	Property	Holding companies	Eliminations	Total
31/12/2006								
Income statement								
Revenue	**3,893.5**	**3,653.7**	**7,234.5**	**10,617.2**	**564.8**		**(329.4)**	**25,634.3**
Elimination of inter-segment sales	(2.5)	(68.7)	(62.7)	(182.0)	(13.5)		329.4	
Revenue invoiced to outside parties	3,891.0	3,584.9	7,171.8	10,435.2	551.3			**25,634.3**
Operating profit from ordinary activities	1,491.3	191.8	288.1	495.7	73.3	39.6		**2,579.8**
% of revenue	*38.3%*	*5.2%*	*4.0%*	*4.7%*	*13.0%*	*ns*		***10.1%***
Operating profit[1]	1,473.1	164.4	271.3	462.5	70.5	34.3		**2,476.0**
Net profit before profit or loss of discontinued operations or of operations classified as held for sale	743.1	111.6	210.1	366.4	49.1	(97.5)		**1,382.7**
Net profit attributable to equity holders of the parent	**667.6**	**110.6**	**201.9**	**342.0**	**49.0**	**(100.8)**		**1,270.4**
% of revenue	*17.1%*	*3.0%*	*2.8%*	*3.2%*	*8.7%*	*ns*		***5.0%***
Cash flow statement								
Cash flow (used in) / from operations before tax and financing costs	**2,380.5**	**229.3**	**425.8**	**680.0**	**74.2**	**(34.8)**		**3,755.0**
including net depreciation and amortisation, for	*884,0*	*55.5*	*184.9*	*235.0*	*0.4*	*6.2*		***1,365.9***
including net provisions, for	*28.6*	*0.3*	*(4.0)*	*(3.0)*	*1.2*	*(20.8)*		***2.2***
Net cash flows (used in) / from operating activities	**1,549.2**	**219.7**	**388.3**	**493.7**	**0.5**	**(159.8)**		**2,491.6**
Cash flows (used in) / from investing activities	**(619.9)** [2]	**(95.6)**	**(264.8)**	**(417.4)**	**4.0**	**(8,990.3)**		**(10,384.1)**
including net investments in operating and concession assets, for	*(1,237.6)*	*(58.0)*	*(185.8)*	*(378.9)*	*(1.2)*	*84.1*		***(1,777.4)***
Net cash flows (used in) / from financing activities	**(372.3)**	**(133.7)**	**(71.9)**	**69.7**	**(31.6)**	**8,746.6**		**8,206.8**
Cash flows associated with operations classified as held for sale	**219.4**							**219.4**
Net change in net cash	**776.4**	**(9.6)**	**51.5**	**145.9**	**(27.1)**	**(403.6)**		**533.6**
Balance sheet								
Segment assets	**28,838.5**	**2,000.2**	**3,397.8**	**6,606.7**	**420.2**	**28.6**		**41,292.0**
Segment liabilities	**1,080.9**	**2,038.5**	**2,961.9**	**7,076.0**	**271.3**	**210.1**		**13,638.7**
Net financial surplus (debt)	**(12,207.9)**	**535.8**	**613.2**	**1,491.9**	**(31.3)**	**(5,198.1)**		**(14,796.4)**
Employees at 31 December	**15,938**	**26,996**	**38,818**	**56,238**	**216**	**318**		**138,524**

(1) See Note B 1.3.2 Share-based payment.

(2) After deduction of the net cash of the ASF Group at the date of acquisition.

2005

(in € millions)	Concessions	Energy	Roads	Construction	Property	Holding companies	Eliminations	Total
31/12/2005								
Income statement								
Revenue	**1,549.9**	**3,508.5**	**6,457.0**	**9,398.9**	**409.3**		**(285.5)**	**21,038.1**
Elimination of inter-segment sales	(0.7)	(55.8)	(48.6)	(178.3)		(2.0)	285.5	
Revenue invoiced to outside parties	1,549.3	3,452.7	6,408.3	9,220.6	409.3	(2.0)		**21,038.1**
Operating profit from ordinary activities	628.0	189.0	243.2	474.7	33.7	(8.5)		**1,560.1**
% of revenue	*40.5%*	*5.4%*	*3.8%*	*5.1%*	*8.2%*	*ns*		***7.4%***
Operating profit[1]	620.5	170.4	230.0	447.8	32.5	(24.3)		**1,476.9**
Net profit before profit or loss of discontinued operations or of operations classified as held for sale	434.3	99.6	163.7	329.0	20.3	(42.9)		**1,003.9**
Net profit attributable to equity holders of the parent	**333.2**	**99.0**	**152.8**	**312.6**	**19.8**	**(46.2)**		**871.2**
% of revenue	*21.5%*	*2.8%*	*2.4%*	*3.3%*	*4.8%*	*ns*		***4.1%***
Cash flow statement								
Cash flow (used in) / from operations before tax and financing costs	**841.0**	**215.2**	**379.2**	**655.9**	**34.4**	**8.4**		**2,134.1**
including net depreciation and amortisation, for	*223.3*	*59.1*	*176.3*	*207.9*	*0.5*	*6.9*		***673.9***
including net provisions, for	*1.9*	*16.1*	*(6.0)*	*(1.4)*	*0.5*	*12.5*		***23.6***
Net cash flows (used in) / from operating activities	**454.1**	**186.4**	**371.5**	**647.1**	**(11.0)**	**18.2**		**1,666.3**
Cash flows (used in) / from investing activities	**(708.7)**	**(65.3)**	**(276.3)**	**(322.2)**	**(8.8)**	**10.7**		**(1,370.6)**
including net investments in operating and concession assets, for	*(792.8)*	*(42.3)*	*(219.1)*	*(311.6)*	*(0.5)*	*(17.1)*		***(1,383.3)***
Net cash flows (used in) / from financing activities	**279.2**	**(104.3)**	**(69.7)**	**(304.7)**	**13.5**	**1,676.8**		**1,490.9**
Cash flows associated with operations classified as held for sale	**10.0**							**10.0**
Net change in net cash	**34.6**	**16.8**	**25.5**	**20.2**	**(6.3)**	**1,705.8**		**1,796.6**
Balance sheet								
Segment assets	**8,518.9**	**1,856.5**	**2,983.4**	**5,614.1**	**436.8**	**199.1**		**19,608.8**
Segment liabilities	**595.1**	**1,861.1**	**2,653.2**	**6,271.8**	**301.2**	**263.8**		**11,946.2**
Net financial surplus (debt)	**(4,240.8)**	**518.0**	**631.2**	**1,611.1**	**(55.6)**	**(42.9)**		**(1,579.0)**
Employees at 31 December	**19,170**	**26,907**	**38,303**	**48,662**	**176**	**295**		**133,513**

(1) See Note B 1.3.2 Share-based payment.

Reconciliation between segment information and financial statements

(in € millions)	31/12/2006	31/12/2005
Segment assets		
Goodwill	3,681.3	813.1
Other intangible assets	128.3	103.7
Property, plant and equipment and investment properties	2,369.9	2,262.1
Concession intangible assets	24,698.5	5,741.0
Investments in associates	102.8	1,595.5
Inventories and work in progress	567.1	540.7
Trade and other operating receivables	9,503.1	8,334.3
Other current assets	241.0	218.6
Segment assets	**41,292.0**	**19,608.8**
Segment liabilities		
Current provisions	1,655.9	1,445.4
Trade payables	5,554.1	5,002.3
Other current payables	6,428.7	5,498.6
Segment liabilities	**13,638.7**	**11,946.2**

3. Breakdown of the Concessions division data

2006

(in € millions)	Cofiroute[1]	ASF Group and ASF Holding	VINCI Park	Other concessions	VINCI Concessions holdings	Total
31/12/2006						
Income statement						
Revenue	**965.7**	**2,227.2**	**523.1**	**182.6**	**(5.0)**	**3,893.5**
Operating profit from ordinary activities	513.9	815.1	121.4	61.3	(20.4)	**1,491.3**
% of revenue	*53.2%*	*36.6%*	*23.2%*	*33.6%*	*ns*	***38.3%***
Operating profit[2][3]	513.9	803.4	121.3	61.3	(26.7)	**1,473.1**
Share of profit / (loss) of associates	0.6	4.9		5.1		**10.6**
Net profit before profit or loss of discontinued operations or of operations classified as held for sale	302.7	348.0	62.8	53.7	(24.2)	**743.1**
Net profit attributable to equity holders of the parent	**197.4**	**331.8**	**63.7**	**50.2**	**24.4**	**667.6**
% of revenue	*20.4%*	*14.9%*	*12.2%*	*27.5%*	*ns*	***17.1%***
Cash flow statement						
Cash flow (used in) / from operations before tax and financing costs	**662.5**	**1,466.6**	**187.3**	**87.0**	**(22.7)**	**2,380.5**
including net depreciation and amortisation, for	*139.1*	*649.1*	*63.5*	*29.8*	*2.5*	***884.0***
including net provisions, for	*8.5*	*15.1*	*3.2*	*0.8*	*1.0*	***28.6***
Net cash flows (used in) / from operating activities	**479.8**	**912.3**	**124.4**	**34.5**	**(1.8)**	**1,549.2**
Cash flows (used in) / from investing activities	**(754.6)**	**252.2** [4]	**(71.9)**	**(45.5)**		**(619.9)**
including net investments in operating and concession assets, for	*(755.1)*	*(350.3)*	*(71.3)*	*(60.9)*	*(0.1)*	***(1,237.6)***
Net cash flows (used in) / from financing activities	**301.4**	**654.2**	**(58.8)**	**14.0**	**(1,283.1)**	**(372.3)**
Cash flows associated with operations classified as held for sale					**219.4**	**219.4**
Net change in net cash	**26.5**	**1,818.7**	**(6.3)**	**3.0**	**(1,065.4)**	**776.4**
Balance sheet						
Segment assets	**4,875.7**	**21,915.5**	**1,286.8**	**734.4**	**26.1**	**28,838.5**
Segment liabilities	**182.8**	**548.4**	**242.4**	**107.9**	**(0.5)**	**1,080.9**
Net financial surplus (debt)	**(3,005.7)**	**(9,569.0)**	**(873.6)**	**(311.2)**	**1,551.7**	**(12,207.9)**
Employees at 31 December	**2,045**	**7,669**	**5,243**	**981**		**15,938**

(1) On 100% basis.
(2) See Note B 1.3.2 Share-based payment.
(3) The IFRS 2 Share-based Payment expense for the Concessions division is shown in the VINCI Concessions holdings column.
(4) After deduction of the net cash of the ASF Group at the date of acquisition.

2005

(in € millions)	Cofiroute[1]	ASF Group	VINCI Park	Other concessions	Airport Services	VINCI Concessions holdings	Total
31/12/2005							
Income statement							
Revenue	**900.0**		**493.7**	**161.0**		**(4.8)**	**1,549.9**
Operating profit from ordinary activities	468.7		126.6	54.8	(0.4)	(21.7)	**628.0**
% of revenue	*52.1%*		*25.6%*	*34.0%*		*ns*	***40.5%***
Operating profit[2] [3]	468.7		124.8	54.5	(3.1)	(24.4)	**620.5**
Net profit before profit or loss of discontinued operations or of operations classified as held for sale	286.0	76.8	75.8	11.3	2.7	(18.3)	**434.3**
Net profit attributable to equity holders of the parent	**186.8**	**76.8**	**75.6**	**10.0**	**2.3**	**(18.3)**	333.2
% of revenue	*20.7%*		*15.3%*	*6.2%*		*ns*	***21.5%***
Cash flow statement							
Cash flow (used in) / from operations before tax and financing costs	**604.6**		**176.7**	**82.5**	**(3.1)**	**(19.7)**	841.0
including net depreciation and amortisation, for	*129.6*		*60.1*	*33.4*	*0.1*	*0.1*	***223.3***
including net provisions, for	*3.8*		*(3.7)*	*1.0*		*0.9*	***1.9***
Net cash flows (used in) / from operating activities	**294.4**		**140.7**	**61.6**	**(7.8)**	**(34.8)**	454.1
Cash flows (used in) / from investing activitiess	**(736.1)**	**55.2**	**(15.6)**	**(38.2)**	**(29.7)**	**55.7**	(708.7)
including net investments in operating and concession assets, for	*(736.1)*		*(18.3)*	*(38.4)*			***(792.8)***
Net cash flows (used in) / from financing activities	**446.7**	**(55.2)**	**(116.2)**	**(27.5)**	**32.9**	**(1.5)**	279.2
Cash flows associated with operations classified as held for sale					**10.0**		10.0
Net change in net cash	**5.0**		**8.9**	**(4.1)**	**5.4**	**24.8**	34.6
Balance sheet							
Segment assets	**4,160.1**	**1,512.0**	**1,473.9**	**971.6**	**391.9**	**10.5**	8,518.9
Segment liabilities	**115.3**		**238.4**	**90.3**	**142.6**	**8.4**	595.1
Net financial surplus (debt)	**(2,543.8)**		**(390.9)**	**(703.2)**	**(190.3)**	**(412.6)**	(4,240.8)
Employees at 31 December	**2,116**		**4,960**	**1,069**	**11,025**		19,170

(1) On 100% basis.

(2) See Note B 1.3.2 Share-based payment.

(3) The IFRS 2 Share-based Payment expense for the Concessions division is shown in the VINCI Concessions holdings column.

4. Segment information by geographical segment

(in € millions)	France	Germany	United Kingdom	Central & Eastern Europe	Belgium	Spain	Other European countries	Europe	North America	Rest of world	Total
31/12/2006											
Segment assets	36,125.1	615.9	646.5	785.6	1,061.4	256.4	881.0	40,372.0	176.1	743.9	**41,292.0**
Net investments in operating and concession assets	(1,484.2)	(19.7)	(7.8)	(36.6)	(129.9)	(8.5)	(27.4)	(1,714.1)	(23.3)	(39.9)	**(1,777.4)**
Employees at 31 December	83,730	8,906	8,058	8,263	4,936	1,876	3,137	118,906	3,741	15,877	**138,524**
31/12/2005											
Segment assets	14,527.6	577.2	601.4	531.7	878.9	275.6	907.3	18,299.7	478.0	831.1	**19,608.8**
Net investments in operating and concession assets	(1,105.9)	(18.7)	(28.2)	(33.6)	(98.2)	7.8	(33.4)	(1,310.2)	(38.3)	(34.5)	**(1,383.1)**
Employees at 31 December	76,254	9,256	8,598	8,195	4,495	2,141	2,819	111,758	12,061	9,694	**133,513**

E. Notes to the income statement

5. Operating profit

(in € millions)	31/12/2006	31/12/2005	31/12/2004
Revenue	**25,634.3**	**21,038.1**	**19,056.0**
Revenue from ancillary activities	218.8	181.8	256.9
Purchases consumed	(6,306.5)	(5,421.1)	(5,047.2)
External services	(2,982.1)	(2,590.1)	(2,279.6)
Temporary employees	(842.0)	(811.2)	(666.9)
Subcontracting	(5,432.0)	(4,897.1)	(4,278.8)
Taxes and levies	(715.9)	(382.8)	(344.8)
Employment costs	(5,707.2)	(4,974.7)	(4,795.4)
Other income and expenses	181.7	111.1	18.3
Depreciation and amortisation (1)	(1,359.6)	(673.3)	(616.4)
Net provision charges	(109.7)	(20.7)	2.8
Operating expenses (before non-recurring items and IFRS 2)	**(23,273.3)**	**(19,659.8)**	**(18,008.1)**
Operating profit from ordinary activities	**2,579.8**	**1,560.1**	**1,304.8**
Share-based payment expense (IFRS 2)	(89.5)	(70.1)	(36.3)
Goodwill impairment expense	(14.3)	(13.2)	(22.8)
Operating expenses	**(23,377.1)**	**(19,743.0)**	**(18,067.1)**
Operating profit	**2,476.0**	**1,476.9**	**1,245.8**

(1) Including reversals of depreciation and amortisation relating to investment grants.

Operating profit from ordinary activities, which measures the operating performance of the Group's subsidiaries before the effect of share-based payment (IFRS 2) and goodwill impairment losses, was €2,579.8 million at 31 December 2006 (10.1% of revenue) against €1,560.1 million at 31 December 2005 (7.4% of revenue), an increase of 65.4%. If the impact of consolidation of the ASF Group from 9 March 2006 is excluded, the increase in the period was 13.1%.

Operating profit from ordinary activities for 2006 includes non-recurring items, in particular a gain of €53 million related to the sale of a property complex in Nanterre which was offset in part by an expense of €28 million in respect of the restructuring costs of VINCI Bautec in Germany and by an impairment loss allowance relating to a property located at Rue Balzac, Paris, for €23 million.

Operating profit amounted to €2,476.0 million at 31 December 2006 (9.7% of revenue) against €1,476.9 million at 31 December 2005 (7.0% of revenue), up 67.6%, or 13.2% if the impact of the consolidation of ASF is excluded.

5.1 Other operating income and expenses

(in € millions)	31/12/2006	31/12/2005	31/12/2004
Production in inventory and capitalised	121.0	83.9	56.0
Operating subsidies and insurance settlements received	32.2	25.0	10.5
Net gains on disposal of operating tangible and intangible fixed assets(1)	115.2	40.9	20.5
Share in operating profit or loss of joint ventures	26.7	29.7	36.8
Other	(113.3)	(68.2)	(105.4)
Other operating income and expenses	**181.7**	**111.1**	**18.3**

(1) Including €53 million related to the disposal of a property complex in Nanterre.

5.2 Depreciation and amortisation

This item breaks down as follows:

(in € millions)	31/12/2006	31/12/2005	31/12/2004
Intangible assets	(25.6)	(23.3)	(21.6)
Concession intangible assets	(854.6) (1)	(204.1)	(182.4)
Property, plant and equipment	(477.7)	(444.3)	(411.0)
Investment properties	(1.6)	(1.7)	(1.4)
Depreciation and amortisation	**(1,359.6)**	**(673.3)**	**(616.4)**

(1) Including €-637.6 million relating to the amortisation of the ASF Group's concession intangible assets.

5.3 Share-based payment

The expense relating to benefits granted to employees has been assessed at €89.5 million in respect of 2006 (against €70.1 million in 2005), of which €32.5 million was in respect of share option plans (against €34.8 million in 2005), €54.5 million in respect of group savings plans (against €35.3 million in 2005) and €2.5 million in respect of the plan to allocate shares for no consideration. (See Note 21 *Share-based payment*).

6. Cost of net financial debt

(in € millions)	31/12/2006	31/12/2005	31/12/2004
Cost of gross financial debt	(733.7)	(273.3)	(318.7)
Financial income from cash management investments	152.1	122.9	83.1
Cost of net financial debt	**(581.7)**	**(150.3)**	**(235.6)**

The cost of financial debt amounted to €-581.7 million in 2006 against €-150.3 million in 2005. This takes account of the financing cost associated with the acquisition in the period of the 77% supplementary shareholding in ASF, for €163 million.

Concessions accounted for €-476.9 million of this amount (against €-157.3 million in 2005), of which €-133.1 million was in Cofiroute (€99.3 million in 2005) and €-227.6 million in the ASF Group, which takes account of the positive effect (in the form of a €56.7 million reduction of expenses) of measuring the debt at fair value at the date of acquisition.

The Construction, Roads, Energy and Property divisions generated net financial income of €56.3 million (against €34.2 million in 2005), reflecting the improvement in their operating cash position.

7. Other financial income and expenses

7.1 Other financial income

(in € millions)	31/12/2006	31/12/2005	31/12/2004
Capitalised borrowing costs	92.3	63.3	77.3
Dividends received from unconsolidated entities	8.5	4.7	41.8
Foreign exchange gains	3.2	9.3	9.5
Gains on disposals	71.7	36.0	36.3
Other financial income (including reversals of provisions)	10.6	14.5	114.7
Other financial income	**186.3**	**127.8**	**279.6**

Other financial income amounted to €186.3 million in 2006 against €127.8 million in 2005. This includes gains on disposals for €71.7 million, including those relating to the sales of the 50% shareholding in Stratebau for €22.6 million, of 31.1% of SCDI (the company operating the Confederation Bridge concession in Canada) for €18.6 million and Autopista del Bosque for €11.4 million.

Capitalised borrowing costs related to concession projects in progress amounted to €91.6 million in 2006 (€83.4 million for Cofiroute and €5.8 million for the ASF Group as from the date of acquiring control) at an average rate of 4.48%, against €63.3 million in 2005 (at an average rate of 4.29%).

7.2 Other financial expenses

(in € millions)	31/12/2006	31/12/2005	31/12/2004
Change in present values	(24.8)	(27.0)	(27.8)
Foreign exchange losses	(14.8)	(13.5)	(10.8)
Losses on disposals	(2.1)	(11.5)	(1.8)
Other financial expenses (including provision charges)	(7.3)	(23.0)	(3.2)
Other financial expenses	**(48.9)**	**(75.0)**	**(43.6)**

Change in present values mainly relates to the portion at more than one year of the retirement benefit obligations, net of the expected return on plan financial assets.
Losses on disposals in 2005 mainly related to the loss on the sale of the TMS subsidiaries.

8. Income tax

8.1 Analysis of net tax expense

(in € millions)	31/12/2006	31/12/2005	31/12/2004
Current tax	(696.0)	(496.2)	(432.6)
Deferred tax	28.6	33.7	66.6
of which temporary differences	*41.4*	*17.0*	*50.8*
of which tax losses and tax credits	*(12.8)* (1)	*16.7*	*15.8*
	(667.4)	**(462.5)**	**(365.9)**

(*) Including tax effect of discontinued operations (halted, sold)

The tax expense for the period comprises:
- the tax expense recognised by the French subsidiaries for €-590.7 million (against €-403.2 million in 2005), of which €-181.6 million for ASF and ESCOTA, €-161.9 million for Cofiroute (against €-145.2 million in 2005) and €-221 million (against €-244.4 million in 2005) for the VINCI holding company, lead company in a group tax regime that includes 612 French subsidiaries.
- tax expense recognised by foreign subsidiaries for €-76.7 million (against €-59.3 million in 2005).

The tax associated with items recognised directly in equity was a gain of €32.5 million.
The parent company and its subsidiaries are regularly subject to inspection by the tax authorities.

8.2 Effective tax rate

The difference between the tax calculated using the standard tax rate in force in France and the amount of tax effectively recognised in the period can be analysed as follows:

(in € millions)	31/12/2006	31/12/2005	31/12/2004
Profit before tax, profit or loss of associates and discontinued operations (halted, sold)	2,031.8	1,379.3	1,246.1
Theoretical tax rate in France	34.43%	34.93%	35.43%
Theoretical tax expense expected	**(699.5)**	**(481.8)**	**(441.5)**
Goodwill impairment expense	(4.9)	(4.6)	(7.6)
Impact of taxes due on income taxed at lower rate in France	12.9	4.9	(14.9)
Impact of tax loss carryforwards and other unrecognised or previously capped temporary differences	(3.0)	5.4	(44.9)
Difference in tax rates on foreign profit or loss	32.3	29.3	10.5
Permanent differences and miscellaneous	(5.2)	(15.6)	132.5
Tax expense recognised	**(667.4)**	**(462.5)**	**(365.9)**
Effective tax rate	32.85%	33.53%	29.37%
Effective tax rate excluding impact of share-based payments and goodwill impairment losses	31.25%	31.62%	28.03%

The income arising in the period from the recognition of previously unrecognised deferred tax assets, such as carryforward tax losses and tax credits, was €15.3 million.

The permanent differences shown in the effective tax rate reconciliation include in particular:

- the effects associated with the fact that most components of the share-based payment expense are non tax deductible. Such components amounted to €-19.4 million in 2006 (against €-19 million in 2005).
- the positive effects of certain gains on disposal of assets in foreign countries (31.1% of SCDI, 50% of Stratebau), which are not taxable.

8.3 Analysis of deferred tax assets and liabilities

	31/12/2006	Changes		31/12/2005	31/12/2004
(in € millions)		Profit or loss	Other		
Expenses deductible later	83.6	8.5	18.7	56.4	42.1
Retirement and other employee benefit obligations	169.6	(11.2)	29.7	151.2	179.2
Other provisions not deducted for tax purposes	215.7	6.0	0.8	208.9	213.0
Differences between carrying amounts and taxable amounts, assets and liabilities	15.6	(2.3)	4.8	13.1	5.3
Temporary differences connected with consolidation restatements	279.3	(21.3)	220.6	80.0	91.3
Sub-total temporary differences	*763.9*	*(20.3)*	*274.6*	*509.6*	*530.9*
Capping of temporary differences	(107.1)	(1.6)	7.9	(113.3)	(125.5)
Temporary differences after capping	*656.8*	*(21.9)*	*282.5*	*396.3*	*405.4*
Unused tax losses and tax credits after capping	22.5	(12.8) (1)	0.1	35.2	20.0
Netting of deferred tax assets and liabilities	(460.6)		(239.6)	(221.0)	(258.2)
Total deferred tax assets	**218.8**	**(34.7)**	**43.0**	**210.5**	**167.2**
Differences between carrying amounts and taxable amounts, assets and liabilities	(47.8)	0.7	(0.5)	(48.0)	(59.7)
Temporary differences connected with consolidation restatements	(2,590.0)	63.7	(2,449.5)	(204.2)	(228.3)
Other taxable temporary differences	(435.5)	(1.1)	(254.8)	(179.5)	(139.8)
Netting of deferred tax assets and liabilities	460.6		239.6	221.0	258.2
Total deferred tax liabilities	**(2,612.7)**	**63.3**	**(2,465.3)**	**(210.7)**	**(169.6)**

(*) Including tax effect of discontinued operations (halted, sold)

Temporary differences connected with consolidation restatements relate mainly to the tax effects associated with measuring the assets and liabilities of ASF at fair value on first consolidation.

8.4 Unrecognised deferred taxes

At 31 December 2006, deferred tax assets that are unrecognised on the grounds that their recovery is not certain amounted to €363.8 million and mainly related to the German subsidiaries (of which €118 million related to their carryforward tax losses). As the German subsidiaries are again profitable, VINCI has, on the basis of the forecast 2007 results, recognised a deferred tax asset of €10.4 million, which is considered likely to be recovered in the next period.

9. Earnings per share and dividend

Earnings per share is calculated on the basis of the weighted average number of shares outstanding during the period, less the weighted average number of treasury shares.

Diluted earnings per share is calculated on the basis of the weighted average number of shares that would have been outstanding had all potentially dilutive instruments (convertible bonds and share subscription options) been converted into shares. Earnings are adjusted for the changes in income and expenses that would result from the conversion of potentially dilutive instruments into shares (for example, the reduction of interest expenses net of taxes resulting from the conversion of convertible bonds into shares).

Dilution resulting from the exercise of share subscription and share purchase options is determined used the method defined in IAS 33.

9.1 Earnings per share

The tables below show the reconciliation between earnings per share and diluted earnings per share:

2006	Net profit [1]	Average number of shares	Earnings per share [2]
Total shares		**224,217,411**	
Treasury shares		(5,165,864)	
Earnings per share	**1,270.4**	**219,051,547**	**5.80**
Share subscription options		8,626,939	
Share purchase options and Group Savings Scheme		1,292,195	
Diluted earnings per share	**1,270.4**	**228,970,682**	**5.55**

(1) In millions of euros

(2) In euros

2005	Net profit [1]	Average number of shares	Earnings per share [2]
Total shares		**177,094,311**	
Treasury shares		(5,660,745)	
Earnings per share	**871.2**	**171,433,566**	**5.08**
Convertible bonds (Oceane)	14.0	16,829,305	
Share subscription options		8,309,424	
Share purchase options and Group Savings Scheme		1,872,023	
Diluted earnings per share	**885.2**	**198,444,318**	**4.46**

(1) In millions of euros

(2) In euros.

2004	Net profit [1]	Average number of shares [2]	Earnings per share [3]
Total shares		**170,036,496**	
Treasury shares		(9,544,936)	
Earnings per share	**732**	**160,491,560**	**4.56**
Convertible bonds (Oceane)	42	22,616,668	
Share subscription options		6,682,160	
Share purchase options and Group Savings Scheme		2,830,216	
Diluted earnings per share	**774**	**192,620,604**	**4.02**

(1) In millions of euros

(2) Restated following the two-for-one share split in May 2005

(3) In euros

At 31 December 2006, there were no financial instruments with an accretive effect.

9.2 Earnings per share of discontinued operations

	2006	2005	2004
Basic profit or loss of discontinued operations (1)	49.4	(1.0)	(55.9)
Earnings per share (2)	0.23	(0.01)	(0.35)
Diluted earnings per share (2)	0.22	(0.01)	(0.29)

(1) in millions of euros

(2) in euros

9.3 Dividend payments

	2006	2005	2004
Interim dividend			
Amount *(in € millions) (I)*	198.4	132.8	97.9
Per share *(in €)*	0.85	0.70	0.60(2)
Final dividend proposed to the General Meeting called to vote on the financial statements for the period			
Amount *(in € millions) (II)*	417.7(1)	249.0	188.9
Per share *(in €)*	1.80	1.30	1.15(2)
Total net dividend per share			
Amount *(in € millions) (I) + (II)*	616.1	381.8	286.8
Per share *(in €)*	2.65	2.00	1.75(2)

(1) Estimate on the basis of the number of shares giving an entitlement to dividends at the date of the meeting of the Board of Directors (27 February 2007), which was 232,065,677.

(2) Restated following the two-for-one share split in May 2005

F. Notes to the balance sheet

10. Goodwill

Changes in the period were as follows:

(in € millions)	Net
At 31/12/2004	**776.9**
Goodwill recognised during the period	33.1
Impairment losses	(13.2)
Translation differences	5.9
Entities no longer consolidated	(0.0)
Other movements	10.3
At 31/12/2005	**813.1**
Impact of consolidating the ASF Group	2,958.3 (1)
Other goodwill recognised during the period	44.3
Impairment losses	(14.3)
Translation differences	(0.6)
Entities no longer consolidated(2)	(93.7)
Other movements	(25.8)
At 31/12/2006	**3,681.3**

(1) See Note C. Acquisition of Autoroutes du Sud de la France.

(2) Including goodwill connected with discontinued operations, or those in the process of being sold, for €92.4 million.

The main items of goodwill at 31 December 2006 were as follows:

	31/12/2006			31/12/2005	31/12/2004
(in € millions)	Gross [1]	Impairment losses	Net	Net	Net
ASF Group [2]	2,958.3		2,958.3		
VINCI Park (formerly Sogeparc and Finec)	343.3		343.3	343.3	343.3
Teerbau GmbH	38.7		38.7	38.7	38.7
VINCI PLC	22.5		22.5	22.0	20.8
Emil Lundgren AB	21.0		21.0	21.0	21.0
Netlink BV	10.6		10.6	10.6	10.6
VINCI Airports US (WFS/ACAC)				66.3	62.4
EFS				19.0	19.0
Other goodwill items individually less than €10 million[3]	325.2	(38.0)	287.1	292.3	261.2
	3,719.4	**(38.0)**	3,681.3	**813.1**	**776.9**

(1) Gross value less accumulated amortisation at 1 January 2004 (Opening IFRS balance sheet).

(2) See Note C. Acquisition of Autoroutes du Sud de la France.

(3) In net individual amounts for each of the three periods.

11. Other intangible assets

Changes in the period were as follows:

(in € millions)	Software	Patents, licences and other	Total
Gross			
31/12/2004	**98.8**	**117.5**	**216.3**
Acquisitions as part of business combinations	3.3	25.7	29.0
Other acquisitions in the period	11.8	15.4	27.2
Disposals and retirements during the period	(5.3)	(11.0)	(16.2)
Translation differences	1.2	1.7	2.9
Other movements	0.5	(11.5)	(11.0)
31/12/2005	**110.3**	**137.9**	**248.2**
Acquisitions as part of business combinations	82.8	18.0	100.8
Other acquisitions in the period	14.2	18.3	32.5
Disposals and retirements during the period	(23.7)	(2.4)	(26.2)
Discontinued operations and other assets held for sale	(7.3)	(1.2)	(8.4)
Translation differences	0.2	0.9	1.1
Other movements	9.9	(14.2)	(4.3)
31/12/2006	**186.4**	**157.3**	**343.8**
Amortisation and impairment losses			
31/12/2004	**(69.6)**	**(64.6)**	**(134.2)**
Cumulative amortisation recognised as part of business combinations	(3.2)	(0.9)	(4.1)
Amortisation for the period	(18.1)	(6.7)	(24.9)
Impairment losses	(0.0)	(1.0)	(1.0)
Reversals of impairment losses	0.0	0.3	0.3
Disposals and retirements during the period	4.7	9.5	14.2
Translation differences	(0.9)	(0.6)	(1.4)
Other movements	0.3	6.3	6.7
31/12/2005	**(86.8)**	**(57.8)**	**(144.6)**
Cumulative amortisation recognised as part of business combinations	(68.6)	(7.6)	(76.1)
Amortisation for the period	(19.0)	(6.6)	(25.6)
Impairment losses	(0.0)	(2.7)	(2.7)
Reversals of impairment losses	0.0	0.2	0.2
Disposals and retirements during the period	22.9	1.6	24.5
Discontinued operations and other assets held for sale	5.8	0.7	6.5
Translation differences	(0.2)	(0.1)	(0.3)
Other movements	2.0	0.7	2.7
31/12/2006	**(143.8)**	**(71.6)**	**(215.4)**
Net			
31/12/2004	**29.2**	**52.9**	**82.0**
31/12/2005	**23.5**	**80.2**	**103.7**
31/12/2006	**42.5**	**85.8**	**128.3**

12. Impairment losses on goodwill and other non-financial assets

In accordance with IAS 36 *Impairment of Assets*, goodwill and other non-financial assets have been tested for goodwill at 31 December 2006.

The value in use of cash-generating units is determined on the basis of activity and country, by discounting the forecasted operating cash flows before tax (operating profit plus depreciation and amortisation plus non-current provisions less operating investments less change in operating WCR), at the rates below.

In the case of concessions, forecasted cash flows are determined across the contract terms by applying a variable discount rate, determined for each period depending on the debt to equity ratio. For the other cash-generating units, forecasted cash flows are determined on the basis of the latest three-year plans available. For periods beyond the three-year period, cash flows are extrapolated until the fifth year, generally using a growth rate based on management's assessment of the outlook for the entity under consideration.
Beyond the fifth year, the terminal value is determined by capitalising cash flows to infinity.

12.1 Impairment losses on goodwill

The largest goodwill items are:

	ASF Group	VINCI Park	Other goodwill (1)
Net carrying amount of goodwill (in € millions)	**2,958.3**	**343.3**	**379.7**
Method used	**Value in use**	**Value in use**	**Value in use**
Model variables			
Growth rate on forecasts for years Y + 3 to Y +5	(2)	(3)	1% à 2%
Growth rate on terminal value	—	—	0% à 2%
Pre-tax discount rate at 31/12/2006	10.5%	8.9%	8.9% to 15.5%
Pre-tax discount rate at 31/12/2005	—	9.0%	9.0% to 11.7%
Impairment losses recognised in the period (in € millions)	**—**	**—**	**14.2**

(1) Of which unit amounts are less than €40 million.

(2) Cash flow projections are determined over the length of concessions contracts using an average growth rate of 3.1% for revenue and of 2.6% for operating expenses. The pre-tax discount rates shown above are the average of the annual discount rates over the length of the contracts.

(3) Cash flow projections are determined over the average length of concessions contracts using a growth rate of 3% for revenue and of 2% for operating expenses.

The tests performed at 31 December 2006 led to the recognition of impairment losses of €14.2 million, relating mainly to subsidiaries of VINCI Energies, for €7.5 million, and of VINCI PLC, for €3.9 million.

Following the impairment tests performed at 31 December 2005, VINCI recognised impairment losses of €13.2 million relating in particular to the subsidiaries of VINCI PLC, for €3.2 million, and of VINCI Energies for €2.9 million.

12.2 Impairment of other non-financial assets

Impairment losses on other non-financial assets recognised in the period amount to €31 million, including €23 million in respect of a property in Rue Balzac, Paris.

13. Concession intangible assets

13.1 Main features of concession contracts

The main features of the main concession contracts operated by fully or proportionately consolidated subsidiaries are as follows:

	Control and regulation of prices by concession grantor	Remuneration paid by	Grant or guarantee from concession grantor	Residual value	Concession end date or average duration	Consolidation method
			Motorways			
Cofiroute						
Intercity toll motorway network in France 1,091km (of which approx. 81 km under construction)	Pricing law as defined in the concession contract. Price increases subject to agreement by grantor.	Users	Nil	Infrastructures returned to grantor for no consideration, unless purchased by the grantor (in which case at economic value).	End of contract in 2030	Full consolidation
A86 France (2 toll tunnels under construction)	Pricing law as defined in the concession contract. Price increases subject to agreement by grantor.	Users	Nil	Infrastructures returned to grantor for no consideration, unless purchased by the grantor (in which case at economic value).	End of contract: 70 years after complete entry into service of asset.	Full consolidation
ASF Group						
ASF (2,696 km)	Pricing law as defined in the concession contract. Price increases subject to agreement by grantor.	Users	Nil	Infrastructures returned to grantor for no consideration, unless purchased by the grantor (in which case at economic value).	End 2032.	Full consolidation
ESCOTA (459 km)	Pricing law as defined in the concession contract. Price increases subject to agreement by grantor.	Users	Nil	Infrastructures returned to grantor for no consideration, unless purchased by the grantor (in which case at economic value).	End 2026	Full consolidation
Arcour (A19) France toll motorway 101km	Pricing law as defined in the concession contract. Price increases subject to agreement by grantor.	Users	Investment grant	Infrastructures returned to grantor at end of concession for no consideration	End 2070	Full consolidation
Morgan VINCI Ltd UK motorway 10km (Newport southern distribution road)	Payment depends on availability 67%, traffic 28%, safety 3%, maintenance 2%.	Grantor	Nil	Infrastructures returned to grantor for no consideration	End 2042	Proportionate consolidation

	Control and regulation of prices by concession grantor	Remuneration paid by	Grant or guarantee from concession grantor	Residual value	Concession end date or average duration	Consolidation method
Parking						
VINCI Park Approximately 344,000 parking spaces under concession in France, Rest of Europe, Canada, Hong Kong	Prices set freely within ceilings.	Users	If applicable, grants for equipment or operating grants and/or guaranteed revenue, paid by grantor	Nil	Approximately 30 years (average remaining period of contracts)	Full consolidation
Bridges						
Gefyra (Rion-Antirion) Greece Toll bridge in the Gulf of Corinth	Pricing law as defined in the concession contract. Price increases linked to price index and subject to agreement by grantor.	Users	Grant for construction paid by grantor	Infrastructures returned to grantor for no consideration	End 2039	Full consolidation
Airports						
SCA (Cambodia)	Pricing law as defined in the concession contract. Price increases subject to agreement by grantor.	Users	Share in grantor's profits	Infrastructures returned to grantor for no consideration	End 2040	Proportionate consolidation
Stade de France						
Consortium Stade de France	No	Organiser of event and/or final customer	Investment grant + compensation for absence of resident club + profit-sharing agreement with grantor	Infrastructures returned to grantor for no consideration	End 2025	Proportionate consolidation

13.2 Commitments made under concession contracts

Contractual investment and renewal obligations

Under their concession contracts, the Group's subsidiaries have undertaken to carry out certain investments in infrastructure that they will operate as concession operators.

At 31 December 2006, the investments planned for the next five years under the concession contracts mainly relate to Cofiroute, for €1,169 million (comprising €524 million for the A86 and €645 million for the intercity network, including the new sections), Arcour (A19) for €483 million.

The investment obligations corresponding to contracts for work granted, to be carried out from 2007 onwards, amount to €282 million at ASF and ESCOTA.

The investments by ASF that would be required for the section of the A89 motorway between Balbigny and La Tour de Salvagny would be €1.2 billion, to be carried out between now and the end of 2012. Two associations have petitioned the French Council of State (the *Conseil d'Etat*) to cancel Rider No. 11 to ASF's concession contract (See Note G *Disputes and arbitration*).

The above amounts do not include maintenance expenditure on infrastructure under concessions.

Collateral security connected with the financing of concessions

The concession operating companies have provided collateral security of €2,154 million to guarantee the financing of their infrastructure assets. These break down as follows:

(in € millions)	Start date	End date	Amount
ASF Holding	2006	2013	1,200
VINCI Park	2006	2026	500
Gefyra (Rion-Antirion bridge - Greece)	2001	2029	350
Morgan VINCI Ltd (Newport Southern Distributor Road - United Kingdom)	2002	2040	46
Other concession operating companies			58
			2,154

The pledging of the 53,094,835 ASF shares acquired by ASF Holding on 21 December 2006 (representing 23% of the share capital) is intended to guarantee the 7-year loan of €1.2 billion taken out by ASF Holding with a syndicate of 28 banks including Société Générale (as agent), BNP Paribas, Calyon, The Royal Bank of Scotland and Société Générale Corporate & Investment Banking.

VINCI Park has also pledged shares in subsidiaries to guarantee the €500 million corporate finance borrowed at the end of June 2006.

The above finance is without recourse against VINCI S.A.

13.3 Breakdown of concession intangible assets by type of infrastructure

(in € millions)	Motorways (1)	Car parks	Other infrastructures	Total VINCI Concessions	Other concessions (2)	Total
Gross						
31/12/2004	**5,204.6**	**1,302.2**	**660.8**	**7,167.7**	**9.5**	**7,177.2**
Acquisitions as part of business combinations						
Other acquisitions in the period	845.4	45.8	7.2	898.4	8.9	907.3
Disposals and retirements during the period	(21.5)	(17.8)		(39.3)	(0.5)	(39.8)
Translation differences	49.1	3.4	25.6	78.1	0.0	78.1
Other movements	(25.9)	(0.1)	3.9	(22.1)	7.1	(15.0)
	6,051.7	**1,333.5**	**697.5**	**8,082.7**	**25.0**	**8,107.8**
Grants received			(12.9)	(12.9)	(8.5)	(21.4)
31/12/2005	**6,051.7**	**1,333.5**	**684.6**	**8,069.8**	**16.5**	**8,086.4**
Impact of consolidating ASF (3)	18,731.2			18,731.2		18,731.2
Acquisitions as part of business combinations					1.6	1.6
Other acquisitions in the period	1,272.2	55.7	21.2	1,349.0	4.6	1,353.6
Disposals and retirements during the period	(47.6)	(20.1)	(2.6)	(70.3)		(70.3)
Translation differences	(25.0)	(1.3)	(9.8)	(36.0)		(36.0)
Other movements	(48.4)	0.1	(16.5)	(64.8)	(10.1)	(74.8)
	25,934.2	**1,367.9**	**676.9**	**27,979.0**	**12.7**	**27,991.7**
Grants received	(162.2)		0.0	(162.2)	2.6	(159.6)
31/12/2006	**25,772.0**	**1,367.9**	**676.9**	**27,816.8**	**15.3**	**27,832.1**
Amortisation and impairment losses						
31/12/2004	**(1,620.6)**	**(466.7)**	**(60.8)**	**(2,148.1)**	**(5.0)**	**(2,153.1)**
Amortisation for the period	(134.2)	(47.3)	(22.8)	(204.3)	(0.4)	(204.7)
Impairment losses	(0.2)	(3.4)		(3.6)		(3.6)
Reversals of impairment losses	0.3	0.2		0.5		0.5
Disposals and retirements during the period	18.4	14.7		33.2	0.5	33.7
Translation differences	(6.2)	(1.2)	(4.6)	(12.0)	(0.0)	(12.0)
Other movements	(3.5)	(2.8)	0.2	(6.2)		(6.2)
31/12/2005	**(1,746.0)**	**(506.5)**	**(88.0)**	**(2,340.5)**	**(4.9)**	**(2,345.3)**
Amortisation for the period	(784.5)	(51.8)	(23.1)	(859.4)	(0.9)	(860.3)
Impairment losses	(4.8)	(2.3)		(7.1)		(7.1)
Reversals of impairment losses	0.5	0.3		0.8		0.8
Disposals and retirements during the period	44.8	15.5	1.8	62.1		62.1
Translation differences	3.8	0.6	2.4	6.8		6.8
Other movements	36.7	1.4	(28.2)	9.9	(0.4)	9.5
31/12/2006	**(2,449.6)**	**(542.8)**	**(135.1)**	**(3,127.4)**	**(6.2)**	**(3,133.6)**
Net						
31/12/2004	**3,584.0**	**835.6**	**600.0**	**5,019.6**	**4.5**	**5,024.1**
31/12/2005	**4,305.7**	**827.1**	**596.6**	**5,729.4**	**11.6**	**5,741.0**
31/12/2006	**23,322.4**	**825.1**	**541.8**	**24,689.4**	**9.1**	**24,698.5**

(1) Including the A86.

(2) Mainly communication network concession contracts in the Construction division.

(3) Effect of the valuation of contract operating rights in the context of taking control of the ASF Group on 9 March 2006.

(See Note C Acquisition of Autoroutes du Sud de la France).

Investments in new concession projects increased during the period, amounting to €1,205 million against €811 million in 2005. They included, in particular, the investments by Cofiroute, which amounted to €754 million over the period (against €735 million in 2005) and by the ASF Group (€339 million).
Borrowing costs included during the period in the cost of concession fixed assets before entry into service amounted to €92.3 million (of which €83 million at Cofiroute and €5.8 million at the ASF Group, as from the date of acquiring control).
Concession fixed assets in progress amounted to €2,732.1 million at 31 December 2006, of which €2,077.7 million was at Cofiroute, (including €1,186.7 million for the A86), €365.8 million at ASF and €27.1 million at VINCI Park.

14. Property, plant and equipment

(in € millions)	Land	Buildings	Plant, equipment and fixtures	Total
Gross				
31/12/2004	**297.4**	**995.9**	**3,654.8**	**4,948.1**
Acquisitions as part of business combinations	0.8	54.1	100.5	155.4
Other acquisitions in the period	17.6	181.2	481.8	680.6
Disposals and retirements during the period	(9.5)	(73.9)	(308.2)	(391.5)
Translation differences	6.8	9.3	53.2	69.2
Other movements	12.2	(129.1)	73.4	(43.4)
31/12/2005	**325.4**	**1,037.5**	**4,055.5**	**5,418.3**
Acquisitions as part of business combinations	82.4	11.3	92.8	186.5
Other acquisitions in the period	17.6	130.7	596.8	745.0
Disposals and retirements during the period	(29.1)	(59.7)	(314.5)	(403.3)
Discontinued operations (halted or sold)		(130.3)	(101.1)	(231.4)
Translation differences	(2.5)	1.5	(12.8)	(13.8)
Other movements	11.3	(107.0)	(20.4)	(75.2)
31/12/2006	**405.1**	**884.0**	**4,337.0**	**5,626.1**
Depreciation and impairment losses				
31/12/2004	**(65.9)**	**(351.7)**	**(2,523.8)**	**(2,941.4)**
Cumulative depreciation recognised as part of business combinations	(0.2)	(17.0)	(71.0)	(88.2)
Other depreciation for the period	(7.6)	(41.9)	(408.8)	(458.2)
Impairment losses	(0.7)	(0.3)	(1.0)	(2.0)
Reversals of impairment losses	0.3	1.3	0.6	2.2
Disposals and retirements during the period	1.2	23.9	289.1	314.2
Translation differences	(1.2)	(3.1)	(34.8)	(39.0)
Other movements	(2.6)	(0.2)	11.8	8.9
31/12/2005	**(76.6)**	**(388.9)**	**(2,737.9)**	**(3,203.5)**
Cumulative depreciation recognised as part of business combinations	(2.2)	(5.5)	(63.6)	(71.2)
Other depreciation for the period	(8.5)	(35.5)	(434.5)	(478.4)
Impairment losses	(2.7)	(0.5)	(25.4)	(28.5)
Reversals of impairment losses	1.0	0.7	4.0	5.7
Disposals and retirements during the period	14.1	26.8	282.9	323.9
Discontinued operations (halted or sold)		27.5	64.7	92.2
Translation differences	0.7	(1.2)	8.3	7.8
Other movements	(3.0)	28.3	23.3	48.7
31/12/2006	**(77.0)**	**(348.1)**	**(2,878.1)**	**(3,303.5)**
Net				
31/12/2004	**231.5**	**644.1**	**1,131.0**	**2,006.7**
31/12/2005	**248.8**	**648.5**	**1,317.6**	**2,214.8**
31/12/2006	**328.1**	**535.7**	**1,458.9**	**2,322.6**

At 31 December 2006, property, plant and equipment included assets under construction for €94.6 million (against €104.1 million at 31 December 2005).

At 31 December 2006, assets acquired under finance leases amounted to €141.3 million against €167.9 million at 31 December 2005 and mainly related to property used in operations. The payments relating to these assets are shown in Note 23.1.3 *Finance leases*.

15. Investment property

(in € millions)	31/12/2006	31/12/2005	31/12/2004
Investment properties	47.3	47.2	41.9

During the period, investment property generated rental income of €3.6 million and €1.7 million of direct operating expenses.

At 31 December 2006, the estimated fair value of investment property was €71.1 million, and the carrying amount was €47.3 million.

16. Investments in associates

16.1 Movements during the period

(in € millions)	31/12/2006	31/12/2005	31/12/2004
Value of shares at start of period	**1,595.5**	**1,558.5**	**100.2**
Change in method of accounting for investment in ASF Group	(1,515.9)		1,485.2
Share capital increases of associates	0.9	1.5	6.3
Share of profit or loss for the period	18.3	87.0	14.0
including Concessions for	*10.0*	*81.1*	*7.7*
Dividends paid	(7.4)	(60.9)	(2.6)
Changes in consolidation scope and translation differences	8.1	4.4	(56.8)
Net change in fair value of financial instruments	0.2	0.8	0.5
Reclassifications	3.0	4.1	11.7
Value of shares at end of period	**102.8**	**1,595.5**	**1,558.5**
including Concessions for	*58.2*	*1,554.0*	*1,536.2*

16.2 Financial information on investments in associates

Investments in associates at 31 December 2006 relates mainly to concession operating companies in which the Group exercises significant influence, such as SMTPC (which operates the Prado-Carénage tunnel in Marseilles under a concession), Lusoponte (bridges over the Tagus in Portugal), Severn River Crossing (bridges over the Severn in the United Kingdom), SCDI (the Confederation Bridge in Canada, as from 30 June 2006), Trans-Jamaican Highway (a 34% subsidiary of ASF) and a number of subsidiaries in the Construction business line.

The main financial data relating to these companies at 31 December 2006 is as follows (on a 100% basis):

(in € millions)	SMTPC	SCDI	Lusoponte	Severn River Crossing	Trans Jamaïcan Highway (3)
% held	33.29%	18.80%	30.85%	35.00%	34.00%
Financial data (on 100% basis)					
Revenue	*30.7*	*20.7*	*60.0*	*105.6*	*16.5*
Attributable to Group	*10.2*	*3.9*	*18.5*	*37.0*	*5.6*
Operating expenses	(13.0)	(11.4)	(11.0)	(105.6)	(9.0)
Operating profit	17.7	9.3	49.0	0.0	7.4
Net profit	9.4	(2.3)	11.1		(1.9)
Equity at 31/12/2006	42.1	(15.0)	22.0	0.1	7.4
Equity attributable to Group	**14.0**	**(2.8)**	**6.8**	**0.0**	**2.5**
Goodwill (1)	15.0	0.0	11.7		
Share of consolidated profit / (loss) attributable to Group (2)	**3.1**	**0.1**	**3.4**	**0.0**	**(0.6)**
Value of investments in associates	**27.9**	**0.0**	**18.5**	**0.0**	**3.1**
Carrying amount of shares in parent company accounts	38.1	0.2	20.2	6.5	6.2
Original cost of shares	27.1	0.2	20.2	0.0	6.2
Fair value of shareholdings (stock market value)	77.3				
Other balance sheet information:					
Total Assets / Equity and liabilities	148.0	204.8	878.0	0.0	226.4
Net financial debt at 31/12/2006	(68.8)	(1,112.2)	(349.8)	(568.6)	(610.3)
Net financial debt at 31/12/2006 (VINCI share)	(22.9)	(209.1)	(107.9)	(199.0)	(207.5)
Shareholder advances and interest-bearing loans (VINCI share)			3.7	7.7	

(1) Gross less accumulated amortisation at 1 January 2004 (Opening IFRS balance sheet).
(2) Before goodwill impairment losses.
(3) A 34% subsidiary of ASF.

17. Other non-current financial assets

(in € millions)	31/12/2006	31/12/2005	31/12/2004
Shares in subsidiaries and associates at fair value	16.9	17.7	21.6
Investments in unlisted subsidiaries and associates	174.9	124.5	179.5
Available-for-sale financial assets	**191.8**	**142.2**	**201.2**
Collateralised loans and receivables	5.3	23.5	45.5
Other loans and receivables	83.1	74.8	41.3
Loans and receivables at amortised cost	**88.4**	**98.2**	**86.9**
Fair value of derivative financial instruments (non-current assets) (1)	68.0	199.6	244.7
Other non-current financial assets	**348.2**	**440.0**	**532.8**

(1) See Note 25 Financial instruments and management of market risks.

Available-for-sale financial assets at 31 December 2006 amounted to €191.8 million, compared with €142.2 million at 31 December 2005. These are mainly shares in unlisted subsidiaries and associates that do not meet the minimum financial criteria for consolidation adopted by VINCI.
Loans and receivables at amortised cost amounted to €88.4 million at 31 December 2006 against €98.2 million at 31 December 2005. They included in particular collateralised loans and receivables amounting to €5.3 million and other loans and receivables (including receivables related to shareholdings and guarantee deposits) for €83.1 million.

Loans and receivables measured at amortised cost breaks down as follows:

(in € millions)	31/12/2006	between 1 and 5 years	in more than 5 years
Loans and receivables at amortised cost	88.4	57.9	30.5

The part at less than one year of other non-current financial assets is included under other current financial assets for €43.9 million.

The fair value of derivative financial instruments forms an integral part of net financial debt (see Note 23).

18. Construction contracts

18.1 Financial information on construction contracts

Costs incurred plus recognised profits, less recognised losses and intermediate invoicing, is determined on a contract-by-contract basis. If this amount is positive it is shown on the line "Construction contracts in progress – assets". If negative, it is shown on the line "Construction contracts in progress – liabilities".

(in € millions)	31/12/2006	31/12/2005 (1)
Balance sheet data		
Advances and payments on account received	(464.2)	(432.6)
Construction contracts in progress - assets	956.7	721.7
Construction contracts in progress - liabilities	(1,252.2)	(931.7)
Construction contracts in progress, net	**(295.5)**	**(210.0)**
Total income and expenses to date recognised on contracts in progress		
Costs incurred plus profits recognised, less losses recognised to date	23,596.7	20,630.7
Less invoices issued	(23,892.2)	(20,840.7)
Construction contracts in progress, net	**(295.5)**	**(210.0)**

(1) 2005 data has been modified to make them comparable following analysis by the Group.

18.2 Commitments given and received in connection with construction contracts

The Group gives and receives guarantees (personal surety) in connection with its construction contracts, which break down as follows:

	31/12/2006		31/12/2005		31/12/2004	
(in € millions)	Given	Received	Given	Received	Given	Received
Performance guarantees	1,862.9	364.2	1,777.9	271.8	1,682.2	165.4
Performance bonds	507.8	101.3	563.8	113.4	529.0	99.2
Retentions	1,710.7	331.1	1,518.2	298.0	1,411.7	277.3
Deferred payments to subcontractors	780.1	162.6	679.2	157.0	603.4	83.6
Bid bonds	54.4	3.0	116.4	2.9	57.5	4.2
Deferred payments to suppliers	43.2	53.4	33.1	11.7	35.5	10.9
Total	**4,959.1**	**1,015.6**	**4,688.6**	**854.8**	**4,319.3**	**640.6**

The 5.6% increase in commitments made under these construction contracts should be seen in the light of the 10.8% increase in the activity of the Construction, Roads and Energy business lines in 2006.

The guarantees given are mainly issued to guarantee construction work in progress. Whenever events such as late completion or disputes concerning the execution of a contract make it likely that a liability covered by a guarantee will materialise, a provision is taken in respect of that liability.
In general, any risk of loss in connection with performance under a commitment given by VINCI or its subsidiaries results in a provision being recognised in the Group's financial statements, under the rules in force. VINCI therefore considers that the off-balance sheet commitments above are unlikely to have a material impact on Group assets.

It should also be remembered that, opposite the commitments given, the Group has an order book of firm orders accepted by customers which undertake, under the contract terms, to pay for work on the basis of progress of work. In connection with their civil engineering and construction activity, Group companies benefit from guarantees given by financial institutions on instruction of their co-contractors or sub-contractors or by their parent company.

Lastly, VINCI also grants warranties covering several years in its normal course of business. These warranties, when set up, lead to provisions 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.

19. Cash management financial assets, cash and cash equivalents

These break down as follows:

(in € millions)	31/12/2006	31/12/2005	31/12/2004
UCITS	750.9	550.8	1,445.6
Money-market and bond instruments with maturities over 3 months	409.3	261.4	477.3
Other [1]	63.0	73.4	45.5
Cash management financial assets (I)	**1,223.2**	**885.6**	**1,968.3**
UCITS	3,591.1	3,152.4	1,453.1
Money-market instruments (term deposits, certificates of deposit, etc.)	209.7	302.3	266.0
Cash	1,353.9	1,144.0	830.4
Cash and cash equivalents (II)	**5,154.8**	**4,598.7**	**2,549.5**
Total (I) +(II)	**6,378.0**	**5,484.3**	**4,517.8**

(1) Including current account financial assets (see Note 23).).

In accordance with the AMF's communiqué of 9 March 2006 (See Note B1.3 *Change of presentation*), UCITS (mutual funds) that meet the criteria set out in IAS 7, in particular "monetary euro" UCITS that were previously shown as "cash management financial assets," are now shown under "cash and cash equivalents".
These amounted to €3.6 billion at 31 December 2006, mainly at VINCI S.A., Cofiroute and the ASF Group (See Note 24.2 *Net cash managed and Group liquidity*).

Cash management financial assets amounted to €1.2 billion at 31 December 2006 (against €885 million at 31 December 2005).

Cash management financial assets, cash and cash equivalents are measured at their fair value and are reported as a reduction of gross debt (see note 23 *Net financial debt and financial resources*). Details are given in Note 24.2 *Net cash managed and Group liquidity*.

20. Change in equity (excluding share-based payment)

20.1 Shares

The parent company's share capital at 31 December 2006 was represented by 235,311,465 ordinary shares of €5 nominal value. The changes in the number of shares during the period were as follows:

	31/12/2006	31/12/2005
Number of shares at start of period	**196,636,274**	**83,813,803**
Two-for-one share split		167,627,606
Increase in share capital (March/April 2006)	36,086,404	
Increases in share capital (Group Savings Scheme and share options)	9,563,787	8,934,690
Cancellation of shares	(6,975,000)	(2,500,000)
Conversion of OCEANE bonds		22,573,978
Number of shares at end of period	**235,311,465**	**196,636,274**
Number of shares issued and fully paid	235,311,465	196,636,274
Number of shares issued and not fully paid		—
Nominal value of one share (in euros)	5	5
Treasury shares	2,085,589	6,835,016
Of which: shares allocated to cover share option plans	*1,234,958*	*2,059,228*

The changes in capital break down as follows:

	Increases (reductions) of share capital (in euros)	Share premiums arising on contributions or mergers (in euros)	Number of shares issued or cancelled [1]	Share capital in number of shares [1]	Share capital (in euros)
Situation at 31 December 2004				**167,627,606**	**838,138,030**
Capital reduction	(12,500,000)	(112,613,432)	(2,500,000)	165,127,606	825,638,030
Group Savings Scheme	22,221,105	136,222,479	4,444,221	169,571,827	847,859,135
Exercise of share subscription options	22,452,345	89,460,904	4,490,469	174,062,296	870,311,480
Conversion of 2001-2007 OCEANE bonds	57,341,310	458,730,480	11,468,262	185,530,558	927,652,790
Conversion of 2002-2018 OCEANE bonds	55,528,580	444,228,640	11,105,716	196,636,274	983,181,370
Situation at 31 December 2005				**196,636,274**	**983,181,370**
Capital reduction	(34,875,000)	(445,071,106)	(6,975,000)	189,661,274	948,306,370
Group Savings Scheme	23,938,315	236,775,085	4,787,663	194,448,937	972,244,685
Exercise of share subscription options	23,880,620	111,025,993	4,776,124	199,225,061	996,125,305
Increases in share capital	180,432,020	2,325,239,176	36,086,404	235,311,465	1,176,557,325
Situation at 31 December 2006				**235,311,465**	**1,176,557,325**

(1) Adjusted for the two-for-one share split in May 2005

The increase in share capital in the period (amounting to €2,901 million, including the share issue premium and transaction costs) relates to the capital increase made between March and April 2006 (36,086,404 shares for €2,506 million), the exercise of share subscription options (4,776,124 shares for €135 million) and subscriptions to the Group Saving Scheme (4,787,663 shares for €261 million).

It should be noted that the preferential subscription rights attached to the treasury shares held by VINCI were sold in the market for €10.9 million. They have been accounted for in equity net of tax.

The transaction costs connected with the increase in share capital made on 25 April 2006 were set against equity at 31 December 2006, for €29.4 million.

Dividends paid in respect of 2005 (€2.0 per share, excluding tax credit) comprise the interim dividend of €0.7 paid on 20 December 2005 and the final dividend of €1.30 paid on 18 May 2006. An interim dividend of €0.85 per share in respect of 2006 was paid on 21 December 2006.

20.2 Issue of undated deeply subordinated bonds

On 13 February 2006, VINCI issued undated deeply subordinated bonds for €500 million.

Issued at a price of 98.831%, this issue offers an optional fixed coupon of 6.25%, payable annually until November 2015, which is only due if VINCI pays a dividend to its shareholders or buys back its own shares. After that date, the interest rate becomes variable and payable quarterly at the Euribor three-month rate plus 3.75%. VINCI may redeem the bonds at par in November 2015 and subsequently at each interest payment date.

These undated deeply subordinated bonds have been accounted for as equity in the Group's consolidated financial statements. Interest of €23.4 million was paid to bondholders on 13 November 2006. This interest payment has been accounted for, net of tax, as a reduction of equity.

20.3 Treasury shares

During 2006, VINCI purchased, directly or indirectly through a liquidity contract, 3,174,300 of its own shares, for a total amount of €290.5 million, at an average price of €91.52 per share. During this same period 6,975,000 shares were cancelled, by a reduction of the share capital, for a total amount of €480 million. 748,727 shares were sold in 2006 in connection with the exercise of share purchase options (for €17.7 million).

Given the above, the total amount of treasury shares taken as a reduction of consolidated equity at 31 December 2006 was €128.7 million, representing 2,285,589 shares, of which 1,234,958 (€29.1 million) are allocated to cover share purchase option plans. Treasury shares were acquired at an average price of €56.31 and represent a total of 0.97% of the share capital. The remaining 1,050, 631 shares (€99.6 million), of which 850,631 (€80 million) are directly held by VINCI, are to be either cancelled, allocated to covering free share allocation plans, used as consideration in external growth transactions, or sold.

VINCI has also covered the share purchase and subscription plans set up in May 2006 by purchasing call options on the market. The premiums paid, amounting to €49.7 million, have been recognised as a reduction of equity.

20.4 Distributable reserves

Changes in the distributable reserves of VINCI S.A. are as follows:

(in € millions)	31/12/2006	31/12/2005	31/12/2004
Free of corporate income tax liabilities	8,691.4	5,435.6	772.2
After payment of the exceptional levy		47.0	—
After deduction of supplementary tax	—	—	3,300.0
After payment of withholding tax (précompte)	—	—	—
After payment of the exceptional 25% levy			—
Distributable reserves	**8,691.4**	**5,482.6**	**4,072.2**

The statutory reserve of VINCI S.A. stood at €98.3 million at 31 December 2006.

20.5 Items recognised directly in equity

The following tables give details of these movements by type of financial instrument:

(in € millions)	31/12/2006
Available-for-sale financial assets	
Reserve at beginning of period	3.9
Changes in fair value in the period	(0.1)
Fair value items recognised in profit or loss	
Changes in fair value recognised in profit or loss on disposal	
Reserve at end of the period	**3.7**
Cash flow hedge	
Reserve at beginning of period	(3.9)
Changes in fair value in the period	10.8
Fair value items recognised in profit or loss	0.5
Change in consolidation scope and miscellaneous	1.5
Reserve at end of the period	**8.9**

(in € millions)	31/12/2006
Total items recognised directly in equity	
Gross reserve	12.7
Associated tax effect	(3.1)
Reserve net of tax	9.5

20.6 Minority interest

At 31 December 2006, minority interest in Cofiroute amounted to €515.9 million (up from €463.3 million at 31 December 2005), representing 34.66% of the share capital, and minority interest in CFE totalled €138.6 million (against €106.1 million at 31 December 2005) representing 53.16% of the share capital.

21. Share-based payment

21.1 *Share options*

The number and weighted average exercise prices of share subscription or purchase options were as follows:

	31/12/2006		31/12/2005		31/12/2004 (2)	
	Options	Average price (in euros)	Options	Average price (in euros)	Options	Average price (in euros)
Options in circulation at start of the period	**21,118,953**	**32.41**	**24,776,866**	**28.69**	**16,350,808**	**47.76**
Two-for-one share split	—	—			32,701,616	23.88
Adjustment to number of options following capital increase	145,289					
Options granted during the period	4,726,112 (1)	77.95	2,540,568	49.40	3,172,000	41.20
Options exercised	(5,524,851)	—	(6,173,947)	—	(10,997,280)	—
Options cancelled	(1,832,161)	—	(24,534)	—	(99,470)	—
Options in circulation at end of period	**18,633,342**	**42.65**	**21,118,953**	**32.41**	**24,776,866**	**28.69**
of which exercisable options	*11,793,287*	—	*14,471,718*	—	*17,883,225*	—

(1) After adjustment to the number of options following the share capital increase.

(2) After the two-for-one share split.

Options exercised in 2006

Share subscription and share purchase option plans	Exercise price (in euros)	Number of options exercised in 2006	Number of options remaining to be exercised at 31/12/2006
VINCI 1998	12.54	1,520	6,191
VINCI 1999 n° 1	18.60	25,176	41,106
VINCI 1999 n° 2	20.72	76,817	171,462
GTM 1999	16.13	209,138	147,453
VINCI 2000 n° 1	24.49	121,059	83,892
VINCI 2000 n° 2	27.92	568,176	804,795
GTM 2000	17.45	193,761	220,625
VINCI 2001	27.92	27,773	59,004
VINCI 2002 n° 1	31.17	1,491,934	2,810,259
VINCI 2002 n° 2	25.91	1,295,902	2,527,811
VINCI 2003	30.07	483,873	1,965,079
VINCI 2004	40.36	264,660	2,578,937
VINCI 2005	48.39	16,335	1,968,947
VINCI 2006 n° 1	71.16	0	627,856
VINCI 2006 n° 2	80.64	0	1,691,803
Total subscription plans	**40.08 (1)**	**4,776,124**	**15,705,220**
VINCI 1999 n° 2	21.38	150,778	345,934
VINCI 2000	23.53	568,176	804,795
VINCI 2001	27.92	27,773	59,004
VINCI 2002	31.17	2,000	26,586
VINCI 2006 n° 2	80.64	0	1,691,803
Total purchase plans	**56.43 (1)**	**748,727**	**2,928,122**
Total	**42.65**	**5,524,851**	**18,633,342**

(1) Calculated on the basis of the number of options remaining to be exercised at 31 December 2006

Information on the fair value of share option plans granted during the period 2004 to 2006

	2006		2005	2004	
Plan	**16/05/2006**	**09/01/2006**	**01/03/2005** (1)	**07/09/2004** (1)	**11/09/2003** (1)
Price of the underlying share at grant date	€79.55	€69.86	€56.60	€44.35	€30.68
Exercise price	€80.64	€71.16	€48.39	€40.36	€30.07
Lifetime of the options (in years) from grant date	6	7	7	10	10
Number of options granted(2)	3,383,632	1,342,485	2,593,737	3,238,344	2,862,682
Options cancelled		(714,629)	(608,435)	(394,747)	(102,090)
Number of options after cancellation	3,383,632	627,856	1,985,282	2,843,597	2,760,592

(1) After the two-for-one share split.

(2) After adjustment to the number of options following the increase in share capital.

The main assumptions used to determine the fair values of the options in question, in accordance with IFRS 2, were:

	2006		2005	2004	
Plan	**16/05/2006**	**09/01/2006**	**01/03/2005** (1)	**07/09/2004** (1)	**11/09/2003** (1)
Volatility	24.19%	23.60%	23.55%	25.23%	27.12%
Expected return on share	6.50%	5.70%	6.30%	6.66%	6.84%
Risk-free rate of return	3.68%	2.99%	3.17%	4.06%	4.23%
Dividend growth rate hoped-for	2.75%	2.92%	3.52%	3.33%	4.58%
Fair value of the option	**€15.48**	**€11.32**	**€11.85**	**€9.79**	**€5.49**

(1) After the two-for-one share split.

These fair values have been calculated at the options' respective grant dates by an external actuary using a binomial valuation model of the "Monte Carlo" type, which takes account of behavioural assumptions based on past observations.

On the basis of the above, the amount recognised under expenses in period was €32.5 million against €34.8 million at 31 December 2005.

21.2 Free share allocation plans

On 12 December 2006, the VINCI Board of Directors, in accordance with the authorisations granted by the Ordinary and Extraordinary Shareholders Meeting of 16 May 2006, granted 1,100,000 existing shares for no consideration with effect from 2 January 2007, to certain eligible employees and company officers.
An expense of €2.5 million has been recognised in the period in this connection.

21.3 Group Savings Schemes

VINCI's Board of Directors defines the conditions for subscribing to the Group Savings Scheme in accordance with the authorisations granted to it by the Shareholders General Meeting.

21.3.1 VINCI employees savings scheme

The benefits granted in this way to employees of the Group are recognised in profit or loss and are valued in accordance with IFRS 2 on the basis of the following assumptions:

- length of subscription period: 4 months;
- length of period during which funds are frozen: 5 years from the end of the subscription period;
- subscribers also benefit from an employer's contribution, up to a maximum of €2,500 per year (which was increased to €3,500 in the 1st four-month period of 2007) (See Note B.3.5 Share-based payment).

	2006		
Tranche	**1st four-month period 2007**	**3rd four-month period 2006**	**2nd four-month period 2006** (1)
Return on the VINCI share hoped for	6.50%	6.50%	5.70%
Dividend per share			
Dividend payable (interim)	*€0.85*		
Dividend payable (final)		*€1.30*	*€1.30*
Subscription price	€74.39	€64.51	€60.76
Share price at date of Board meeting	€85.20	€79.55	€76.09
Implied volatility of the VINCI share	25%	25%	25%
Estimated number of shares subscribed to	663,762	229,837	413,780
Estimated number of shares issued (subscriptions plus employer's contribution)	896,079	298,788	558,603

(1) Excluding the ASF Group (See Note 21.3.2)

Tranche	2005			2004
	1st four-month period 2006	3rd four-month period 2005	2nd four-month period 2005(1)	1st four-month period 2005(1)
Return on the VINCI share hoped for	6.30%	6.30%	6.30%	6.66%
Dividend per share				
Dividend payable (interim)	*€0.70*			*€0.60*
Dividend payable (final)		*€1.15*	*€1.15*	
Subscription price	€52.78	€45.14	€45.04	€34.86
Share price at date of Board meeting	€67.75	€56.95	€55.65	€44.50
Implied volatility of the VINCI share	23%	17%	17%	17%
Estimated number of shares subscribed to	963,026	512,022	400,465	978,868
Estimated number of shares issued (subscriptions plus employer's contribution)	1,300,086	640,028	520,604	1,370,416

(1) After the two-for-one share split

The estimated number of shares subscribed to at the end of the subscription period is obtained by an analytical formula, based on linear regression methods, applied to historical observations of the 2002, 2003, 2004 and 2005 plans, taking account of the cost of restrictions on the availability of units in the savings fund.

21.3.2 Special case of the first and second tranche of the savings scheme awarded to employees of the ASF Group

Following VINCI's acquisition of ASF and ESCOTA, employees of the ASF Group have been able to subscribe to the first and second tranches of the VINCI Group Savings Scheme as from 17 March 2006. The assumptions used to measure the IFRS 2 expense are different from those given for VINCI, as they were made at the date of first consolidation by VINCI of ASF Group, on 9 March 2006. The IFRS 2 expense recognised in this respect in ASF's and VINCI's financial statements was measured applying the following assumptions:

Tranche	2006	
	2nd four-month period 2006	1st four-month period 2006
Return on the VINCI share hoped for	5.70%	6.30%
Dividend per share		
Dividend payable (interim)		*€0.70*
Dividend payable (final)	*€1.30*	
Subscription price	€60.76	€52.78
Closing price on date of valuation	€80.30	€80.70
Implied volatility of the VINCI share	25%	25%
Estimated number of shares subscribed to	291,740	242,827
Estimated number of shares issued (subscriptions plus employer's contribution)	291,740	340,844

21.3.3 Overall expense recognised in the respect of benefits under the group savings schemes granted to VINCI employees (including the ASF group)

Given the items above, the overall expense recognised in 2006 under IFRS 2 in respect of the Group Savings Scheme was €54 million, of which €11.1 million in respect of subscriptions by ASF Group employees, against €35.3 million in 2005. The expense of the employer's actual contribution following the subscriptions made has been cancelled out by being reclassified in equity (€44.3 million).

22. Non-current provisions

(in € millions)	Note	31/12/2006	31/12/2005	31/12/2004
Provisions for retirement benefit obligations	22.1	564.6	603.5	632.8
Other non-current provisions	22.2	450.4	193.8	210.2
Total		**1,015.0**	**797.3**	**843.0**

22.1 Provisions for retirement benefit obligations

At 31 December 2006, provisions for retirement benefit obligations amounted to €619.1 million (including €564.6 million at more than one year) compared with €667.4 million at 31 December 2005 (including €603.5 million at more than one year). These provisions comprise provisions for lump-sums on retirement and provisions for obligations for supplementary retirement benefits. The part at less than one year was €54.5 million at 31 December 2006 and €63.9 million at 31 December 2005, and is reported under other current liabilities.

VINCI's retirement benefit obligations under defined benefit plans fall into three categories:

- obligations borne directly by VINCI or its subsidiaries, covered by provisions recognised in the consolidated balance sheet:
  - for the French subsidiaries, these are lump-sums on retirement and supplementary defined benefit retirement plans, such as that of Auxad (formerly Compagnie Générale d'Electricité), RTG (formerly St Gobain) or other in-house plans of which the beneficiaries are today mainly retired, and an obligation in respect of VINCI's Chairman.
  - for the German subsidiaries, there are three internal plans within the Group, including one so-called "direct promises" plan. The other two plans, the "Fürsorge" plan for former employees of G+H Montage and the Eurovia GmbH subsidiaries' plan, were closed in 2001 and 1999 respectively.

- plans imposing obligations that are pre-financed through contracts with insurance companies. This mainly relates to obligations covered by the two contracts with Cardif of which certain Group executives are beneficiaries.
- obligations borne through external pension funds; for the most part these relate to the UK subsidiaries (VINCI PLC, Freyssinet UK, Ringway, VINCI Energies UK, VINCI Park UK) and the CFE Group in Belgium.

The retirement benefit obligations that are covered by provisions recognised in the balance sheet mainly relate to France, Germany and Belgium. For these three countries, the provisions are calculated on the basis of the following assumptions:

	31/12/2006	31/12/2005	31/12/2004
Discount rate	4.75%	4.50%	4.75%
Inflation rate	2.0%	2.0%	2.0%
Rate of salary increases	2%-4.2%	2%-3%	2%-3%
Rate of pension increases	1.5%-2.5%	1.5%-2.5%	1.5%-2.5%
Probable average remaining working life of employees	10-15 years	10-15 years	10-15 years

For the other countries, actuarial assumptions are selected on the basis of current local conditions. They are adjusted to reflect interest rate and mortality trends. For the United Kingdom, the discounting and inflation rates used at 31 December 2006 are 5% and 2.5% respectively.
For each plan, the expected return on plan assets is determined using the building block method, which breaks the expected return down into three parts: money market investments, investments in bonds and investments in equities. The return on equities is determined by adding 3% to the long-term return on government bonds. The money and bond market components are determined from published market indexes.
Plan assets are valued at their fair value at 31 December 2006. The book value at 31 December 2006 is used for assets invested with insurance companies.

The breakdown is as follows:

	31/12/2006			
	France	UK	Belgium	Weighted average
Breakdown of financial assets				
Shares	36%	59%	3%	52%
Property	2%	4%	0%	4%
Bonds	56%	35%	97%	42%
Monetary securities	5%	2%	0%	2%
Total	100%	100%	100%	100%
Average rate of return adopted	**4.50%**	**6.35%**	**4.02%**	**5.95%**

On the basis of these assumptions, retirement benefit obligations, and the provisions and retirement costs recognised in expenses break down as follows:

Reconciliation of obligations and provisions in the balance sheet

	31/12/2006			31/12/2005			31/12/2004		
(in € millions)	France	Foreign	Total	France	Foreign	Total	France	Foreign	Total
Present value of retirement benefit obligations	(360.7)	(759.1)	(1,119.9)	(350.3)	(749.5)	(1,099.8)	(321.4)	(706.6)	(1,028.0)
Fair value of plan assets	63.8	399.6	463.4	45.5	344.2	389.6	55.4	280.8	336.2
Surplus (or deficit)	**(296.9)**	**(359.5)**	**(656.6)**	**(304.8)**	**(405.3)**	**(710.2)**	**(266.0)**	**(425.8)**	**(691.8)**
Provisions recognised in balance sheet	**(249.5)**	**(369.5)**	**(619.0)**	**(253.1)**	**(414.2)**	**(667.4)**	**(222.7)**	**(435.8)**	**(658.6)**
Assets recognised in balance sheet	—	—	—	—	—	—	—	11.8	11.8
Items not recognised in balance sheet									
Actuarial gains and losses	6.4	(9.9)	(3.4)	6.0	(8.9)	(2.9)	1.0	2.0	3.0
Past service cost	41.0	(0.1)	40.8	45.8	0.0	45.8	42.3	(0.3)	42.0

Changes in the period

(in € millions)	2006	2005	2004
Present value of retirement benefit obligations			
Balance at beginning of the period	**1,099.8**	**1,028.0**	**914.5**
including obligations covered by plan assets, for	***439.7***	***470.1***	***458.3***
Current service cost	31.8	42.4	35.0
Cost for the period of discounting	50.7	48.3	43.9
Benefits paid during the period	(68.4)	(48.4)	(35.7)
Actuarial gains and losses	5.6	24.5	15.2
Past service costs	4.2	6.8	46.0
Acquisition of ASF Group	42.8	—	—
Settlement of rights	(39.4)	(15.7)	—
Effect of plan curtailments and alterations	(7.6)	(3.1)	7.0
Effect of exchange rate fluctuations	7.3	9.5	(1.8)
Changes in consolidation scope and miscellaneous	(7.0)	7.5	3.9
Balance at end of the period	**1,119.9**	**1,099.8**	**1,028.0**
including obligations covered by plan assets, for	***524.7***	***439.7***	***470.1***
Plan assets			
Balance at beginning of the period	**389.6**	**336.2**	**314.4**
Expected return on funds	24.9	21.3	19.8
Actuarial gains and losses	5.1	31.7	6.9
Contributions paid to funds	55.0	23.1	10.7
Benefits paid during the period	(17.4)	(14.6)	(12.4)
Acquisition of ASF Group	34.5	—	—
Settlement of rights	(39.4)	(15.7)	—
Effect of plan curtailments	0.0	(3.1)	(2.4)
Effect of exchange rate fluctuations	6.8	7.2	(1.4)
Changes in consolidation scope and miscellaneous	4.3	3.5	0.5
Balance at end of the period	**463.4**	**389.6**	**336.2**
Items not recognised in balance sheet			
Balance at beginning of the period	**42.9**	**45.0**	**(9.3)**
New elements	0.4	(1.5)	58.1
Effect of changes in assumptions	*(7.2)*	—	—
Effect of experience gains and losses	*7.7*	—	—
Amortisation for the period	(7.1)	(2.4)	(2.4)
Exchange rate and other changes	1.2	1.8	(0.4)
Effects of plan curtailments and alterations	(0.0)	0.0	(1.1)
Balance at end of the period	**37.4**	**42.9**	**45.0**
including actuarial gains and losses, for	*(3.4)*	*(2.9)*	*3.0*
including past service cost, for	*40.8*	*45.8*	*42.0*
Actuarial gains and losses (as percentage of obligations)	*3.3 %*	*3.9 %*	*4.4 %*

VINCI estimates the payments to be made in 2007 in respect of retirement benefit obligations at €68.4 million, including €39.4 million relating to benefits paid to retired employees and €29 million to contributions payable to fund managing bodies.
Unrecognised items (the difference between the observed amount of obligations, or invested funds, and the expected amounts) were €37.4 million at 31 December 2006, including €40.8 million relating to past service costs following changes, in France, in the collective bargaining agreements for management staff in the building and civil engineering sector. Past service cost is amortised over the remaining working life of the employees involved, which is 17 years on average.

Expenses recognised in respect of defined benefit plans

(in € millions)	31/12/2006	31/12/2005	31/12/2004
Rights acquired by employees during the period	(31.8)	(42.4)	(35.0)
Discounting of acquired rights to present value	(50.7)	(48.3)	(43.9)
Expected return on plan assets	24.9	21.3	19.8
Amortisation of actuarial gains and losses	(4.0)	0.2	0.0
Amortisation of past service cost – rights not vested	(3.1)	(2.6)	(2.4)
Past service cost – rights vested	(4.2)	—	—
Impact of discontinued operations (IFRS 5)	—	—	(0.3)
Other	6.9	2.3	(4.3)
Total	**(62.0)**	**(69.5)**	**(66.1)**

Expenses recognised in respect of defined contribution plans

In some countries, and more especially in France and Spain, the Group contributes to basic State pension schemes, for which the expense recognised is the amount of the contributions called by the State bodies. Basic State pension schemes are considered as being defined contribution plans. Depending on the country, the proportion of the contributions paid that relates to pensions may not be clearly identifiable.

The amount of retirement benefit contributions taken as an expense in the period in respect of defined contribution plans (excluding basic State schemes) was €257.4 million at 31 December 2006, compared with €231.1 million at 31 December 2005. This includes the contributions paid to the external multi-employer fund (CNPO) in respect of obligations in respect of lump-sums paid on retirement to building workers.

22.2 Other non-current provisions

Changes in non-current provisions reported in the balance sheet were as follows in 2005 and 2006:

(in € millions)	Opening balances	Provision expense	Provisions used	Other reversals not used	Changes in consolidation scope and miscellaneous	Change in the part at less than one year of non-current provisions	Translation differences	Closing balances
2004								**210.2**
Other employee benefits	44.8	6.0	(6.4)	(0.5)	2.8	3.7	0.0	50.5
Financial liabilities	47.9	19.3	(13.6)	(7.2)	(5.8)		0.6	41.2
Major repairs	45.2	21.1	(20.0)	0.0	1.4		0.8	48.5
Other liabilities	329.9	109.9	(84.5)	(24.1)	(15.5)		0.5	316.2
Discounting of non-current provisions	(10.2)	2.2	1.7	0.0	1.0		(0.0)	(5.3)
Reclassification of the part at less than one year of non-current provisions	(247.4)					(10.0)		(257.4)
2005	**210.2**	**158.5**	**(122.8)**	**(31.7)**	**(16.1)**	**(6.3)**	**1.9**	**193.8**
Other employee benefits	50.5	6.7	(8.4)	(0.1)	162.7	(11.5)	0.0	200.0
Financial liabilities	41.2	13.1	(20.7)	(1.4)	5.2		0.0	37.3
Major repairs	48.5	76.4	(63.3)		84.6		(0.5)	145.8
Other liabilities	316.2	123.2	(84.2)	(22.1)	50.0		(0.2)	382.8
Discounting of non-current provisions	(5.3)	(4.2)	0.9		(4.7)			(13.3)
Reclassification of the part at less than one year of non-current provisions	(257.4)					(44.8)		(302.2)
2006	**193.8**	**215.1**	**(175.8)**	**(23.6)**	**297.8**	**(56.3)**	**(0.6)**	**450.4**

Other employee benefits

The provisions for other employee benefits are measured using the Projected Unit Credit method and relate to obligations to pay long-service bonuses, jubilee premiums and medical expense cover in some subsidiaries. At 31 December 2006, these provisions amounted to €217.4 million (including €200 million at more than one year) against €56.4 million at 31 December 2005 (including €50.5 million at more than one year). The change takes account of the effects of inclusion of the ASF Group for €166.6 million, of which €163.8 million is in respect of medical expense cover. The part at less than one year was €17.4 million at 31 December 2006 and €6 million at 31 December 2005, and is reported under other current liabilities.

The provisions were calculated using the following actuarial assumptions:

	31/12/2006	31/12/2005	31/12/2004
Discount rate	4.75%	4.50%	4.75%
Inflation rate	2.0%	2.0%	2.0%
Rate of salary increases	2%-4.2%	2%-3%	2%-3%
Rate of change of medical expenses	6.0%	—	—

At 31 December 2006, the provisions in respect of medical expense cover amount to €163.8 million. They have been calculated on the basis of a 6% rate of growth in medical expenses. A change of 1% in this rate would entail a change of €33 million in the provision.

Provisions for major repairs and other liabilities

Provisions for major repairs relate to contractual obligations to return assets operated under concessions to good condition. These are calculated at the end of each period on the basis of a work programme covering several years which is reviewed annually to take account of planned expenditure, and mainly relate to Cofiroute for €24.2 million and the ASF Group for €97.5 million.

The provisions for other liabilities, not directly linked with the operating cycle, include in particular the provisions for disputes and arbitration, described in Note G *Disputes and arbitration*. They amount to €250.5 million at 31 December 2006 (for the part at more than one year) against €143.3 million at 31 December 2005.

23. Net financial debt and financing resources

Net financial debt as defined by the group breaks down as follows:

(in € millions)	Note	31/12/2006 Non-current	31/12/2006 Current (1)	31/12/2006 Total	31/12/2005 Total	31/12/2004 Total
Convertible bonds					(0.5)	(1,097.9)
Other bond loans	23.1.1	(3,591.3)	(399.0)	(3,990.3)	(3,917.5)	(3,819.6)
Loans from financial institutions and other financial debt	23.1.2	(13,928.2)	(964.1)	(14,892.3)	(1,913.5)	(1,576.5)
Finance leases	23.1.3	(104.3)	(28.4)	(132.7)	(162.5)	(172.8)
Long-term financial debt		**(17,623.8)**	**(1,391.5)**	**(19,015.3)**	**(5,993.9)**	**(6,666.8)**
Other financial debt	24.3		(1,557.7)	(1,557.7)	(663.6)	(158.3)
Financial current accounts, liabilities			(65.1)	(65.1)	(60.7)	(59.7)
Bank overdrafts	24.2		(667.1)	(667.1)	(605.0)	(380.5)
I - Gross financial debt		**(17,623.8)**	**(3,681.4)**	**(21,305.2)**	**(7,323.3)**	**(7,265.3)**
including impact of fair value hedges, for		*(53.1)*		*(53.1)*	*(156.2)*	*(152.0)*
including impact of recognising ASF's debt at fair value in VINCI's consolidated financial statements (2) for		*(249.7)*	*(8.2)*	*(257.9)*		
Gross financial debt before fair value adjustment		*(17,321.0)*	*(3,673.2)*	*(20,994.2)*	*(7,167.1)*	*(7,113.3)*
Loans and collateralised financial receivables	23.2	5.3	1.5	6.8	24.6	45.5
Financial current accounts, assets			58.2	58.2	45.8	45.5
Cash management financial assets	24.2		1,165.0	1,165.0	839.8	1,922.9
Cash and cash equivalents	24.2		5,154.8	5,154.8	4,598.7	2,549.5
II - Financial assets		**5.3**	**6,379.5**	**6,384.8**	**5,508.9**	**4,563.4**
Derivative financial instruments, liabilities	25	(11.1)	(47.3)	(58.4)	(12.1)	(80.2)
Derivative financial instruments, assets	25	68.1	114.3	182.4	247.4	349.1
III - Derivative financial instruments		**57.0**	**67.0**	**124.0**	**235.3**	**268.9**
Net financial debt (I + II + III)		**(17,561.5)**	**2,765.1**	**(14,796.4)**	**(1,579.0)**	**(2,433.0)**

Including net cash, for:	**24.2**		**31/12/2006**		**31/12/2005**	**31/12/ 2004**
Cash and cash equivalents			5,154.8	5,154.8	4,598.7	2,549.5
Bank overdrafts			(667.1)	(667.1)	(605.0)	(380.5)
Net cash			**4,487.7**	**4,487.7**	**3,993.7**	**2,169.0**

(1) Current part including accrued interest not matured.

(2) Following acquisition of control of ASF by VINCI on 9 March 2006.

At 31 December 2006, VINCI's net financial debt was €14.8 billion (against €1.6 billion at 31 December 2005).

Excluding the effect of fair value adjustments and derivative financial instruments, net financial debt amounted to €14,609.4 million at 31 December 2006 (against €1,658.1 million at 31 December 2005).

The acquisition of ASF accounts for €13.9 billion of this increase in debt, in the form of ASF's own debt (€8 billion), the financing of the acquisition through borrowings and the use of available cash resources for a total of €5.9 billion.

The breakdown of net financial debt at 31 December 2006 by business line was as follows:

	31/12/2006								
	Motorways [1]		Other concessions		Other business lines		VINCI SA + concessions holding companies		
(in € millions)	Non-current	Current [2]	Non-current	Current [2]	Non-current	Current [2]	Non-current	Current [2]	Total
Bonds	(2,592.2)	(372.6)			(1.5)	(0.1)	(997.6)	(26.2)	(3,990.3)
Loans from financial institutions and other financial debt	(9,515.5)	(692.0)	(1,191.4)	(69.5)	(227.5)	(182.4)	(2,993.9)	(20.1)	(14,892.3)
Finance leases			(11.0)	(4.4)	(91.1)	(24.0)	(2.3)		(132.7)
Long-term financial debt	**(12,107.7)**	**(1,064.6)**	**(1,202.4)**	**(73.9)**	**(320.1)**	**(206.5)**	**(3,993.8)**	**(46.3)**	**(19,015.3)**
Other financial debt		(0.3)		(5.8)		(172.0)		(1,379.7)	(1,557.7)
Bank overdrafts		(0.1)		(7.1)		(496.8)		(163.1)	(667.1)
I - Gross financial debt	**(12,107.7)**	**(1,065.0)**	**(1,202.4)**	**(86.8)**	**(320.1)**	**(875.3)**	**(3,993.8)**	**(1,589.1)**	**(21,240.1)**
Collateralised financial receivables				1.2	5.3	0.3			6.8
Cash management financial asset		196.7		1.7		1.9		964.7	1,165.0
Cash and cash equivalents		1,002.1		96.2		1,321.0		2,735.5	5,154.8
II - Financial assets	**0.0**	**1,198.8**	**0.0**	**99.1**	**5.3**	**1,323.2**	**0.0**	**3,700.2**	**6,326.6**
Derivative financial instruments, liabilities		(44.8)	(1.6)	(0.6)	(2.2)	(1.0)	(7.4)	(0.9)	(58.4)
Derivative financial instruments, assets	57.9	101.9	3.8	0.3	1.4	0.7	5.0	11.4	182.4
III - Derivative financial instruments	**57.9**	**57.1**	**2.2**	**(0.3)**	**(0.8)**	**(0.3)**	**(2.4)**	**10.5**	**124.0**
IV - Net current financial assets	**(58.4)**	**(737.9)**	**(1.9)**	**(6.8)**		**2,584.2**	**60.3**	**(1,846.3)**	**(6.9)**
Net financial debt (I + II + III + IV)	**(12,108.2)**	**(547.0)**	**(1,202.1)**	**5.2**	**(315.6)**	**3,031.8**	**(3,935.9)**	**275.3**	**(14,796.4)**

(1) Motorways = ASF Holding + ASF + ESCOTA + Cofiroute + Arcour (A19) + Morgan VINCI Ltd (50%)

(2) Current part including accrued interest not matured

23.1 Detail of long-term financial debt

23.1.1 Other bond loans

Other bond loans break down as follows:

(in € millions)	Currency	31/12/2006 Nominal remaining due	Debt recorded on issue (a)	Impact of amortised cost[1] (b)	impact of fair values [2] (c)	Carrying amount (a)+(b)+(c)	31/12/2005 Carrying amount	31/12/2004 Carrying amount	Maturity
Cofiroute									
Bonds March 1993	EUR					0.0	0.0	77.8	September 2005
Bonds December 1995	EUR					0.0	244.5	244.5	December 2006
Bonds July 1996	EUR	304.8	304.9	9.3	0.0	314.2	314.2	314.2	July 2007
Bonds November 1997	EUR	350.6	350.6	2.6	3.7	356.8	358.7	360.4	November 2008
Bonds November 1999	EUR	300.0	300.0	2.6	5.5	308.1	320.5	326.8	November 2009
Bonds October 2001 & Supplement August 2005	EUR	500.0	543.4	(5.8)	7.0	544.6	581.0	334.1	October 2016
Bonds April 2003	EUR	600.0	593.4	22.4	36.3	652.1	677.8	656.2	April 2018
Bonds May 2006	EUR	750.0	739.4	23.1	0.0	762.5			May 2021
Other bonds	EUR	23.7	23.7	2.7	0.0	26.4	23.7	21.6	Nov. 2007 to April 2013
Sub-total		**2,829.1**	**2,855.5**	**56.9**	**52.5**	**2,964.8**	**2,520.3**	**2,335.6**	
Other concessions									
SCDI - 1998 [3]	CAD	0.0				0.0	116.9	96.4	September 2031
Autopista Del Bosque - 2001[4]	UF	0.0				0.0	223.3	170.6	March 2021
Sub-total		**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**340.2**	**267.0**	
VINCI									
Bonds ex GTM June 1998	EUR	0.0						142.4	June 2005
Tranche 1: July 2002	*EUR*	*600.0*	*595.5*	*14.5*	*(3.6)*	*606.4*	*619.2*	*620.6*	*July 2009*
Tranche 2: November 2002	*EUR*	*250.0*	*255.6*	*3.3*	*2.0*	*260.9*	*270.2*	*274.2*	*July 2009*
Tranche 3: May 2003	*EUR*	*150.0*	*158.8*	*(1.0)*	*(1.3)*	*156.6*	*162.8*	*166.0*	*July 2009*
Bonds July 2002 Total	EUR	1,000.0	1,009.9	16.9	(2.9)	1,023.9	1,052.2	1,060.8	July 2009
Sub-total		**1,000.0**	**1,009.9**	**16.9**	**(2.9)**	**1,023.9**	**1,052.2**	**1,203.2**	
Other bonds		**1.6**	**1.6**			**1.6**	**4.7**	**13.8**	
Total bond loans		**3,830.7**	**3,866.9**	**73.8**	**49.6**	**3,990.3**	**3,917.5**	**3,819.6**	

(1) Amortised cost including accrued interest not matured and any impact of ceasing to designate instruments as hedges.

(2) Revaluation of the debt in connection with fair value hedging (see Note 25.1.1).

(3) December 2006: equity-accounted as from partial disposal (of 31.1% of share capital).

December 2004 and 2005: VINCI's share (49.9% proportionate consolidation).

(4) Asset disposed of in 2006.

23.1.2 Borrowings from financial institutions

These loans mainly comprise syndicated bank loans and loans granted by the CNA (the *Caisse Nationale des Autoroutes*) and by the EIB (the European Investment Bank) for the financing of concession infrastructures.

The loans taken out by ASF and ESCOTA from the CNA were granted under the agreements between these two companies and this public-sector establishment (*établissement public à caractère administratif*) which provide that funds raised by the CNA, mainly on the bond market, will be made available to motorway operating companies.

The details of the loans from financial institutions are as follows. Note: ASF Group was accounted for using the equity method at 31 December 2005.

		31/12/2006					
(in € millions)	Currency	Nominal remaining due	Debt recorded on issue (a)	Impact of amortised cost[1] (b)	Impact of fair values[2] (c)	Carrying amount (a)+(b)+(c)	Maturity
ASF and ESCOTA							
ASF and ESCOTA - CNA 1995	EUR	122.0	120.1	9.7		129.8	March 2007
ASF and ESCOTA - CNA 1996	EUR	146.4	145.7	2.7		148.5	October 2007
ASF - CNA/EIB 1997	EUR	30.5	30.5	0.2		30.7	November 2007
ASF - CNA 1997	EUR	152.5	151.0	1.6		152.6	December 2007
ASF - CNA 1998	CHF	301.1	296.1	8.5		304.6	February 2008
ESCOTA - CNA 1993	EUR	15.2	15.0	1.3		16.2	March 2008
ASF and ESCOTA - CNA 1996/1997	EUR	298.8	294.6	8.0		302.6	November 2008
ASF and ESCOTA - CNA 1995	EUR	168.8	166.2	3.3		169.5	November 2008
ASF and ESCOTA - CNA 1994/1997	EUR	137.2	137,5	7.7		145.2	January 2009
ASF and ESCOTA - CNA 1996	EUR	176.8	175,2	6.8		182.0	July 2009
ASF - CNA 1995	EUR	152.5	149.8	5.4		155.2	September 2009
ASF and ESCOTA - CNA 1996	EUR	153.8	152.6	10.2		162.8	February 2010
ASF and ESCOTA - CNA 1998	EUR	502.4	483.6	27.6		511.1	April 2010
ASF and ESCOTA - CNA 1995	EUR	66.5	65.2	3.5		68.6	June 2010
ASF - CNA/EIB 1998	EUR	95.3	95.3	0.3		95.5	December 2010
ASF and ESCOTA - CNA 1997 to 2001	EUR	498.5	508.8	28.5		537.3	June 2011
ASF and ESCOTA - CNA 1996	EUR	68.6	68.0	1.8		69.8	September 2011
ASF - CNA/EIB 2001	EUR	70.0	70.0	0.7		70.7	October 2011
ASF and ESCOTA - CNA 1997 to 2000	EUR	405.9	406.5	4.5		411.0	October 2012
ASF and ESCOTA - CNA 1998/2001	EUR	397.7	430.5	4.8		435.3	March 2013
ESCOTA - CNA/EIB 2002	EUR	142.7	142.7	6.5		149.3	April 2013 to 2015
ESCOTA - CNA/EIB 1998	EUR	8.5	8.5	0.0		8.6	December 2013
ASF - CNA 1999/2002	EUR	450.0	421.3	21.9		443.2	May 2014
ASF - CNA/EIB 1999	EUR	160.0	160.0	2.8		162.8	December 2014
ESCOTA - CNA/EIB 2000	EUR	20.0	20.0	0.1		20.1	December 2014
ASF - CNA/EIB 2002	EUR	412.6	412.6	18.8		431.4	April 2015 to 2017
ASF - CNA 2000/2001	EUR	382.5	385.9	36.7		422.6	October 2015
ASF - CNA/EIB 2000	EUR	70.0	70.0	1.8		71.8	December 2015
ASF - CNA/EIB 2000	EUR	53.0	53.0	0.1		53.1	December 2015
ASF - CNA 2001	EUR	343.5	338.9	40.9		379.8	July 2016
ASF - CNA/EIB 2001	EUR	75.0	75.0	0.4		75.4	November 2016
ASF - CNA/EIB 2001	EUR	77.0	77.0	0.4		77.4	November 2016
ASF and ESCOTA - CNA 2002	EUR	532.0	527.3	26.9		554.2	January 2017
ASF - CNA 2004/2005	EUR	750.0	769.5	51.2		820.7	March 2018
ASF - EIB 2005	EUR	150.0	150.0	3.2		153.2	May 2012 to 2025
ASF - EIB 2005	EUR	100.0	100.0	0.2		100.2	Dec. 2012 to 2025
Other bonds	EUR	25.8	25.8	0.2		26.0	2007 to 2010
Sub-total		**7,713.2**	**7,699.8**	**349.1**	**0.0**	**8,048.9**	
Impact of recognising ASF's debt at fair value in VINCI's consolidated financial statements[3]					257.9	257.9	
Sub-total		**7,713.2**	**7,699.8**	**349.1**	**257.9**	**8,306.8**	

(in € millions)	Currency	31/12/2006 Nominal remaining due	 Debt recorded on issue (a)	 Impact of amortised cost[1] (b)	 Impact of fair values[2] (c)	 Carrying amount (a)+(b)+(c)	31/12/05 Carrying amount	31/12/04 Carrying amount	Maturity
Cofiroute									
EIB - March 2002	EUR	75.0	75.0	0.1	0.0	75.1	75.1	75.3	March 2013 to 2027
EIB - December 2002	EUR	50.0	50.0	0.0	0.0	50.0	50.0	50.1	Dec. 2013 to 2027
EIB - March 2003	EUR	75.0	75.0	2.8	3.6	81.4	86.9	81.5	March 2018
EIB - December 2004	EUR	200.0	200.0	0.3	0.0	200.3	200.2	200.1	December 2019
EIB - December 2005	EUR	190.0	190.0	0.6	0.0	190.6	190.6		Dec. 2012 to 2025
EIB - December 2006	EUR	50.0	50.0	0.1	0.0	50.1			Dec. 2013 to 2029
Other bonds	EUR	9.5	9.5	0.0	0.0	9.5	10.8	12.1	June 2014
Sub-total		**649.5**	**649.5**	**4.1**	**3.6**	**657.2**	**613.6**	**419.1**	
VINCI Park									
Dexia Tranche 1 & 2	EUR	253.8	253.4	0.5	0.0	253.9	275.5	177.8	March 2008 to Sept. 2025
Calyon/Dexia/CIC - June 2006	EUR	482.5	479.5	0.2		479.8			Dec. 2006 to June 2026
Other bonds	EUR	135,5	132.5	0.8		133.3	147.8	159.7	
Sub-total		**871.8**	**865.5**	**1.5**	**0.0**	**866.9**	**423.3**	**337.5**	
Other concessions									
Stade de France - Crédit Suisse 1998[4]	EUR	45.7	42.2	3.2		45.4	50.5	54.0	July 1999 to 2013
Gefyra - EIB 2001	EUR	350.0	350.0	(15.4)		334.6	333.9	352.9	June 2008 to 2029
Newport - AXA 2002[4]	GBP	45.9	46.0	(0.2)		45.8	45.4	42.3	March 2006 to 2040
Sub-total		**441.6**	**438.2**	**(12.4)**	**0.0**	**425.8**	**429.8**	**449.2**	
ASF Holding									
Syndicated loan December 2006	EUR	1,200.0	1,196.1	1.6		1,197.7			Dec. 2007 to 2013
Other bonds									
Eurovia[5]		81.2	80.5	0.5		81.0	78.4	47.7	
CFE[5]		141.2	141.2			141.2	156.4	102.9	
Other subsidiaries		201.3	201.3	0.4		201.7	211.9	112.0	
Sub-total		**423.7**	**423.0**	**0.9**	**0.0**	**423.9**	**446.8**	**262.6**	
VINCI SA									
Syndicated loan April 2000	EUR						0.0	108.1	April 2005
Acquisition loan ASF November 2005	EUR	3,000.0	2,992.0	21.9		3,014.0			November 2012
Sub-total		**3,000.0**	**2,992.0**	**21.9**	**0.0**	**3,014.0**	**0.0**	**108.1**	
Total other borrowings and financial debt		**14,299.8**	**14,264.1**	**366.8**	**261.5**	**14,892.3**	**1,913.5**	**1,576.5**	

(1) Amortised cost including accrued interest not matured and any impact of ceasing to designate instruments as hedges.

(2) Revaluation of the debt in connection with fair-value hedging (see Note 25.1.1).

(3) Following acquisition of control of ASF by VINCI on 9 March 2006.

(4) VINCI's share (66.67% proportionate consolidation for Stade de France and 50% for Newport).

(5) Total loans taken out with financial institutions by Eurovia and CFE (CFE is 46.84% owned by VINCI and fully consolidated).

23.1.3 Finance leases

(in € millions)	Currency	31/12/2006 Carrying amount(1)	31/12/2005 Carrying amount(1)	31/12/2004 Carrying amount(1)	Maturity
Airport Services(2)					
SFS France	EUR		17.5	22.3	June 2014
SFS Germany	EUR		14.3	14.9	September 2019
Other leases			10.5	4.9	
Eurovia					
SLAG	EUR	8.9	9.9	11.1	December 2014
Other leases		15.8	16.6	21.2	
CFE					
Dredging International Luxembourg (DEME)(3)	EUR	12.1	12.8	12.8	February 2012
Other leases		10.0	2.3	2.2	
Other subsidiaries		**85.8** (4)	**78.7**	**83.3**	
Total finance leases		**132.7**	**162.5**	**172.8**	

(1) The carrying amount is equal to the capital remaining due.

(2) Asset disposed of in October 2006.

(3) VINCI's share (50% proportionate consolidation of DEME by CFE, which is 46.84% owned by VINCI and fully consolidated).

(4) Includes €33 million at VINCI Energies and €15 million at VINCI Park.

23.2 Collateralised loans and receivables

Collateralised loans and receivables are deposits guaranteeing long-term debts. These reserve funds represent an aggregate amount for the Group of €7 million, of which 80% guarantees finance lease agreements.

23.3 Debt without recourse or with limited recourse

Most of the Group's long-term debt is without recourse against VINCI S.A. Debt without recourse amounted to a total at the end of December 2006 of €13.7 billion, representing 72% of the Group's long-term debt, and breaks down as follows:

(in € millions)	31/12/2006	31/12/2005	31/12/2004
ASF Holding + ASF + ESCOTA(1)	**9,504.5**		
Cofiroute	**3,622.0**	**3,134.0**	**2,754.8**
Gefyra (Rion-Antirion bridge - Greece)	334.6	333.9	352.9
SCDI (Confederation Bridge - Canada)(2)		117.0	96.4
Consortium Stade de France	45.4	52.2	57.3
Morgan VINCI Ltd (Newport bypass - Wales)	45.8	45.4	42.3
Autopista del Bosque (Chillan-Collipulli motorway - Chile)(3)		223.3	170.6
Infrastructure concessions	**425.8**	**771.8**	**719.5**
Concessions	**13,552,3**	**3,905.7**	**3,474.3**
PFI companies in UK		10.9	36.8
CFE (Belgian subsidiary of VINCI Construction)	163.5	173.9	125.6
Of which: DEME (CFE's dredging subsidiary)	*146.8*	*134.7*	*80.1*
Other business lines	**163.5**	**184.8**	**162.5**
Total long-term debt without recourse or with limited recourse	**13,715.8**	**4,090.5**	**3,636.8**
Derivative instruments	(108.3)	(192.7)	(125.6)
Collateralised receivables(4)	(1.2)	(18.2)	(14.5)
Cash, cash equivalents and cash management financial assets of corresponding companies	(531.9)	(456.2)	(695.4)
Total net debt without recourse or with limited recourse	**13,074.5**	**3,423.5**	**2,801.2**

(1) Equity-accounted at 31 December 2005, neither consolidated nor equity-accounted at 31 December 2004.

(2) Equity-accounted at 30 June 2006 following partial disposal (of 31.1% of share capital).

(3) Operation disposed of in 2006.

(4) Collateralised receivables correspond to financial assets guaranteeing the obligations under certain loans.

All the companies shown in the above table are financed autonomously (with no guarantee from the parent company). They do not participate in the holding company cash pooling system.

CFE's debt is mainly in its dredging subsidiary DEME of which it owns 50%. As VINCI owns 46.84% of CFE, VINCI's indirect holding in DEME is therefore 23.42%. DEME's debt, which is without recourse against CFE, mainly relates to ship finance guaranteed by the assets financed. CFE's and DEME's debts are without recourse against VINCI.

24. Liquidities and financing resources

24.1 Maturity of financial debt

At 31 December 2006, the average maturity of the Group's financial debt was 6.8 years, against 7.4 years at 31 December 2005. The average maturity is 4.8 years at VINCI S.A., 7.2 years for the motorway business, 10 years for the other concessions and services and 2.6 years for the Group's other business lines.

The VINCI Group's financial debts at redemption value break down as follows by maturity:

(in € millions)	31/12/2006 Motorways[1]	31/12/2006 Other concessions	31/12/2006 Other business lines	31/12/2006 VINCI SA + Concessions Holdings	31/12/2006 Total	31/12/2005 Total	31/12/2004 total
Accrued interest not matured	287.2	2.2	0.2	46.3	335.9	84.8	
Maturing in less than one year (at redemption value)	769.5	71.7	206.4		1,047.6	489.1	511.2
Current part of financial debt	**1,056.7**	**73.9**	**206.6**	**46.3**	**1,383.5**	**573.8**	**511.2**
Maturing in more than 1 year and not after 2 years (at redemption value)	1,177.9	71.5	85.4	2.2	1,337.0	436.3	342.7
Maturing in more than 2 years and not after 5 years (at redemption value)	2,338.0	205.1	162.7	1,000.1	3,705.9	2,055.0	2,287.8
Maturing in more than 5 years and not after 10 years (at redemption value)	4,641.6	311.8	62.3	3,000.0	8,015.7	451.6	355.7
Maturing after 10 years (at redemption value)	3,511.1	636.7	9.3		4,157.1	2,322.6	1,937.9
Non-current part of financial debt	**11,668.6**	**1,225.1**	**319.7**	**4,002.3**	**17,215.7**	**5,265.5**	**4,924.1**
Financial debt (excluding OCEANE)	**12,725.3**	**1,299.0**	**526.3**	**4,048.6**	**18,599.2**	**5,839.3**	**5,435.3**

(1) Motorways = ASF Holding + ASF + ESCOTA + Cofiroute + Arcour (A19) + Morgan VINCI Ltd (50%).

24.2 Net cash managed and Group liquidity

Net cash managed, including and cash management financial assets, break down as follows:

(in € millions)	31/12/2006 Motorways[1]	31/12/2006 Other concessions	31/12/2006 Other business lines[2]	31/12/2006 VINCI SA + Concession Holdings	31/12/2006 Total	31/12/2005 Total	31/12/2004 Total
I. Marketable securities and mutual funds (UCITS)	*196.6*		*0.4*	*553.9*	***750.9***	*550,8*	*1,445.6*
II. Negotiable debt securities and bonds with an original maturity of less than 3 months		*1.7*	*1.6*	*1.5*	***4.8***	*27.6*	
III. Negotiable debt securities with an original maturity of more than 3 months				*409.3*	***409.3***	*261.4*	*477.3*
Current cash management financial assets (A = I + II + III)	196.6	1.7	2.0	964.7	**1,165.0**	839.8	1,922.9
IV. Marketable securities and mutual funds (UCITS)	*935.0*	*5.5*	*242.9*	*2,407.7*	***3,591.1***	*3,152.4*	*1,453.1*
V. Negotiable debt securities and bonds with an original maturity of less than 3 months			*194.7*	*15.0*	***209.7***	*302.3*	*266.0*
Cash equivalents (B = IV + V)	935.0	5.5	437.6	2,422.7	**3,800.8**	3,454.7	1,719.1
Investment of cash surpluses (A + B)	1,131.6	7.2	439.6	3,387.4	**4,965.8**	4,294.5	3,642.0
Cash	67.2	90.7	883.4	312.7	**1,354.0**	1,144.0	830.4
Bank overdrafts and commercial paper issued	(0.1)	(7.2)	(496.8)	(1,541.0)	**(2,045.1)**	(1,098.0)	(397.5)
Net cash managed	**1,198.7**	**90.7**	**826.2**	**2,159.1**[3]	**4,274.8**	**4,340.5**	**4,074.9**

(1) Motorways = ASF Holding + ASF + ESCOTA + Cofiroute + Arcour (A19) + Morgan VINCI Ltd (50%).

(2) Surpluses not included in cash pooling system.

(3) Cash managed by VINCI S.A. under cash pooling agreement.

Cash surpluses are managed with the objective of earning a return close to that of the money market, avoiding risks to capital while maintaining a low level of volatility through a performance and risk monitoring system. The investment vehicles used by the Group are mainly mutual funds (UCITS) and negotiable debt securities (in particular certificates of deposit) and other such securities. They are measured and recognised at their fair value (see Note 19 *Cash management financial assets, cash and cash equivalents*).

Current cash management financial assets and cash equivalents mainly correspond to the investments of the net cash surpluses of companies heading business lines and VINCI's main fully-owned subsidiaries, which are transferred to the holding company through a cash pooling system. This centralised system enables both the management of financial resources to be optimised and trends in the cash position of the Group's main subsidiaries to be monitored. The investments made by subsidiaries with VINCI S.A. in this context amounted to €3.4 billion at 31 December 2006.

The investment of cash surpluses of other Group subsidiaries that are not transferred to the holding company is managed complying with VINCI's guidelines. At 31 December 2006, such funds amounted to €1.6 billion, of which €651 million were at ASF and €480 million at Cofiroute.

The holding company monitors the performance and the risks associated with these investments monthly through a report detailing the yield on the various assets on the basis of their fair value and tracking the level of the associated risk through an Earnings at Risk calculation. This indicator represents the level of potential return from the investments within a defined confidence interval over an annual timescale, within the limits set by the Treasury Committee.

Taking account of net cash managed (€4.3 billion) and unused credit facilities (€8.5 billion), the Group's liquidity position at 31 December 2006 was €12.8 billion (see details in Notes 24.3.1 and 24.3.2).

24.3 Commercial paper programmes and credit facilities

24.3.1 Commercial paper programmes

Commercial paper issued by VINCI S.A. is included in current financial debt.

At 31 December 2006, VINCI S.A. had a commercial paper programme of €1.5 billion to cover its short-term financing. The programme is rated A2 by Standard & Poor's and P2 by Moody's.

At 31 December 2006, €1,378 million had been drawn compared with €493 million at 31 December 2005.

Cofiroute also has a commercial paper programme of €450 million, rated A1 by Standard & Poor's. This facility was not being used at 31 December 2006.

24.3.2 Unused credit facilities

At 31 December 2006, VINCI S.A. had an unused confirmed bank credit facility (Club Deal) of €2 billion, expiring in 2012. This facility is not subject to any financial covenant.

VINCI S.A. also has confirmed bilateral medium-term credit facilities, afforded by other banks, for €1 billion, which are not subject to financial covenants.

VINCI S.A. has also taken out a loan on 5 November 2005 for the acquisition of the shares in ASF that it did not already own at 31 December 2005. This 7-year acquisition loan of €4.2 billion, reduced to €3 billion in September 2006, was fully used at 31 December 2006.
This loan is at a floating rate of interest, the spread depending on a ratio R, as defined in Note 24.4, as from 31 December 2006.

On 18 December 2006, ASF Holding took out a syndicated term loan for the acquisition of the 23% of ASF's shares that were held by VINCI Concessions. This 7-year loan of €1.2 billion was fully used at 31 December 2006 and is subject to financial covenants as described in Note 24.4.

The ASF Group has a syndicated credit facility of €1 billion maturing in 2012, subject to various financial covenants set up by a rider in February 2006 in the context of its privatisation. This line, which was not used at 31 December 2006, has contributed to the financing of an exceptional dividend paid by ASF in January 2007 (See Note 33 *Payment of exceptional dividend by ASF*).

On 18 December 2006, ASF also took out a new 7-year loan with a bank syndicate for a total of €3.5 billion comprising €2 billion in the form of a revolving credit and €1.5 billion in the form of a term loan. This is subject to financial covenants equivalent to those applying to the CNA loans. This loan was not in use at 31 December 2006, and was used for €1.75 billion in January 2007 to finance the exceptional dividend paid by ASF (See Note 33 *Payment of exceptional dividend by ASF*).

Lastly, Cofiroute has a confirmed unused credit facility of €1 billion, expiring in 2011, not subject to financial covenants.

The maturities of VINCI's, ASF's and Cofiroute's credit lines were as follows at 31 December 2006:

(in € millions)	Amount used at 31/12/2006	Amounts authorised at 31/12/2006	Maturities		
			within 1 year	between 1 and 5 years	between 5 and 7 years
VINCI: syndicated loan		2,000			2,000
VINCI: bilateral credit lines		935		885	50
VINCI: acquisition loan	3,000	3,000			3,000
VINCI: total	**3,000**	**5,935**	**0**	**885**	**5,050**
ASF Holding: acquisition loan	**1,200**	**1,200**			**1,200**
ASF: syndicated loan		3,000			3,000
ASF: term loan		1,500			1,500
ASF: total	**0**	**4,500**	**0**	**0**	**4,500**
Cofiroute: syndicated loan		**1,020**		**1,020**	
Total	**4,200**	**12,655**	**0**	**1,905**	**10,750**

24.4 Financial covenants

Some financing agreements include early repayment clauses applicable in the event of non-compliance with the financial ratios below:

(in € millions)	Finance agreements	Amounts	Ratios (1)	Values
VINCI SA	Acquisition loan	3,000.0	Net financial debt (excl. Concessions) / Cash flow from operations before tax and financing costs (excl. Concessions) + dividend received (excl. exceptional dividend) of concession operating companies	< 4.5
ASF Holding	Syndicated term loan	1,200.0	Consolidated net financial debt/ Consolidated cash flow from operations before tax and financing costs	< 11
			Dividends / (Net interest + nominal to repay)	> 1.15
ASF	CNA loans	7,437.4	Consolidated net financial debt / Consolidated Ebitda	< 7
			Consolidated Ebitda / Consolidated financial expenses	> 2.2
	Syndicated term loan	1,500.0	Consolidated net financial debt / Consolidated cash flow from operations before tax and financing costs	< or = 7
	Syndicated credit line	2,000.0	Consolidated cash flow from operations before tax and financing costs / Consolidated financial expenses	> 2.2
	Syndicated credit line	1,000.0		
VINCI Park	Amortising loan	482.5	Net financial debt / Cash flow from operations before tax and financing costs	< 7
			Cash flow from operations before tax and financing costs / financing costs	> 2.2
	Amortising loan (tranches 1 and 2)	253.8	Net financial debt / Cash flow from operations before tax and financing costs	< 7
			Cash flow from operations before tax and financing costs / financing costs	> 3

(1) Ebitda = gross operating profit defined as the difference between operating income and operating expenses excluding depreciation, amortisation and provisions.

The above ratios were all met at 31 December 2006.

24.5 Financial ratings

The ratings of VINCI, the ASF Group and Cofiroute at 31 December 2006 were:

	Agency	Rating		
		Long-term	Outlook	Short-term
VINCI SA	Standard & Poor's	BBB+	Negative	A2
	Moody's	Baa1	Stable	P2
	Fitch	BBB+	Stable	F2
ASF	Standard & Poor's	BBB+	Negative	A2
Cofiroute	Standard & Poor's	A-	Negative	A2

Following the acquisition by VINCI of Eiffage's shareholding in Cofiroute on 1 March 2007, Standard & Poor's aligned Cofiroute's rating with VINCI's (BBB+) and placed VINCI's, ASF's and Cofiroute's notes under credit watch negative. Moody's has maintained its Baa1 rating with outlook stable, for VINCI SA.

25. Financial instruments and management of market risks

VINCI has set up a framework, approved by the Audit Committee, for the management and control of the various market risks to which it is exposed, in particular interest rate, liquidity and exchange rate risks.
VINCI uses various derivative financial instruments to reduce its exposures and optimise its financing costs and foreign exchange gains and losses.

These market risks are managed by VINCI's Treasury and Finance Department in collaboration with the divisions involved, within the framework of the decisions of the Treasury Committee.

The derivative financial instruments used by the Group are recognised in the balance sheet at their fair value regardless of whether they are designated as hedges or not.

The fair value of derivatives breaks down as follows:

(in € millions)	31/12/2006 Non-current asset	Current asset	Non-current liability	Current liability	Net	31/12/2005 Net	31/12/2004 Net
Interest rate derivatives(1)	68.1	113.5	(10.9)	(34.3)	136.4	236.3	255.8
Foreign currency derivatives(2)		0.8	(0.2)	(13.0)	(12.4)	(1.0)	13.1
Total derivative financial instruments	**68.1**	**114.3**	**(11.1)**	**(47.3)**	**124.0**	**235.3**	**268.9**

(1) See details in Note 25.1.1

(2) See details in Note 25.2.4

25.1 Management of interest rate risk

VINCI manages the breakdown of its debt between fixed, floating, capped floating and inflation-linked rates in order to limit its exposure to interest rate risk while aiming to optimise the cost of its debt. For this, it uses derivative instruments such as options or interest rate swaps. The Group's portfolio of derivatives can be divided into those designated as hedges for accounting purposes and those not so designated, in accordance with IAS 39, complying with VINCI's risk management principles.

25.1.1 Detail of interest rate derivatives

Derivative financial instruments at 31 December 2006 break down as follows:

(in € millions)	31/12/2006 within 1 year	between 1 and 5 years	after 5 years	Notional amount	Fair value(1)	31/12/2005 Notional amount	Fair value(1)	31/12/2004 Notional amount	Fair value(1)
Derivative instruments allocated to hedge long-term debt									
Fixed lender / floating borrower interest rate swap		1,678.1	623,4	2,301.5	61.8	2,441.6	234.2	4,054.0	257.8
Interest rate options (caps, floors and collars)				0.0					
Fair value hedge (2)	**0.0**	**1,678.1**	**623.4**	**2,301.5**	**61.8**	**2,441.6**	**234.2**	**4,054.0**	**257.8**
Floating lender / fixed borrower interest rate swap	28.9	292.2	534.5	855.5(4)	8.7	56.5	(4.1)	20.7	(2.1)
Interest rate options (caps, floors and collars)	6.0	366.5	137.6	510.1	3.1	328.2	1.6	253.4	
Cash flow hedge(3)	**34.9**	**658.7**	**672.1**	**1,365.6**	**11.8**	**384.7**	**(2.5)**	**274.1**	**(2.1)**
Derivative instruments not designated as hedges for accounting purposes									
Interest rate swaps	903.0	344.3	1,600.0	2,847.3(5)	51.0	1,794.6	0.6	1,952.2	(0.9)
Interest rate options (caps, floors and collars)	1,209.7	1,837.1		3,046.8(6)	11.8	561.0	4.1	316.5	1,0
Total	**2,112.7**	**2,181.4**	**1,600.0**	**5,894.1**	**62.8**	**2,355.6**	**4.6**	**2,268.7**	**0.1**
Total interest rate derivatives	**2,147.6**	**4,518.2**	**2,895.4**	**9,561.2**	**136.4**	**5,181.9**	**236.3**	**6,596.8**	**255.8**

(1) Fair value of derivatives includes accrued interest not matured on swaps.

(2) Offset by the revaluation of the corresponding debts (see Note 23.1).

(3) Offset by a change in equity.

(4) Including €153m deferred start in 2007 and €350m deferred start in 2010.

(5) Including €600m deferred start in 2011.

(6) Including €1,017m deferred start in 2007.

Derivative instruments not designated as hedges for accounting purposes relate to transactions maturing generally within five years. Their fair value at 31 December 2006 was €62.8 million.

The impact of derivative financial instruments designated as hedges (see table above) of long-term debt breaks down as follows:

Bonds

(in € millions)	Currency	31/12/2006 Market value	Carrying amount	Overall effective rate before taking account of derivatives(1)	Overall effective rate after taking account of derivatives(1)	Interest rate	Maturity
Cofiroute							
Bonds, July 1996	EUR	318.5	314.2	6.80%	6.80%	6.80%	July 2007
Bonds, November 1997	EUR	363.6	356.9	5.90%	5.35%	5.90%	November 2008
Bonds, November 1999	EUR	315.2	308.1	6.00%	4.72%	6.00%	November 2009
Bonds October 2001 & Supplement August 2005	EUR	556.0	544.6	5.12%	4.09%	5.875%	October 2016
Bonds April 2003	EUR	643.1	652.1	5.36%	4.11%	5.25%	April 2018
Bonds May 2006	EUR	835.6	762.5	5.14%	5.14%	5.00%	May 2021
Other bonds	EUR	26.4	26.4	7.50%	7.50%	7.50%	Nov. 07 to April 13
Sub-total		**3,058.3**	**2,964,8**	**5.56%**	**4.90%**		
VINCI							
Tranche 1: July 2002	EUR	638.1	606.4	6.01%	5.09%	5.875%	July 2009
Tranche 2: November 2002	EUR	265.9	260.9	5.47%	4.71%	5.875%	July 2009
Tranche 3: May 2003	EUR	159.5	156.6	4.77%	4.59%	5.875%	July 2009
Sub-total		**1,063.5**	**1,023.9**	**5.68%**	**4.92%**		
Other bonds		**1.6**	**1.6**				
Total bond loans		**4,123.4**	**3,990.3**	**5.59%**	**4.90%**		

(1) Including all amounts connected with the issue, including premiums and fees.

Borrowings from financial institutions

(in € millions)	31/12/2006 Currency	Market value	Carrying amount	Overall effective rate before taking account of derivatives(1)	Overall effective rate after taking account of derivatives(1)	Contractual interest rate	Maturity
ASF et ESCOTA							
ASF and ESCOTA - CNA 1995	EUR	130.7	129.8	8.21%	8.21%	8.00%	March 2007
ASF and ESCOTA - CNA 1996	EUR	151.0	148.5	6.35%	6.35%	6.30%	October 2007
ASF - CNA/EIB 1997	EUR	31.2	30.7	5.84%	5.84%	5.84%	November 2007
ASF - CNA 1997	EUR	154.3	152.6	5.73%	5.73%	5.60%	December 2007
ASF - CNA 1998	CHF	312.8	304.6	5.41%	5.41%	5.407%	February 2008
ESCOTA - CNA 1993	EUR	16.9	16.2	8.21%	8.21%	8.00%	March 2008
ASF and ESCOTA - CNA 1996/1997	EUR	311.2	302.6	6.17%	5.74%	6.00%	November 2008
ASF and ESCOTA - CNA 1995	EUR	180.0	169.5	7.59%	7.59%	7.40%	November 2008
ASF and ESCOTA - CNA 1994/1997	EUR	150.1	145.2	5.95%	5.89%	6.00%	January 2009
ASF and ESCOTA - CNA 1996	EUR	193.7	182.0	6.86%	6.86%	6.75%	July 2009
ASF - CNA 1995	EUR	168.4	155.2	7.71%	7.55%	7.50%	September 2009
ASF and ESCOTA - CNA 1996	EUR	174.5	162.8	6.79%	6.79%	6.70%	February 2010
ASF and ESCOTA - CNA 1998	EUR	525.1	511.1	4.95%	4.95%	4.50%	April 2010
ASF and ESCOTA - CNA 1995	EUR	76.1	68.6	7.73%	7.73%	7.50%	June 2010
ASF - CNA/EIB 1998	EUR	97.3	95.5	4.59%	4.59%	4.59%	December 2010
ASF and ESCOTA - CNA 1997 to 2001	EUR	551.6	537.3	5.81%	5.12%	5.90%	June 2011
ASF and ESCOTA - CNA 1996	EUR	77.4	69.8	6.79%	6.79%	6.70%	September 2011
ASF - CNA/EIB 2001	EUR	73.8	70.7	5.09%	5.09%	5.09%	October 2011
ASF and ESCOTA - CNA 1997 to 2000	EUR	445.8	411.0	5.78%	5.78%	5.80%	October 2012
ASF and ESCOTA - CNA 1998/2001	EUR	453.0	435.3	4.91%	4.91%	5.85%	March 2013
ESCOTA - CNA/EIB 2002	EUR	164.9	149.3	6.18%	6.18%	6.18%	April 2013 to 2015
ESCOTA - CNA/EIB 1998	EUR	8.9	8.6	4.79%	4.79%	4.79%	December 2013
ASF - CNA 1999/2002	EUR	469.8	443.2	5.07%	5.07%	4.375%	May 2014
ASF - CNA/EIB 1999	EUR	176.7	162.8	5.60%	5.37%	5.60%	December 2014
ESCOTA - CNA/EIB 2000	EUR	22.6	20.1	5.98%	5.98%	5.98%	December 2014
ASF - CNA/EIB 2002	EUR	495.1	431.4	6.15%	6.15%	6.15%	April 2015 to 2017
ASF - CNA 2000/2001	EUR	439.8	422.6	5.92%	4.67%	6.00%	October 2015
ASF - CNA/EIB 2000	EUR	80.5	71.8	6.09%	5.78%	6.09%	December 2015
ASF - CNA/EIB 2000	EUR	53.1	53.1	3.57%	3.57%	Euribor 3m.	December 2015
ASF - CNA 2001	EUR	407.3	379.8	5.99%	5.99%	3.90% +inflation	July 2016
ASF - CNA/EIB 2001	EUR	81.4	75.4	5.13%	5.13%	5.13%	November 2016
ASF - CNA/EIB 2001	EUR	83.2	77.4	5.07%	5.07%	5.07%	November 2016
ASF and ESCOTA - CNA 2002	EUR	604.1	554.2	5.34%	5.34%	5.25%	January 2017
ASF - CNA 2004/2005	EUR	797.0	820.7	4.23%	3.83%	4.50%	March 2018
ASF - EIB 2005	EUR	143.2	153.2	3.77%	3.77%	3.77%	May 2013 to 2025
ASF - EIB 2005	EUR	96.5	100.2	3.80%	3.80%	3.802%	Dec. 2013 to 2025
Other bonds	EUR	25.8	26.0	5.00%	5.00%	5.00%	2007 to 2010
Sub-total		**8,424.9**	**8,048.9**	**5.59%**	**5.41%**		
Effect of recognising ASF's debt at fair value in VINCI's consolidated financial statements(2)			257.9				
Sub-total		**8,424.9**	**8,306.8**	**4.22%(3)**	**4.20%(3)**		

(in € millions)	Currency	Market value	Carrying amount	Overall effective rate before taking account of derivatives(1)	Overall effective rate after taking account of derivatives(1)	Contractual interest rate	Maturity
	31/12/2006						
Cofiroute							
EIB - March 2002	EUR	74.2	75.1	3.75%	3.58%	EIB	March 2027
EIB - December 2002	EUR	49.8	50.0	3.71%	3.54%	Euribor 3 m.	December 2027
EIB - March 2003	EUR	82.9	81.4	4.92%	3.11%	4.92%	March 2018
EIB - December 2004	EUR	199.2	200.3	3.75%	3.75%	EIB	December 2019
EIB - December 2005	EUR	185.6	190.6	4.02%	4.02%	4.015%	December 2025
EIB - December 2006	EUR	50.4	50.1	4.27%	4.27%	4.270%	December 2029
Other bonds	EUR	9.5	9.5	0.00%	0.00%	0.00%	June 2014
Sub-total		**651.7**	**657.2**	**3.95%**	**3.70%**		
VINCI Park							
Dexia Tranche 1 & 2	EUR	253.9	253.9	4.18%	4.30%	Euribor 3m.	March 2008 to Sept. 2025
Calyon/Dexia/CIC - June 2006	EUR	479.8	479.8	4.49%	4.66%	Euribor 3m.	June 2026
Other bonds	EUR	133.2	133.2				
Sub-total		**866.8**	**866.8**	**4.38%**	**4.53%**		
Other concessions							
Stade de France - Crédit Suisse 1998(4)	EUR	45.4	45.4	6.18%	6.18%	5.28%	July 2013
Gefyra - EIB 2001	EUR	334.6	334.6	3.56%	3.56%	EIB	Dec. 2025 to June 2029
Newport AXA 2002(4)	GBP	45.8	45.8	7.51%	7.51%	7.26%	March 2040
Sub-total		**425.8**	**425.8**	**4.27%**	**4.27%**		
ASF Holding							
Syndicated loan December 2006	EUR	1,197.7	1,197.7	4.26%	4.26%	Euribor 6m.	Dec. 2007 to 2013
VINCI							
Acquisition loan ASF Nov. 2005	EUR	3,014.0	3,014.0	3.77%	3.77%	Euribor 3m.	November 2012
Other bonds		**423.9**	**423.9**	**4.60%**	**4.87%**		
Total other borrowings and financial debt		**15,004.8**	**14,892.3**	**4.14%**	**4.24%**		

(1) Including all flows connected with the issue, including premiums and fees; the floating rates used are 3.725% for the 3-month Euribor and 3.8% for the EIB loans (revisable index defined by the EIB).

(2) Following acquisition of control of ASF by VINCI on 9 March 2006.

(3) The effective interest rates take account of the effect of measuring ASF's debt at fair value in VINCI's consolidated financial statements.

(4) VINCI's share (66.67% proportionate consolidation for Stade de France and 50% for Newport).

Finance leases

(in € millions)	Currency	31/12/2006 Market value	Carrying amount	Overall effective rate before taking account of derivatives(1)	Overall effective rate after taking account of derivatives(1)	Contractual interest rate	Maturity
Eurovia							
SLAG	EUR	8.9	8.9	4.23%	6.05%	Euribor 3m.	December 2014
Other leases	EUR	15.8	15.8	4.70%	4.70%		
Sub-total		**24.7**	**24.7**	**4.53%**	**5.19%**		
CFE							
Dredging International Luxembourg (DEME) (2)	EUR	12.1	12.1	3.90%	3.90%	3.90%	February 2012
Other leases	EUR	10.0	10.0	4.65%	4.65%		
Sub-total		**22.1**	**22.1**	**4.24%**	**4.24%**		
Other leases		**85.8** (3)	**85.8**	**5.16%**	**5.16%**		
Total finance leases		**132.7**	**132.7**	**4.87%**	**5.00%**		

(1) Including all flows connected with the issue, including premiums and fees; floating rate assumed for 3-month Euribor is 3.725%.

(2) VINCI's share (50% proportionate consolidation of DEME by CFE, which is 46.84% owned by VINCI and fully consolidated).

(3) Includes €33 million at VINCI Energies and €15 million at VINCI Park.

25.1.2 Breakdown of long-term debt between fixed, floating and capped floating rate borrowing

Long-term debt breaks down as follows between fixed and floating rates, before and after taking account of the related derivative instruments, whether designated as hedges or not:

(in € millions)	31/12/2006 Amount	% of total	31/12/2005 Amount	% of total	31/12/2004 Amount	% of total
Fixed rate	12,002.1	65%	4,422.6	77%	5,138.4	80%
Rate indexed to inflation	399.6	2%		0%		0%
Floating rate	5,966.7	33%	1,329.9	23%	1,281.3	20%
Impact of fair value hedging and accrued interest not matured(1)	389.0		241.4		247.1	
Revaluation of ASF's debt	257.9					
Total before hedging	**19,015.3**	**100%**	**5,993.9**	**100%**	**6,666.8**	**100%**
Fixed rate	10,337.5	56%	2,141.8	37%	2,157.5	34%
Capped floating-rate + indexed to inflation	2,483.2	14%	786.2	14%	223.5	3%
Floating rate	5,547.7	30%	2,824.5	49%	4,038.7	63%
Impact on debt of fair value hedging and accrued interest not matured(1)	389.0		241.4		247.1	
Revaluation of ASF's debt	257.9					
Total after hedging	**19,015.3**	**100%**	**5,993.9**	**100%**	**6,666.8**	**100%**

On this basis, the average cost of the Group's net debt was 4.82% in 2006 as against 4.36% in 2005 and 4.37% in 2004.

25.1.3. Sensitivity of financial expenses to interest rate trends

At 31 December 2006, the Group's gross floating-rate debt, amounting to €10.3 billion, breaks down as follows:

(in € millions)	31/12/2006	31/12/2005	31/12/2004
Long-term floating-rate and capped floating-rate debt after hedging	8,030.9	3,610.7	4,262.2
Short-term financial debt	2,289.9	1,329.3	598.6
Total gross floating-rate financial debt after hedging	**10,320.8**	**4,940.0**	**4,860.8**

Based on this position, a 0.1% increase in interest rates would generate extra financial expenses of €10.3 million.

Such an increase in interest rates would conversely also result in comparable greater income from the Group's cash surpluses, which amounted to €6.4 billion at 31 December 2006.

25.2 Foreign exchange risk

25.2.1. Nature of the Group's risk exposure

Approximately 80% of VINCI's industrial and commercial activities in foreign markets are through subsidiaries in the eurozone. In consequence, the Group's exposure to currency risk is limited. Transactions outside the eurozone are generally made in the local currency for permanent establishments and, to a great extent, in a strong currency in the case of major export projects.

Generally, the Group's activities in foreign countries are financed by loans in the local currency.

Nevertheless, VINCI can also find itself exposed to currency risk whenever, in isolated cases, the parent company provides finance to certain foreign subsidiaries; this exposure is generally covered by cross currency swaps or forward exchange transactions.

25.2.2. Breakdown of long-term debt by currency

Debt breaks down as follows by currency:

(in € millions)	31/12/2006		31/12/2005		31/12/2004	
Euro	18,432.6	96.9%	5,377.3	89.7%	6,195.8	92.9%
Swiss franc	318.7	1.7%	9.9	0.2%		0.0%
Chilean peso	108.9	0.6%	330.6	5.5%	187.8	2.8%
Sterling	76.2	0.4%	80.4	1.3%	113.1	1.7%
US dollar	27.2	0.1%	32.9	0.5%	19.1	0.3%
Canadian dollar	18.3	0.1%	137.9	2.3%	107.0	1.6%
Other currencies	33.4	0.2%	24.9	0.4%	44.0	0.7%
Total long-term borrowings	**19,015.3**	**100.0%**	**5,993,9**	**100.0%**	**6,666.8**	**100.0%**

The increase in debt in Swiss francs is in ASF. As a swap was set up in respect of this loan from its inception, this debt is not exposed to foreign currency risk.

The reductions in the debt in Chilean pesos and Canadian dollars are due to the total or partial disposal of the infrastructure operating companies Autopista del Bosque in Chile and SCDI in Canada.

25.2.3 Analysis of other foreign currency positions

The basic aim of VINCI's currency risk management policy is to hedge the transaction exposure connected with its subsidiaries' ordinary operations. These risks are monitored through a foreign currency position detailing cash flows by currency and maturity. However, VINCI does not systematically hedge the currency risk connected with its foreign investments (translation exposure).

The table below shows VINCI's and its main subsidiaries' exposure to transaction risk at 31 December 2006. This information does not include the foreign currency positions of the Belgian subsidiary DEME of which 23.4% is owned indirectly, via CFE.

(in € millions)	US dollar	Other currencies linked to the USD	Sterling	Czech koruna	Hungarian forint	Polish zloty	Other currencies	31/12/2006
Exposure before hedging[1]	**117.2**	**24.8**	**48.4**	**64.7**	**(128.4)**	**(84.4)**	**24.0**	**66.3**
Hedges	(8.9)	(0.5)	(9.5)	(55.6)	4.0	84.1	2.8	16.4
Net currency position	**108.3**	**24.3**	**38.9**	**9.1**	**(124.4)**	**(0.3)**	**26.8**	**82.7**

(1) Actual positions in foreign currency plus forecast future flows related to firm commitments.

25.2.4. Detail of currency derivatives

Transactions to hedge currency risk designed to cover commercial or financial transactions break down as follows:

	31/12/2006					31/12/2005		31/12/2004	
(in € millions)	USD	GBP	Other currencies	Notional amount	Fair value	Notional amount	Fair value	Notional amount	Fair value
Cross currency swap				0.0				7.3	0.7
Forward foreign exchange transactions				0.0		13.4	(0.3)	26.9	2.3
Currency options				0.0		2.5	0.0		
Fair value hedge	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**15.9**	**(0.3)**	**34.3**	**3.0**
Cross currency swap				0.0				26.6	0.8
Forward foreign exchange transactions	7.6	10.3	1.5	19.4	(0.1)	68.8	(1.1)	9.0	0.2
Currency options				0.0				0.1	0.0
Cash flow hedge	**7.6**	**10.3**	**1.5**	**19.4**	**(0.1)**	**68.8**	**(1.1)**	**35.7**	**1.0**
Cross currency swap	17.1		296.6	313.7	(10.8)	32.2	(2.5)	36.7	7.2
Forward foreign exchange transactions	62.5	0.1	19.2	81.8	(1.5)	58.1	2.9	15.3	2.3
Currency options				0.0		0.0		6.1	(0.3)
Transactions not designated as hedges for accounting purposes	**79.6**	**0.1**	**315.8**	**395.5**	**(12.3)**	**90.4**	**0.4**	**58.0**	**9.2**
Total foreign currency derivatives	**87.2**	**10.4**	**317.3**	**414.9**	**(12.4)**	**175.1**	**(1.0)**	**128.0**	**13.2**

25.3 Counterparty risk

VINCI is exposed to counterparty risk mainly in respect of cash, negotiable debt securities, marketable securities, financial receivables and derivatives. The notional amounts and market values are given in Notes 25.1.1 and 25.2.4.

VINCI considers moreover that the counterparty risk connected with trade receivables is extremely limited because of the large number of customers, their diversity and the large proportion that are public-sector customers.

The Group's cash surpluses invested in cash management financial assets or in cash equivalents amounted to nearly €5 billion at 31 December 2006. Of this total, 87% was invested in mutual funds (UCITS). The Group's policy is to invest its cash surpluses mainly in monetary instruments with volatility on an annual basis of less than 0.25%.

26. Market values of financial instruments

Estimated market values of financial instruments at 31 December 2006:

(in € millions)	31/12/2006 Market value	31/12/2006 Carrying amount	31/12/2005 Market value	31/12/2005 Carrying amount	31/12/2004 Market value	31/12/2004 Carrying amount
Convertible bonds			(0.5)	(0.5)	(1,129.5)	(1,097,9)
Other bond loans	(4,123.4)	(3,990.3)	(4,074.4)	(3,917.5)	(3,981.0)	(3,819,6)
Loans from financial institutions and other financial debt	(15,004.8)	(14,892.3)	(1,940.3)	(1,913.5)	(1,607.0)	(1,576,5)
Finance leases	(132.7)	(132.7)	(162.1)	(162.5)	(169.7)	(172,8)
Long-term financial debt	**(19,260.9)**	**(19,015.3)**	**(6,177.3)**	**(5,993.9)**	**(6,887.2)**	**(6,666,8)**
Other financial debt	(1,557.7)	(1,557.7)	(663.6)	(663.6)	(158.3)	(158,3)
Financial current accounts, liabilities	(65.1)	(65.1)	(60.7)	(60.7)	(59.7)	(59,7)
Bank overdrafts	(667.1)	(667.1)	(605.0)	(605.0)	(380.5)	(380,5)
I - Gross financial debt	**(21,550.8)**	**(21,305.2)**	**(7,506.6)**	**(7,323.2)**	**(7,485.7)**	**(7,265,3)**
Collateralised financial receivables	6.8	6.8	24.6	24.6	45.5	45,5
Financial current accounts, assets	58.2	58.2	45.8	45.8	45.5	45,5
Current cash management financial assets	1,165.0	1,165.0	839.8	839.8	1,922.9	1 922,9
Cash and cash equivalents	5,154.8	5,154.8	4,598.7	4,598.7	2,549.5	2 549,5
II - Financial assets	**6,384.8**	**6,384.8**	**5,508.9**	**5,508.9**	**4,563.4**	**4,563,4**
Derivative financial instruments, liabilities	(58.4)	(58.4)	(12.1)	(12.1)	(80.2)	(80,2)
Derivative financial instruments, assets	182.4	182.4	247.4	247.4	349.1	349,1
III - Derivative financial instruments	**124.0**	**124.0**	**235.3**	**235.3**	**268.9**	**268,9**
Net financial debt (I + II + III)	**(15,042.0)**	**(14,796.4)**	**(1,762.4)**	**(1,579.0)**	**(2,653.4)**	**(2,433,0)**

The market values of financial assets and derivative instruments have been estimated on the basis of the methods described in Chapter B3 in the section headed *Accounting policies and measurement methods*.

For financial debts, a distinction should be made between:

- listed bonds, of which the market value is the quoted price of the bond at the year end;
- unlisted fixed-rate debt, of which the market value is based on discounted future cash flows, using the interest rates at 31 December 2006, taking account of the credit risks;
- short-term debt and individual items of debt of less than €1 million at 31 December 2006, of which the market value is represented by their carrying amount.

27. Working capital requirement and current provisions

27.1 Change in working capital requirement

(in € millions)	31/12/2006	31/12/2005	Variations 2006-2005 Connected with operations	Receivables / payables related to non-current assets	Other changes[1]	31/12/2004
Inventories and work in progress (net)	567.1	540.7	19.0		7.4	542.8
Trade and other operating receivables	9,503.1	8,334.3	1,168.0	(1.0)	1.9	7,279.8
Other current assets	241.0	218.6	18.8		3.6	157.3
Inventories and operating receivables (I)	**10,311.2**	**9,093.5**	**1,205.8**	**(1.0)**	**12.9**	**7,979.9**
Trade payables	(5,554.1)	(5,002.3)	(526.9)	0.0	(24.9)	(4,619.2)
Other current payables	(6,428.7)	(5,498.6)	(517.7)	(64.9)	(347.5)	(4,743.6)
Trade and other operating payables (II)	**(11,982.8)**	**(10,500.8)**	**(1,044.6)**	**(64.9)**	**(372.4)**	**(9,362.8)**
Working capital requirement (before current provisions) (I + II)	**(1,671.6)**	**(1,407.3)**	**161.2**	**(65.9)**	**(395.6)**	**(1,382.9)**
Current provisions	**(1,655.9)**	**(1,445.4)**	**(174.0)**	**0.0**	**(36.5)**	**(1,382.8)**
including part at less than one year of non-current provisions	(302.2)	(257.4)	0.0	0.0	(44.8)	(247.4)
Working capital requirement (after current provisions)	**(3,327.5)**	**(2,852.7)**	**(12.7)**	**(65.9)**	**(396.1)**	**(2,765.7)**

(1) Mainly changes in scope of consolidation and translation differences.

The working capital requirement connected with operations comprises current assets and liabilities related to operations except for current tax assets and liabilities and other current assets and liabilities of a financial nature.

The net change in operating working capital and current provisions was a cash inflow of €12.7 million. The €174 million increase in current provisions offset the deterioration in working capital requirement connected mainly with the increase in property outstandings, in particular at VINCI Construction.

The component parts of the working capital requirement by maturity are:

(in € millions)	31/12/2006	Maturity within 1 year	between 1 and 5 years	after 5 years
Inventories and work in progress (net)	567.1	564.9	2.2	
Trade and other operating receivables	9,503.1	9,322.6	177.7	2.8
Other current assets	241.0	239.7	0.3	1.1
Inventories and operating receivables (I)	**10,311.2**	**10,127.1**	**180.1**	**3.9**
Trade payables	(5,554.1)	(5,411.6)	(135.6)	(7.0)
Other current payables	(6,428.7)	(6,303.7)	(80.9)	(44.1)
Trade and other operating payables (II)	**(11,982.8)**	**(11,715.3)**	**(216.4)**	**(51.1)**
Working capital requirement (before current provisions) (I+II)	**(1,671.6)**	**(1,588.2)**	**(36.3)**	**(47.1)**

27.2 Breakdown of current provisions

Changes in current provisions reported in the balance sheet were as follows in 2005 and 2006:

(in € millions)	Opening balances	Provision expense	Provisions used	Other reversals not used	Changes in consolidation scope and miscellaneous	Change in the part at less than one year of non-current provisions	Translation differences	Closing balances
2004								**1,382.8**
After-sales service	253.8	82.5	(52.2)	(8.0)	1.8		1.0	278.9
Losses on completion and construction project liabilities	320.4	250.0	(219.9)	(21.8)	7.4		2.3	338.4
Litigation	297.8	87.4	(54.4)	(18.9)	(15.1)		0.8	297.6
Restructuring	65.1	16.5	(31.4)	(2.9)	(5.8)		0.3	41.8
Other current liabilities	215.6	93.7	(74.9)	(8.5)	25.5		1.9	253.3
Discounting of current provisions	(17.2)	(2.4)	(0.6)	0.0	(1.5)		(0.1)	(21.9)
Reclassification of the part at less than one year of non-current provisions	247.4					10.0		257.4
2005	**1,382.8**	**527.6**	**(433.4)**	**(60.0)**	**12.2**	**10.0**	**6.2**	**1,445.4**
After-sales service	278.9	87.8	(57.1)	(21.0)	6.9		1.1	296.5
Losses on completion and construction project liabilities	338.4	277.5	(195.9)	(21.8)	(5.8)		(0.5)	391.8
Litigation	297.6	87.1	(54.5)	(22.0)	(4.7)		(0.2)	303.3
Restructuring	41.8	39.5	(15.1)	(2.6)	(1.7)		0.0	62.0
Other current liabilities	253.3	148.7	(58.0)	(15.6)	(3.0)		0.5	325.9
Discounting of current provisions	(21.9)	(3.2)	0.1		(0,7)		(0.1)	(25.8)
Reclassification of the part at less than one year of non-current provisions	257.4					44.8		302.2
2006	**1,445.4**	**637.4**	**(380.5)**	**(83.0)**	**(9.1)**	**44.8**	**0.8**	**1,655.9**

Current provisions, which are directly linked to each business line's operating cycle, amount to €1,655.9 million at 31 December 2006 (including the part at less than one year of non-current provisions) against €1,445.4 million at 31 December 2005. They mainly relate to provisions connected with construction contracts.

28. Discontinued operations (halted or sold)

This relates to the airport services business (See A3 *Key events in 2006*).

In accordance with IFRS 5, items in the income statement and cash flow statement relating to discontinued operations (airport services) are shown separately for all the periods shown and break down as follows:

28.1 Income and expenses of discontinued operations

(in € millions)	31/12/2006	31/12/2005	31/12/2004
Revenue	**414.0**	**504.9**	**464.2**
Operating profit	**18.0**	**7.4**	**(37.7)**
Cost of net financial debt	**(8.8)**	**(8.2)**	**(6.0)**
Other financial income and expenses	0.3	(0.2)	2.2
Income tax	(2.7)	0.0	(14.4)
Profit or loss of discontinued operations	**6.7**	**(1.0)**	**(55.9)**
Gain or loss on disposal of discontinued operations	**30.0**		
Tax effect	12.7		
Net gain or loss on disposal	**42.6**	**0.0**	**0.0**
Total profit or loss of discontinued operations	**49.4**	**(1.0)**	**(55.9)**

In accordance with IFRS 5, no depreciation charges have been taken against this operation's assets in 2006.

28.2 Impact of discontinued operations on the cash flow statement

The change in cash of discontinued operations (airport services) is as follows:

(in € millions)	31/12/2006	31/12/2005	31/12/2004
Operating activities	27.5	10.0	(13.8)
Investing activities	(15.2)	(31.0)	(11.5)
Financing activities	(1.9)	31.0	20.9
Net cash flows on disposal	209.0		
Total	**219.4**	**10.0**	**(4.4)**

29. Transactions with related parties

Transactions with related parties are:

- remuneration and similar benefits paid to members of the governing and management bodies;
- transactions with companies in which VINCI has significant influence or joint control. (These transactions are conducted at market prices).

29.1 Remuneration and similar benefits paid to members of the governing and management bodies

The remuneration of the Group's company officers is determined by the Board of Directors following proposals from the Remuneration Committee.

Aggregate remuneration and similar benefits paid to the members of governing bodies and the Group's Executive Committee, recognised as expenses in 2006 and 2005, break down as follows:

(in thousands of euros)	2006	2005
Members of governing bodies and the Executive Committee		
Remuneration	7,723.6	7,660.6
Employer's social charges	4,496.0	3,075.1
Post-employment benefits	5,019.3	11,861.9
Directors' fees	944.4	823.4
Lump-sums payable at end of contract	2,000.0	1,315.0
Share-based payments(1)	9,297.7	15,481.1
Total	**29,481.0**	**40,217.1**

(1) This amount is determined in accordance with IFRS 2 Share-based Payment and as described in Note 21 Share-based payment.

29.2 Transactions between VINCI and proportionately consolidated companies (unconsolidated part)

(in € millions)	31/12/2006	31/12/2005	31/12/2004
Revenue	2,781.0	2,410.1	1,781.1
Purchases	(618.7)	(540.5)	(587.1)
Subcontracting	(1,706.4)	(1,502.5)	(901.4)
Trade receivables	1,520.3	1,362.6	1,246.4
Trade payables	709.2	582.0	475.9

These mainly relates to transactions with joint venture partnerships (SEPs) in connection with the group's construction activities.

29.3 Contribution to the consolidated balance sheet by proportionately consolidated companies

(in € millions)	31/12/2006	31/12/2005	31/12/2004
Current assets	685.3	761.5	532.3
Non-current assets	1,372.5	1,190.4	1,057.1
Current liabilities	716.8	767.4	461.6
Non-current liabilities	1,487.8	1,258.2	1,005.8
Operating revenue	2,029.4	1,760.6	1,579.2
Operating expenses	(1,858.2)	(1,530.9)	(1,462.7)
Cost of net financial debt	(15.6)	(24.2)	(16.4)
Other financial income and expenses	0.2	(2.9)	(9.2)
Income tax	(25.8)	(17.1)	(14.2)

29.4 Other related parties

The information on equity-accounted companies is given in Note 16.2.

VINCI has recognised an expense of €537 thousands in the period for services in respect of strategic consultancy, development and assistance, provided under two contracts binding VINCI and Soficot and AM Conseil. Following the meeting of the Board of Directors on 12 June 2006, these contracts have been cancelled with effect from 28 September 2006 and 31 December 2006.

Furthermore, the Company has normal business relationships with financial institutions of which the officers are Directors of VINCI, in particular UBS, Merrill Lynch, Natexis and Ixis.

VINCI also recognised an expense of €487.3 thousands in 2006 in respect of catering services provided by Société Gastronomique de l'Etoile.

30. Contractual obligations and other commitments made and received

Contractual obligations and other commitments made and received break down as follows:

30.1 Contractual obligations

(in € millions)	31/12/2006	31/12/2005	31/12/2004
Operating leases	925.8	633.6	412.1
Purchase and capital expenditure obligations(1)	167.8	156.4	145.8
Investment commitments connected with purchase of ASF(2)	—	9,100.0	—

(1) Excluding capital expenditure obligations under concession contracts (See Note 13.2).

(2) See Note A 1.1 Key events in 2006.

Operating lease commitments amounted to €925.8 million at 31 December 2006 (against €633.6 million at 31 December 2005); of this, €754.8 million was for property (against €459.8 million at 31 December 2005) and €171.0 million for movable items (against €173.8 million at 31 December 2005).

The purchase and capital expenditure obligations mentioned above relate mainly to VINCI Immobilier, and in particular to undertakings given in connection with the rehabilitation of the Renault site land at Boulogne Billancourt.
The breakdown by maturity of contractual obligations is as follows:

		Payments due by period		
(in € millions)	Total	within 1 year	between 1 and 5 years	after 5 years
Operating leases	925.8	223.8	391.1	310.9
Purchase and capital expenditure obligations(1)	167.8	79.0	88.8	0.0

(1) Excluding investment obligations related to concession contracts.

30.2 Other commitments made and received

(in € millions)	31/12/2006	31/12/2005	31/12/2004
Collateral securities	268.4	341.6	185.2
Joint and several guarantees covering unconsolidated partnerships[(1)]	54.6	70.7	74.7
Other commitments made (received)	12.3	255.6	245.0

(1) Group's share, total commitment was €112.6 million at 31 December 2006.

Collateral sureties (mortgages and collateral for finance)

In addition to commitments in connection with the concession contracts, collateral security has been given in particular by CFE (property projects and financing of dredgers at DEME, CFE's 50% subsidiary).

Joint and several guarantees covering unconsolidated partnerships (SNCs, Economic Interest Groupings, etc.)

Part of VINCI's business in the Construction and Roads business lines is conducted through unincorporated joint venture partnerships (SEPs), in line with industry practice. In partnerships, partners are legally jointly and severally liable for that entity's debts to third parties, without limit. In order to contain its risks, the Group usually makes a study of its partners' solvency when partnerships are entered into, which may result in the setting up of crossed counter guarantees between partners.
Whenever the Group is aware of a particular risk relating to a joint venture partnership's activity, a provision is taken in the consolidated financial statements.

The amount shown under off-balance sheet commitments in respect of joint and several guarantees is the Group's share of the liabilities of the partnerships in question less equity and financial debt (loans or current account advances) due to partners.

Given in particular the quality of its partners, the Group considers that the risk of its guarantee being invoked in respect of these commitments is negligible.

The commitments made and received by the Group in connection with concession contracts, construction contracts and items connected with unrecognised retirement benefit obligations are shown in the following notes:
- Note 13.2 in respect of concession contracts;
- Note 18.2 in respect of construction contracts;
- Note 22.1 in respect of unrecognised items with respect to retirement obligations.

31. Numbers employed and staff training rights

The number of employees at 31 December breaks down as follows:

	31/12/2006	31/12/2005	31/12/2004
Engineers and managers	18,758	17,220	16,242
Monthly and hourly paid staff	119,766	116,293	112,191
	138,524	**133,513**	**128,433**

The Act of 4 May 2004 gives employees of French businesses the right to a minimum of 20 hours of training a year, which can be carried forward and accumulated over a period of six years. Expenditure under this individual right to training is considered as an expense for the period and does not give rise to the recognition of a provision, other than in exceptional cases. The Group's employees had acquired rights to 3 million hours of such training at 31 December 2006.

G. Disputes and arbitration

To the Company's knowledge, there is no exceptional event or litigation likely to affect substantially the business, financial performance, net assets or financial situation of the Group or the Company. In respect of the cases described below, provisions have been taken, where necessary, that the Company considers sufficient given the current state of affairs.

- On 23 May 2004, part of the shell structure over the passageway of Roissy airport's 2E terminal collapsed. The structure had been built for Aéroports de Paris, which in this project acted as principal, architect and main contractor. The construction work on terminal 2E was carried out under multiple separate contracts by numerous different companies. The passageway shells (superstructures) were constructed by a consortium comprising several VINCI subsidiaries. The incident is currently subject to a criminal investigation and court-ordered expert appraisal to establish the reasons for the collapse. The financial implications of the incident, in terms of, on the one hand, reconstruction costs and, on the other hand, damage caused, and the terms under which financial liability will be allocated to the various parties involved, have yet to be determined. The Company considers that this dispute will not have a material unfavourable effect on its financial situation.

- On 28 December 1998, the Grenoble Administrative Court ordered VINCI, jointly and severally with Italimprese Industrie, an Italian company now in liquidation, to pay Nersa, an EDF subsidiary, the sum of FRF 96 million (€14.6 million) in compensation for the damage caused by the collapse of the roof of a building belonging to Nersa. EDF, implicated by VINCI, was also ordered to guarantee VINCI for 40% of the consequences of this event, which reduced VINCI's liability to €13.6 million in principal and interest. This sum has been settled almost entirely by VINCI's insurers. Following an appeal lodged by VINCI, the Lyons Administrative Appeal Court pronounced judgement on 16 December 2004, quashing the ruling of 28 December 1998 and ordering a new expert appraisal. To bring this longstanding dispute to a close, VINCI and EDF signed a settlement agreement in June 2006 setting the amount due by VINCI to EDF at €13.5 million. The Company considers that this dispute will not have a material unfavourable effect on its financial situation.

- In 1997, SNCF lodged multiple claims with the Paris Administrative Court against a large number of construction and civil engineering enterprises, of which several belong to the VINCI Group, with a view to obtaining financial compensation for the damage it claims to have suffered between 1987 and 1990 during the award of tenders for the construction of the TGV Nord and Rhône-Alpes lines (and their interconnection). This claim was the consequence of the finding by the competition authority against the enterprises concerned in 1995, which the Paris Appeal Court upheld overall (making a second ruling after its 1997 decision was overturned). The Paris Administrative Court ruled on 15 December 1998 that the findings of the competition authority regarding the anti-competitive practices entitled SNCF to claim that its consent was impaired with respect to the contracts that are the subject of two of the petitions and the Court ordered an appraisal to establish the impact of such practices. On 22 April 2004, the Paris Appeal Court delivered judgements confirming this ruling. Following this ruling, the Paris Administrative Court decided to resume consideration of all other proceedings on which it had not yet pronounced judgement. On 15 February 2005, the expert appointed by the Paris Administrative Court submitted two reports in which it was concluded that SNCF had incurred extra costs significantly lower than the claims made by SNCF (€6.1 million compared with €43.1 million excluding financial expenses). In June and July 2005, the Paris Administrative Court delivered several rulings ordering further examination of some of the other proceedings. The total amount sought from consortiums in which VINCI companies have holdings amounts to €193 million, half of which corresponds to financial expenses. VINCI considers that SNCF did not suffer financial prejudice on the award of these tenders to its subsidiaries given that each contract was subject to detailed negotiation by SNCF, which is a highly experienced and qualified project owner. VINCI considers that these disputes will not have a material adverse effect on its financial situation.

- In the dispute between VINCI and the US company Global Industries regarding the consequences of the failure of the sale of ETPM by GTM to Global Industries, on 19 November 2003, the Paris Commercial Court ordered Global Industries to pay compensation to VINCI of US$25 million plus interest for the period from 25 November 1999. In response to an appeal lodged by Global Industries, the Paris Appeal Court delivered a judgement on 24 May 2005 upholding all aspects of the ruling. Global Industries did not comply with the judgement and VINCI therefore initiated enforcement proceedings in the US and implemented the procedures required to recover its claim. However, the parties signed a settlement agreement in June 2006 stipulating that Global is to make a full and final payment of US$22 million (€17.5 million) to VINCI.

- CBC and VINCI were brought before the United States District Court of New York in July 2005 by a Mexican company, Consorcio Prodipe SA de CV and Mr Mery Sanson de Wallincour in respect of a dispute dating back to 1992 concerning a tourist site development in Baja California. The plaintiffs allege they have suffered damages amounting to a total of US$350 million and are claiming three times that sum. VINCI considers these claims to be groundless and does not expect these proceedings to have a material impact on its financial situation.

- VINCI's subsidiary CBC built a hotel in Bratislava (Slovakia) for Intertour, part of whose equity it held. This transaction was financed through promissory notes issued by Intertour and discounted on a non-recourse basis by CBC with a French bank, which had counter-guarantees from foreign financial institutions. Following the payment default by Intertour, these financial institutions initiated various legal proceedings, including one before the Paris Commercial Court, in which CBC was charged with guaranteeing the principal amount of €41 million. This case was withdrawn in 2004 following a settlement between the claimants and the French bank. CBC was also sued in December 2003 in the Paris Commercial Court by the same French bank, which is claiming €24 million on the basis of alleged responsibility in connection with the invalidity of the guarantees issued by the foreign financial institutions in the French bank's favour. Given the current state of affairs, VINCI does not expect this dispute to have a material impact on its financial situation.

- Mr Antoine Zacharias has made an application to the Nanterre Commercial Court for a declaration that he is fully entitled to exercise his rights to options that were granted to him by the Company, despite the fact that he no longer holds any office within the VINCI Group. Further or in the alternative, Mr Zacharias claims payment of damages currently estimated at €81 million in respect of the loss of opportunity to acquire his share options, together with compensation of €1 in respect of his moral loss.

- VINCI has been informed that an appeal has been lodged with the French Council of State by associations in relation to the administrative decisions underpinning the award of the Balbigny–La Tour de Salvagny section of the A89 motorway to ASF, the provisions made in Act No. 2006-241 of 1 March 2006 notwithstanding. Even if the award is reconsidered, the Group does not expect these proceedings to have a material adverse impact on its financial situation.

- Lastly, several VINCI Group companies are being investigated under competition law, and certain employees of VINCI Group subsidiaries are subject, on a personal basis, to judicial enquiry procedures that aim to determine whether they have participated in practices restricting competition or made inappropriate use of corporate assets for the direct or indirect benefit of political figures or parties. In this connection, the French competition authority issued ruling No. 06-D-07 on 21 March 2006 imposing financial penalties on a large number of companies, including several VINCI subsidiaries, in respect of practices used for the signing of various public sector contracts in the Ile de France region between 1989 and 1996. An appeal has been lodged with the Paris Appeal Court. VINCI does not expect these procedures to have a material negative impact on its financial situation in the event of an unfavourable outcome.

H. Post balance sheet events

32. Appropriation of net profits for 2006

The Board of Directors finalised the consolidated financial statements at 31 December 2006 on 27 February 2007. These financial statements will only become definitive when they have been approved by the Shareholders General Meeting. The Board will propose to the Shareholders Ordinary General Meeting a dividend of €2.65 per share which, taking account of the interim dividend already paid in December 2006 (€0.85 per share), means a balance to be paid of €1.80 per share, corresponding to an amount in the order of €418 million.

33. Payment of exceptional dividend by ASF

In accordance with the proposal of the Board of Directors on 3 January 2007, submitted for the approval of the Shareholders General Meeting on 18 January 2007, ASF paid a dividend of €3,298 million on 25 January 2007. Of this, VINCI SA received €2,540 million and ASF Holding received €758 million.

34. Acquisition in progress

In January 2007, VINCI tendered a bid to acquire 81% of Soletanche's share capital. The company is expected to generate revenue of over €1 billion and has approximately 4,000 employees.
Soletanche is a world leader in geotechnical engineering, providing public and private customers with world renowned technical expertise and innovative solutions.

The acquisition will be effective after securing the appropriate administrative authorisations. At this stage, the acquisition price has not yet been decided.

In addition, on 27 February 2007, the Board of Directors approved VINCI's acquisition of the 17.1% interest in Cofiroute held by Eiffage.

I. Main consolidated companies at 31 December 2006

	At 31 December 2006		At 31 December 2005	
	Consolidation method	VINCI Group holding (%)	Consolidation method	VINCI Group holding (%)
1. Concessions				
Cofiroute	FC	65.34	FC	65.34
Cofiroute Participations	FC	65.34	FC	65.34
Cofiroute Corporation (USA)	FC	65.34	FC	65.34
Cofiroute UK	FC	65.34	FC	65.34
ASF Holding	FC	100.00		
Autoroutes du Sud de la France	FC	100.00	EM	22.99
ESCOTA	FC	98.97		
Trans Jamaïcan Highway Ltd	EM	34.00		
VINCI Park	FC	100.00	FC	100.00
VINCI Park France	FC	100.00	FC	100.00
VINCI Park Services	FC	100.00	FC	100.00
VINCI Park CGST	FC	100.00	FC	100.00
Sepadef (Société d'exploitation des parcs de La Défense)	FC	100.00	FC	100.00
VINCI Park Services Ltd (UK)	FC	100.00	FC	100.00
VINCI Park España	FC	100.00	FC	100.00
VINCI Park Belgium	FC	100.00	FC	100.00
VINCI Park Services Deutschland GmbH	FC	100.00		
VINCI Park Luxembourg	FC	99.92	FC	99.92
Gestipark (Canada)	FC	91.28	FC	84.25
Zeson Management Ltd (Hong Kong)	FC	100.00	FC	100.00
Other concessions				
Stade de France	PC	(1) 66.67	PC	66.67
SMTPC (Prado–Carénage tunnel)	EM	33.29	EM	32.24
Lusoponte (bridges over the River Tagus, Portugal)	EM	30.85	EM	30.85
Severn River Crossing (bridges over the River Severn, UK)	EM	35.00	EM	35.00
Strait Crossing Development Inc. (Confederation Bridge, Canada)	EM	18.80	PC	49.90
Gefyra (Rion–Antirion bridge, Greece)	FC	53.00	FC	53.00
Autopista Del Bosque (Chillán–Collipulli motorway, Chile)			FC	82.95
Operadora Autopista Del Bosque (Chile)	FC	86.14	FC	86.14
Morgan VINCI Ltd (Newport bypass, Wales, UK)	PC	50.00	PC	50.00
Société concessionnaire de l'aéroport de Pochentong – SCA (Cambodia)	PC	(2) 70.00	PC	70.00
Arcour (A19 motorway)	FC	100.00	FC	100.00
Airport services				
VINCI Airports US			FC	100.00
SPA TRANS			FC	100.00
EFS			FC	100.00
VINCI Airport UK	FC	100.00	FC	100.00
France Handling			FC	100.00
SFS UK			FC	100.00
VINCI Services Aéroportuaires	FC	100.00	FC	100.00
VINCI Concessions holding companies				
VINCI Concessions SA	FC	100.00	FC	100.00
VINCI Airports	FC	100.00	FC	100.0

(1) See B.2, "Consolidation methods"

(2) Shareholders' pact specifies joint control arrangements between VINCI and Muhibbah, which holds 30% of the share capital.

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

	At 31 December 2006		At 31 December 2005	
	Consolidation method	VINCI Group holding (%)	Consolidation method	VINCI Group holding (%)
2. Energy				
VINCI Energies	FC	100.00	FC	100.00
Santerne Exploitation	FC	100.00	FC	100.00
Entreprise Demouselle	FC	100.00	FC	100.00
SDEL Lorraine	FC	100.00	FC	100.00
Fournié-Grospaud SAS	FC	100.00	FC	100.00
Graniou Azur	FC	100.00	FC	100.00
Santerne Centre Est	FC	100.00	FC	100.00
Roiret Entreprises	FC	100.00	FC	100.00
GT Le Mans	FC	100.00	FC	100.00
Barillec	FC	100.00	FC	100.00
Masselin Énergie	FC	100.00	FC	100.00
SDEL Tertiaire	FC	100.00	FC	100.00
Tunzini	FC	100.00	FC	100.00
Lefort Francheteau	FC	100.00	FC	100.00
Phibor Entreprises	FC	100.00	FC	100.00
Saga Entreprises	FC	100.00	FC	100.00
Graniou Île-de-France	FC	100.00	FC	100.00
GTIE Télécoms	FC	100.00	FC	100.00
GTIE Infi	FC	100.00	FC	100.00
SDEL Infi	FC	100.00	FC	100.00
Tunzini Protection incendie	FC	100.00	FC	100.00
Entreprise d'Électricité et d'Équipement	FC	100.00	FC	100.00
Atem (Poland)	FC	80.00	FC	80.00
Spark Iberica (Spain)	FC	80.00	FC	80.00
VINCI Energies UK	FC	100.00	FC	100.00
Emil Lundgren (Sweden)	FC	100.00	FC	100.00
VINCI Energies Netherland and its subsidiaries	FC	100.00	FC	100.00
VINCI Energies Deutschland and its subsidiaries (Controlmatic, G+H Isolierung, Calanbau, NK Networks)	FC	100.00	FC	100.00
TMS (Austria)			FC	100.00
3. Roads				
Eurovia	FC	100.00	FC	100.00
Eurovia Méditerranée	FC	100.00	FC	100.00
Eurovia Île-de-France	FC	100.00	FC	100.00
Eurovia Lorraine	FC	100.00	FC	100.00
Eurovia Centre Loire	FC	100.00	FC	100.00
Eurovia Dala	FC	100.00	FC	100.00
EJL Île-de-France	FC	100.00	FC	100.00
Eurovia Alpes	FC	100.00	FC	100.00
Eurovia Bretagne	FC	100.00	FC	100.00
Eurovia Poitou Charentes Limousin	FC	100.00	FC	100.00
Eurovia Alsace Franche-Comté	FC	100.00	FC	100.00
Eurovia Atlantique	FC	100.00	FC	100.00
Eurovia Aquitaine	FC	100.00	FC	100.00
Eurovia Picardie	FC	100.00	FC	100.00
EJL Nord	FC	100.00	FC	100.00
Eurovia Pas-de-Calais	FC	100.00	FC	100.00
Eurovia Haute-Normandie	FC	100.00	FC	100.00
Eurovia Basse-Normandie	FC	100.00	FC	100.00
Eurovia Midi-Pyrénées	FC	100.00	FC	100.00
Eurovia Management	FC	100.00	FC	100.00
TE Beach (UK)	FC	100.00	FC	100.00

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

	At 31 December 2006		At 31 December 2005	
	Consolidation method	VINCI Group holding (%)	Consolidation method	VINCI Group holding (%)
Matériaux Routiers Franciliens	FC	100.00	FC	100.00
Eurovia Béton	FC	100.00	FC	100.00
Carrières Kléber Moreau	FC	89.97	FC	89.97
Carrières Roy	PC	50.00	PC	50.00
Société des carrières de Chailloué	FC	100.00	FC	100.00
Carrières de Luché	FC	100.00	FC	100.00
SSZ (Czech Republic)	FC	100.00	FC	92.06
Carrières Sutter (Germany)	FC	100.00		
Ringway Ltd (UK)	FC	99.77	FC	99.55
Ringway Highway Services Ltd (UK)	FC	99.77	FC	99.55
Hubbard (USA)	FC	100.00	FC	100.00
Blythe (USA)	FC	100.00	FC	100.00
Eurovia Teerbau (Germany)	FC	100.00	FC	100.00
Eurovia VBU (Germany)	FC	100.00	FC	100.00
Eurovia Beton Und Verkehrstechnik (Germany)	FC	100.00	FC	100.00
Probisa Technología y Construcción (Spain)	FC	95.67	FC	95.67
Construction DJL (Canada)	FC	95.80	FC	95.80
ODS – Dopravni Stavby Ostrava (Czech Republic)	FC	51.00	FC	46.95
Eurovia Industrie GmbH (Germany)	FC	100.00	FC	100.00
South West Highways (UK)	PC	49.88	PC	49.78
Bitumix (Chile)	FC	50.10	FC	50.10
Eurovia Cesty (Slovakia)	FC	96.65	FC	96.65
Caraib Moter (Martinique)	FC	74.50	FC	74.50
Eurovia Belgium (Belgium)	FC	100.00	FC	100.00
Carrières Unies de Porphyre (CUP) (Belgium)	FC	88.80		
Eurovia Polska Spolka Akcyjna (Poland)	FC	100.00	FC	99.90

4. Construction

Sogea Construction	FC	100.00	FC	100.00
SICRA Île-de-France	FC	100.00	FC	100.00
Campenon Bernard Construction	FC	100.00	FC	100.00
Bateg	FC	100.00	FC	100.00
Sogea Nord-Ouest	FC	100.00	FC	100.00
Campenon Bernard Méditerranée	FC	100.00	FC	100.00
Sogea Caroni	FC	100.00	FC	100.00
EMCC	FC	100.00	FC	100.00
Deschiron	FC	100.00	FC	100.00
Energilec	FC	100.00	FC	100.00
VINCI Environnement	FC	100.00	FC	100.00
GTM Construction	FC	100.00	FC	100.00
GTM Génie Civil et Services	FC	100.00	FC	100.00
GTM Bâtiment	FC	100.00	FC	100.00
GTM Terrassement	FC	100.00	FC	100.00
Les Travaux du Midi	FC	100.00	FC	100.00
Dumez Île-de-France	FC	100.00	FC	100.00
Dumez Méditerranée	FC	100.00	FC	100.00
Lainé Delau	FC	100.00	FC	100.00
Dumez EPS	FC	100.00	FC	100.00
Scao	PC	(3) 33.33	PC	33,33
Chantiers Modernes BTP	FC	100.00	FC	100.00
Petit	FC	100.00	FC	100.00

(3) Company controlled jointly and in equal shares by three shareholders: VINCI, Eiffage, Colas.

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

	At 31 December 2006		At 31 December 2005	
	Consolidation method	VINCI Group holding (%)	Consolidation method	VINCI Group holding (%)
VINCI Construction Filiales Internationales				
Sogea-Satom and its subsidiaries (various African countries)	FC	100.00	FC	100.00
Warbud (Poland)	FC	99.74	FC	99.74
SBTPC (Reunion)	FC	100.00	FC	100.00
Hídépítö (Hungary)	FC	97.35	FC	97.69
SMP CZ (Czech Republic)	FC	100.00	FC	95.95
First Czech Construction Company (Czech Republic)	FC	100.00	FC	100.00
Dumez-GTM Calédonie (New Caledonia)	FC	100.00	FC	100.00
Sogea Réunion	FC	100.00	FC	100.00
GTM Guadeloupe	FC	100.00	FC	100.00
Nofrayane (French Guyana)	FC	100.00	FC	100.00
Sogea Mayotte	FC	100.00	FC	100.00
VINCI Construction UK				
VINCI PLC	FC	100.00	FC	100.00
Norwest Holst Limited	FC	100.00	FC	100.00
Rosser and Russel	FC	100.00	FC	100.00
Crispin and Borst	FC	100.00	FC	100.00
VINCI Investment	FC	100.00	FC	100.00
Compagnie d'Entreprises CFE (Belgium)	FC	46.84	FC	45.38
BPC, Nizet Entreprises, Van Wellen, CLE, Engema, BPI, Abeb, Vanderhoydonckx, CFE Polska, CFE Hungary, CFE Slovaquia, Cli Sa, Geka	FC	46.84	FC	45.38
Sogesmaint	FC	33.68	FC	45.38
CFE Nederland	FC	46.84	FC	45.38
Dredging Environmental and Marine Engineering – DEME	PC	(4) 23.42	PC	22.69
VINCI Construction Grands Projets	FC	100.00	FC	100.00
Socaso	FC	(5) 100.00	FC	100.00
Socatop	PC	(6) 66.67	PC	66.67
Constructora VCGP Chile SA	FC	100.00	FC	100.00
Socaly	FC	(7) 100.00	FC	100.00
Freyssinet	FC	100.00	FC	100.00
Freyssinet France	FC	100.00	FC	100.00
Terre Armée Internationale	FC	100.00	FC	100.00
The Reinforced Earth Cy – RECO (USA)	FC	100.00	FC	100.00
Ménard Soltraitement	FC	100.00	FC	100.00
Freyssinet International et Cie	FC	100.00	FC	100.00
Immer Property (Australia)	FC	70.00	FC	70.00
Freyssinet Korea	FC	90.00	FC	90.00
Freyssinet SA (Spain)	PC	50.00	PC	50.00
G+H Bautec (Germany)	FC	100.00	FC	100.00
5. Property				
VINCI Immobilier	FC	100.00	FC	100.00

(4) Controlled 50/50 by CFE and Ackermans & van Haaren.

(5) Including Eurovia 33.3%.

(6) Unincorporated joint-venture agreement specifies joint control arrangements between VINCI (66.67%), Eiffage (16.67%) and Colas (16.67%).

(7) Including Sogea 24%, GTM 24% and Eurovia 28%.

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

Report of the Statutory Auditors on the Consolidated Financial Statements

Year ended 31 December 2006

To the Shareholders,

In accordance with our appointment as Statutory Auditors by your Shareholders General Meeting, we audited the accompanying consolidated financial statements of VINCI S.A. for the year ended 31 December 2006.

The Board of Directors is responsible for the preparation of the consolidated financial statements. Our role is to express an opinion on these financial statements, based on our audit.

1. Opinion on the consolidated financial statements

We conducted our audit in accordance with the professional standards applicable in France. Those standards require that we plan and perform the audit in such a way as 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 the 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 expressed below.

In our opinion, the consolidated financial statements for the period give a true and fair view of the financial position, the assets and liabilities and the results of the operations of the group formed by the persons and entities included in the consolidation, in accordance with the International Financial Reporting Standards as endorsed by the European Union.

2. Justification of our assessments

As required by Article L. 823-9 of the French Code of Commerce regarding disclosure of the reasons for our conclusions, we inform you of the following:

- As shown in Note B-3.4 to the financial statements, headed “Construction contracts”, the VINCI Group recognises income from long-term contracts using the percentage of completion method on the basis of the best available estimates of the final outcome of contracts. We have assessed the reasonableness of the assumptions used and the resulting evaluations;
- as stated in Note B-1.2, the Group does not apply the interpretation IFRIC 12, which had not yet been endorsed by the European Union at 31 December 2006. Note B-3.12 to the consolidated financial statements describes the accounting treatment adopted for concession contracts. We have ascertained that the Notes to the consolidated financial statements provide appropriate information in this respect;
- as stated in Note B-3.17, the VINCI Group performs impairment tests at least annually on goodwill and also assesses whether there is an indication that long-term assets may be impaired, as described in Notes B-3.17 and F-12 to the consolidated financial statements. We have assessed whether the assumptions used are reasonable.

These conclusions were formed as part of our audit of the consolidated financial statements taken as a whole and have therefore contributed to the formation of our opinion, given in the first part of this report.

3. Specific verification

We also verified the information contained in the Group Directors’ Report, in accordance with the professional standards applicable in France. We have no comments to make as to its fair presentation and its conformity with the consolidated financial statements.

At Paris and Neuilly sur Seine, 29 March 2007
The Statutory Auditors

Salustro Reydel
A member of KPMG International

Bernard Cattenoz   Benoît Lebrun

Deloitte & Associés

Thierry Benoit

Free translation of the original French text. For information purposes only.

Parent company financial statements

A. Summary of parent company financial statements

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

VINCI's individual financial statements have been prepared in accordance with the French accounting rules and regulations. (CRC Regulation 99-03).

1. Key events in 2006

1.1 ASF (Autoroutes du Sud de la France)

During 2006, VINCI acquired a further shareholding in ASF, of 77.01%, for €9.1 billion. This acquisition was financed in part by an increase in share capital of €2.5 billion, the balance being financed by an acquisition loan and the issue of undated bonds (see 1.3) and the Group's available cash resources.

This transaction was made in three successive stages:

Acquisition by VINCI of 50.37% of ASF

Already a 22.99% shareholder and, through an agreement concluded in June 2004, an industrial partner of ASF, VINCI was chosen by the French Government on 14 December 2005 as the purchaser of the State and Autoroutes de France's (ADF) stakes in ASF, representing in total 50.37% of ASF's share capital and voting rights. The transfer of the shares held by the State and ADF for a sum of €5,934 million occurred on 9 March 2006, in accordance with the sale agreement made on 6 March 2006.

Standing market offer and public buyout offer

At the expiry of a standing market offer for the 26.64% of shares not owned by VINCI, valid from 30 March to 28 April 2006 and following the transaction described above, VINCI held 97.48% of the shares and voting rights in ASF (225,159,576 shares).

In accordance with the commitments made at the time of the standing market offer, a proposal for a public buyout offer followed by compulsory buyout (*offre publique de retrait suivie d'un retrait obligatoire*) for the ASF shares not held by VINCI (6,026,738 shares representing 2.61% of the share capital), at an ex-dividend price of €49.80 a share, was submitted to the AMF, on 12 May 2006. The proposed offer was accepted by the AMF on 16 May 2006.

On closure of the offer, on 3 November 2006, VINCI owned, directly or indirectly, 227,686,974 shares and voting rights in ASF, representing 98.58% of the shares and voting rights in that company.

The compulsory buyout and delisting took place on 6 November 2006 and the VINCI Group has owned 100% of the share capital and voting rights in ASF since then.

In total, in 2006, the acquisition price of the ASF shares, taking account of transaction costs, amounted to €9,086.7 million.

1.2 Increase in share capital

A share capital increase intended to refinance in part the acquisition of ASF was launched on 29 March 2006. Completed on 25 April 2006, it took the form of an issue of 36,086,404 new shares at a price of €70.25, resulting in an overall increase in equity of €2,505.7 million, share premium included.

1.3 Issue of deeply subordinated, undated bonds

VINCI also made an issue, in February 2006, of subordinated, lowest ranking, undated bonds to international investors for €500 million (€491 million after issue premiums).

The issue price was 98.831%. The bonds pay interest at a fixed rate of 6.25%, payable annually until November 2015.

The amount of this debt is accounted for as other equity in the balance sheet.

1.4 Share buy-back policy

During 2006, VINCI purchased, directly or indirectly through a liquidity contract, 3,174,300 of its own shares, for a total amount of €290.5 million, at an average price of €91.52 per share. During this same period 6,975,000 shares were cancelled, by a reduction of the share capital, for a total amount of €480 million.

748,727 shares were sold in 2005 in connection with the exercise of share purchase options (€17.7 million).

Taking this into account, treasury shares at 31 December 2006 amounted to €128.7 million, for 2,285,589 shares (representing 0.97% of the share capital). Of this, 1,234,958 (€29.1 million) were allocated to covering share purchase option plans. The remaining 1,050,631 shares (€99.6 million), of which 850,631 (€80 million) are directly held by VINCI, are to be used as consideration in external growth transactions, allocated to covering free share allocation plans, cancelled or sold.

1.5 Disposal of assets

In February, VINCI sold three buildings it owned in Nanterre to investors, for €86 million.

VINCI also sold the 10,999 shares in Autopista del Bosque that it owned to Cintra for €8.6 million, on 30 October 2006. This purchase will be paid for in 2007.

2. Summary statement of income

(in € millions)	2006	2005	2004
Revenue	26.9	20.1	24.3
Other operating income	131.7	78.2	80.8
Operating expenses	(191.4)	(98.3)	(102.3)
Operating profit / (loss)	**(32.8)**	**0.0**	**2.8**
Net income from subsidiaries and affiliated companies	1,379.1	511.1	337.7
Net financial expense (1)	(180.9)	(91.0)	(78.5)
Foreign exchange and other gains / (losses)	(1.3)	(0.1)	95.7
Other financial provisions	48.4	62.5	(46.1)
Net financial income / (expense)	**1,245.3**	**664.5**	**308.8**
Net exceptional income / (expense)	**11.1**	**36.4**	**4.7**
Income from group tax regime, less tax expense	211.4	15.3	14.2
Profit for the period	**1,435.0**	**716.1**	**330.5**

(1) including changes in the provision for redemption premiums on the OCEANE bonds, comprising a net reversal of €99.5 million in 2005, and an expense of €31.8 million in 2004.

Net profit doubled from one period to the next, rising from €716.1 million in 2005 to €1,435 million in 2006.

This increase is mainly the result of the strong rise in net financial income (€1,245 million in 2006 against €665 million in 2005), due in particular to:

- income received by VINCI from shareholdings, of €1,379 million compared with €511 million in 2005;
- the reversal of allowances for impairment of shares in Autopista del Bosque, and VINCI Services Aéroportuaires for a total of €67 million.

Conversely, financial expenses increased in 2006, to €181 million from €91 million in 2005, due to the financing costs borne by VINCI in respect of the acquisition of the shares in ASF (€163 million) and the increase in short-term interest rates.

Net exceptional income in 2006 was €11.1 million. This includes in particular a gain of €64.6 million on the disposal of three buildings that VINCI owned at Nanterre.

3. Cash flow statement

(in € millions)	2006	2005	2004
Operating activities			
Cash flow from operations	1,370.7	532.0	409.3
Net change in working capital requirement	(222.5)	(14.3)	(29.3)
Total (I)	**1,148.2**	**517.7**	**380.0**
Investing activities			
Investments in operating assets	(7.7)	(16.8)	(24.9)
Disposals of non-current assets	86.4	0.4	0.6
Net investments in operating assets	**78.7**	**(16.4)**	**(24.3)**
Acquisitions of shares in subsidiaries and affiliated companies	(9,091.7)	(0.9)	(1.1)
Disposal of VINCI shares under share purchase option schemes	19.4	39.2	93.9
Disposals of shares in subsidiaries and affiliated companies	12.3	66.6	86.1
	(9,060.0)	104.9	178.9
Change in other non-current financial assets	**(365.7)**	**(368.3)**	**(508.7)**
Total (II)	**(9,347.0)**	**(279.8)**	**(354.1)**
Financing activities			
Increases in share capital	2,901.4	270.3	259.6
Increase in other equity	500.0	—	—
Dividends paid during the period	(448.7)	(321.7)	(287.3)
Total (III)	**2,952.7**	**(51.4)**	**(27.7)**
Total cash flows for the period (I + II + III)	**(5,246.1)**	**186.5**	**(1.8)**
Net financial debt at 1 January	**(100.4)**	**(1,302.8)**	**(1,299.8)**
Conversion of the OCEANE bonds		**1,015.9**	
Impact of restructuring and reclassification	**(1.8)**		**(1.2)**
Net financial debt at 31 December	**(5,348.3)**	**(100.4)**	**(1,302.8)**

The increase in cash flow from operations to €1,370.7 million from €532 million in 2005 was mainly due to the higher level of dividends received from subsidiaries in 2006.

Investing activities in the period related mainly to the acquisition of 77% of ASF for €9,086.7 million (see Key Events p. 184).

The increase in other non-current financial assets (€365.7 million) includes in particular the purchases (net of disposals) of treasury shares in the period for €290.5 million (see Key Events p. 259), and principally premiums paid on the purchase of call options on VINCI shares (€25.3 million) made to cover share option subscription plans set up in May 2006.

Share capital increases in 2006 amounted to €2,901.4 million in total. This includes €2,505.7 million from the share capital increase made on 25 April (issue of 36,086,404 new shares at a subscription price of €70.25), and share capital increases arising from subscriptions to group saving plans for €260.7 million (4,787,663 shares) and from the exercise of subscription options for a total of €134.9 million (4,776,124 shares).

The increase in other equity relates to the issue by VINCI of €500 million of deeply subordinated undated bonds (see 1.3).

Lastly, dividend payments in 2006 amounted to €448.7 million, including an interim dividend of €0.85 per share in respect of 2006 amounting to €198.4 million.

Taking these items into account, VINCI's net financial debt increased by €5,247.9 to €5,348 3 million at 31 December 2006 (against €100.4 million at 31 December 2005).

4. Summary balance sheet

(in € millions)	2006	2005	2004
Assets			
Intangible assets and property, plant and equipment	28.6	69.0	58.5
Net non-current financial assets and other receivables at more than one year	15,877.0	6,813.1	6,588.9
Other receivables and translation differences	454.9	294.8	163.3
Marketable and available-for-sale securities	3,683.6	4,283.2	3,700.6
Total assets	**20,044.1**	**11,460.1**	**10,511.3**
Equity and liabilities			
Equity	9,957.3	6,549.6	4,994.1
Other equity	500.0	—	—
Provisions	165.0	160.4	239.6
Financial debt	9,092.9	4,358.7	5,003.3
Other liabilities, accruals and deferrals	328.9	391.4	274.3
Total equity and liabilities	**20,044.1**	**11,460.1**	**10,511.3**

Intangible assets and property, plant and equipment

This item, which is lower than in the previous period, takes account of the effects of the sale of the properties that VINCI owned at Nanterre. An impairment allowance of €23 million has also been taken against the carrying amount of the property in Rue de Balzac, Paris.

4.1 Non-current financial assets

At 31 December 2006, VINCI's non-current financial assets broke down as follows:

(in € millions)	Value at 31/12/2006	Value at 31/12/2005
Investments in subsidiaries and affiliated companies	15,588.6	6,480.7
Receivables connected with investments in subsidiaries and affiliates	86.7	33.6
Other fixed asset securities	0.3	0.3
Other non-current financial assets and other receivables at more than one year	201.4	298.5
Total non-current financial assets (net)	**15,877.0**	**6,813.1**

At 31 December 2006 the portfolio of shareholdings had increased to €15,588.6 million net from €6,480.7 million at 31 December 2005, as a result of the acquisition of the ASF shares in 2006 (see Key Events p. 184).

4.2 Equity

(in € millions)	Share capital	Share premium	Other reserves	Profit or loss	Total
Equity at 31 December 2005	**983.2**	**2,350.9**	**2,499.4**	**716.1**	**6,549.6**
Appropriation of net profit for 2005			465.8	(716.1)	(250.3)
Interim dividend in respect of 2006			(198.4)		(198.4)
Increases in share capital	228.3	2,673.1			2,901.4
Reduction of share capital through cancellation of shares	(34.9)	(445.1)			(480.0)
Net profit for 2006				1,435.0	1,435.0
Equity at 31 December 2006	**1,176.6**	**4,578.9**	**2,766.8**	**1,435.0**	**9,957.3**

On 31 December 2006, VINCI's share capital was €1,176.6 million, represented by 235,311,465 shares of €5 nominal each.

VINCI's equity, which amounted to €6,549.6 million at 31 December 2005, was €9,957.3 million at 31 December 2006, an increase of €3,407.7 million.

In addition to the profit of €1,435 million for the period, this increase takes account of the share capital increases mentioned above and, conversely, reductions in share capital of €480 million, made through the cancellation of 6,975,000 shares. Dividend payments in 2006 amounted to €448.7 million, including an interim dividend of €0.85 per share in respect of 2006 amounting to €198.4 million.

Capital increases and reductions break down as follows:

(in € millions)	Number of shares	Share capital	Share premiums and other reserves	Total
Increase in share capital March/April 2006	36,086,404	180.4	2,325.2	**2,505.6**
Employee subscriptions to Group Savings Scheme	4,787 663	24.0	236.8	**260.8**
Exercise of share subscription options	4,776,124	23.9	111.1	**135.0**
Cancellation of treasury shares	(6,975,000)	(34.9)	(445.1)	**(480.0)**
Total	**38,675,191**	**193.4**	**2,228.0**	**2,421.4**

Other equity

This comprises the deeply subordinated undated bonds for €500 million issued on 13 February 2006 to European institutional investors.

The issue price was 98.831%, and the bonds pay fixed optional interest at a rate of 6.25%, payable annually until November 2015. After that date, the interest rate becomes variable and payable quarterly at the Euribor three-month rate plus 3.75%. VINCI may redeem the bonds at par in November 2015 and subsequently at each interest payment date.

5. Net financial debt

(in € millions)	2006	2005	2004
Convertible bond issues (OCEANE)		0.5	1,017.8
Other bond loans	1,000.0	1,000.0	1,137.2
Borrowings from financial institutions	3,000.0		107.0
Accrued interest on bonds	30.5	26.2	45.3
Long-term financial debt	**4,030.5**	**1,026.7**	**2,307.3**
Borrowings from financial institutions and bank overdrafts	183.4	66.1	93.9
Commercial paper	1,377.6	493.3	17.1
Cash management current accounts of related companies	3,501.4	2,772.5	2,584.9
Short-term financial debt	**5,062.4**	**3,331.9**	**2,695.9**
Total financial debt	**9,092.9**	**4,358.6**	**5,003.2**
Accounts receivable related to shareholdings and loans	**(90.1)**	**(23.5)**	**(87.6)**
Marketable securities (excluding treasury shares)	(3,334.9)	(3,487.6)	(2,718.3)
Cash management current accounts of related companies	(151.9)	(684.2)	(717.7)
Cash	(167.8)	(62.9)	(176.8)
Short-term cash	**(3,654.6)**	**(4,234.7)**	**(3,612.8)**
Net financial debt	**5,348.3**	**100.4**	**1,302.8**

VINCI's net financial debt at 31 December 2006 amounted to €5,348.3 million, compared with €100.4 million the year before, an increase of €5,247.9 million.

Other bond loans is the issue of €1,000 million made in three tranches in July 2002 (€600 million), November 2002 (€250 million), and May 2003 (€150 million). The loan comprising these three tranches pays interest at 5.875% and matures on 22 July 2009.

A seven-year syndicated loan was also afforded by a banking syndicate in connection with the financing of the acquisition of ASF. This loan, initially for €4.2 billion, was reduced to €3 billion at 31 December 2006.

Marketable securities consist mainly of UCITS with maturities of usually less than three months, and of which the carrying amount is close to their cash-in value.

6. Five-year financial summary

	2002	2003	2004	2005	2006
I - Share capital at the end of the year					
a - Share capital (in thousands of euros)	828,733.7	837,950.3	838,138.0	983,181.4	1,176,557.3
b - Number of ordinary shares in issue (1)	82,873,367	83,795,032	83,813,803	196,636,274	235,311,465
c - Maximum number of shares to be issued through conversion of bonds	11,308,334	11,308,334	11,308,334	0	0
II - Transactions and net profit for the year (in thousands of euros)					
a - Revenue excluding taxes	25,201.1	23,070.7	24,260.8	20,054.0	26,913.5
b - Net profit before tax, employee profit sharing, depreciation and provisions	339,922.0	1,867,030.3	416,056.1	567,887.0	1,207,424.3
c - Income tax (2)	(127,259.4)	(112,905.7)	(14,212.4)	(15,339.8)	(211,409.8)
d - Net profit after tax, employee profit sharing, depreciation and provisions	338,138.3	2,065,623.3	330,516.0	716,140.6	1,434,998.3
e - Earnings distributed for the period	141,679.2	189,074.0	289,385.3	382,947.7	618,279.6 (3)(4)
III - Results stated per share (in euros)(5)					
a - Profit after tax and employee profit sharing but before depreciation and provisions	5.6	23.6	5.1	3.0	6.0
b - Profit after tax, employee profit sharing, depreciation and provisions	4.1	24.7	3.9	3.6	6.1
c - Net dividend paid per share	1.8	2.36	3.5	2.0	2.65 (4)
IV - Employees					
a - Average number	140	141	162	172	201
b - Wages and salaries (in thousands of euros)	27,732.7	32,444.8	22,409.5	18,658.7	33,333.1
c - Social security costs and other social benefit expenses (in thousands of euros)	6,941.4	5,838.2	6,947.8	6,556.6	10,331.1

(1) There were no preferential shares in issue in the period under consideration; moreover, the nominal value of the share was divided by two in May 2005, resulting in a doubling of the number of shares during the period.

(2) Tax income recovered from subsidiaries under tax consolidation arrangements, less VINCI SA's own tax charge.

(3) Calculated on the basis of the number of shares that have given a right to the interim dividend and/or give a right to dividends at 17 February 2007.

(4) Proposal to the Shareholders Meeting on 10 May 2007.

(5) Calculated on the basis of shares outstanding at 31 December.

7. Subsidiaries and affiliated companies at 31 December 2006

The information in the following table reflects only the individual financial statements of the subsidiaries.

(in thousands of euros)	Share capital	Reserves and retained earnings before allocation of net profit	Share of capital held (%)	Carrying amount of shares held		Loans and advances made by VINCI	Sureties and guarantees given by VINCI	Revenue excl. tax in the last financial year	Net profit or loss in the last financial year	Dividends received by VINCI
				Gross	Net					
A - Detailed information by entity										
1 - Subsidiaries (At least 50% held by VINCI)										
a - French subsidiaries										
ASF	29,344	3,343,201	77.01%	9,086,672	9,086,672			2,081,714	374,364	206,228
Eurovia	366,400	(18,064)	100.00%	1,034,160	1,034,160				143,790	120,225
Ornem	322	1,747	99.99%	14,221	2,099				(9)	
Snel	2,622	205	99.98%	2,742	2,742				561	
Socofreg	43,240	5,074	100.00%	113,872	48,313	4,538			35,756	36,430
VINCI Airports Services	35,000		100.00%	35,000	35,000				(129)	
VINCI Assurances	38		99.44%	38	38			7,773	1,355	
VINCI Concessions	3,275,481	1,246,679	100.00%	4,520,932	4,520,932				1,850,672	687,266
VINCI Construction	148,806	56,142	86.64%	363,265	363,265			5,307	279,284	231,262
VINCI Energies	99,511	(80,957)	99.17%	305,208	305,208			274,927	78,693	79,383
VINCI Immobilier	39,600	4,551	100.00%	111,398	111,398		62,954	95,599	18,325	16,500
VINCI Services Aéroportuaires	30,000	(46,759)	100.00%	35,000	20,020	49,673			36,779	
b - Foreign subsidiaries										
SCA Pochentong	16,705	37,390	70.00%	12,901	12,901	2,721	7,973	40,577	15,351	2,833
VINCI Deutschland GmbH	16,110	57,902	100.00%	212,941	34,000	65,047			(8,800)	
2 - Affiliated companies (10 to 50% owned by VINCI)										
a - French entities										
b - Foreign entities										
B - Information not broken down by entity										
1 - Subsidiaries not included under paragraph A (at least 50% owned by VINCI)										
a - French subsidiaries (in aggregate)				45,136	5,463					
b - Foreign subsidiaries (in aggregate)				2,019	—					
2 - Shareholdings not included under paragraph A (10 to 50% owned by VINCI)										
a - French companies (in aggregate)				7,898	823					
b - Foreign companies (in aggregate)				6,075	4,287		940			

NB. Net revenue and net profit or loss of foreign subsidiaries and affiliated companies are converted into euros at year-end exchange rates.

Report of the Statutory Auditors

Parent company financial statements - Year ended 31 December 2006

To the shareholders,

In accordance with our appointment as auditors by your Shareholders General Meeting, we hereby report to you for the year ended 31 December 2006 on:

- the audit of the accompanying financial statements of VINCI;
- the justification of our assessments; and
- the specific verifications and information required by law.

The financial statements are the responsibility of the Board of Directors. Our role is to express an opinion on these financial statements, based on our audit.

1. Opinion on the annual financial statements

We conducted our audit in accordance with the professional standards applicable in France. Those standards require that we plan and perform the audit in such a way to obtain reasonable assurance that the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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 expressed below.

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 2006 and the results of its operations for the year then ended in accordance with accounting principles generally accepted in France.

2. Justification of our assessments

As required by Article L. 823-9 of the French Code of Commerce regarding disclosure of the reasons for our conclusions, we inform you of the following:

As disclosed in Note B.3 to the financial statements presenting the accounting rules and methods relating to shares in subsidiaries and affiliates, your Company takes provisions for impairment whenever the cost of acquisition of the shares exceeds their value in use. We have assessed whether these estimates are reasonable.

These conclusions were formed as part of our audit of the annual financial statements taken as a whole and have therefore contributed to the formation of our opinion, given in the first part of this report.

3. Specific verifications and information

We also carried out, in accordance with the professional standards applicable in France, the specific verifications required by law. We have no comment 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;
- the fair presentation of the information given in the report of the Board of Directors on the remuneration and benefits paid to company officers and on the commitments made in their favour at the time of commencement, modification or cessation of their duties or afterwards.

In accordance with the law, we verified that the appropriate disclosures have been provided in the Board of Directors' report with regard to the acquisition of shares and controlling interests, and the identity of shareholders and holders of voting rights.

At Paris and Neuilly sur Seine, 29 March 2007
The Statutory Auditors

Salustro Reydel
A member of KPMG International

Deloitte & Associés

Bernard Cattenoz   Benoît Lebrun   Thierry Benoit

Free translation of the original French text. For information purposes only.

Special Report of the Statutory Auditors on regulated agreements and commitments

Year ended 31 December 2006

To the Shareholders,

As the Statutory Auditors of your Company, we submit our report to you on regulated agreements and commitments.

1. Agreements and commitments authorised during the year

Pursuant to Article L. 225-40 of the French Code of Commerce, the following agreements and commitments, 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 and commitments, 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 R. 225-31 of the French Code of Commerce, to assess the merits of these agreements and commitments for the purpose of approving them.

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

Conclusion of a shareholders' agreement with the subsidiary ASF Holding

Person concerned: Mr Jacques Tavernier

On 18 December 2006, in connection with the financing of the transfer by VINCI Concessions of its 22.99% shareholding in ASF to ASF Holding, VINCI entered into a shareholders' agreement with its subsidiary ASF Holding, to which this shareholding was transferred, under which the two companies organise their relations within ASF.

Under this agreement, the parties undertake, as majority shareholders of ASF, to act in such a way as to ensure that the decisions made by the competent governing bodies of ASF comply with:

- the principle of adopting and maintaining a policy of maximising dividend distribution depending on ASF's results and distributable reserves;
- the conditions precedent to any disposal by ASF of that company's shares in ESCOTA, set out in the agreements for the syndicated bank loans of €3.5 billion and €1.2 billion to ASF and ASF Holding respectively, signed on 18 December 2006.

VINCI undertakes furthermore :

- that VINCI Concessions will return to ASF Holding any sums that ASF Holding may have made available under the Group cash pooling agreement, should one of the events triggering a demand for early repayment of the ASF Holding syndicated loan of €1.2 billion arise;
- to maintain directly or indirectly a shareholding in ASF that will give it access to a majority of the share capital and voting rights. This commitment will end when ASF Holding increases its shareholding in ASF in such a way as to hold the majority of the share capital and voting rights directly.

Lastly, the parties undertake that, should, in the event of a sale, a third party acquire a blocking minority holding in ASF, they would cause that third party to join the shareholders' agreement beforehand.

The shareholders' agreement will remain in force for as long as there remains any amount due to the banks under ASF Holding's syndicated loan agreement.

This agreement was authorised by the Board of Directors on 12 December 2006.

Supplementary retirement pension of the Chairman of the Board of Directors

Person concerned: Mr Yves-Thibault de Silguy

Following his departure from the Suez Group to become Chairman of VINCI, Mr de Silguy lost the rights to the pension plan granted to him by Suez.

In consequence, the Company has agreed to grant him a supplementary retirement pension on the following terms and conditions:

- the pension will be due from the time of Mr de Silguy's retirement, and at the earliest in his 60th year, on condition that he is in service in the VINCI Group when he retires;

• the amount of this supplementary retirement pension has been set at €380,000 per annum. The amount will be adjusted annually on the basis of the INSEE consumer price index (excluding tobacco), but the increase may not be greater than the change in the ceiling used to calculated Social Security welfare benefit contributions.

VINCI's commitment in this respect, which corresponds to the present value of the future pension payments, is therefore €6.12 million, of which €4.62 million, corresponding to the rights acquired at 31 December 2006, is covered by the provision taken by VINCI at that date in the Group's consolidated financial statements.
This agreement was authorised by the Board of Directors on 27 June 2006.

Agreement with Société Gastronomique de l'Étoile

Person concerned: Mr Serge Michel

On 11 January 2005, VINCI signed an agreement with Soficot, later named Société Gastronomique de l'Étoile, for the provision of catering services in the premises at Rue Balzac in Paris, with effect from 1 February 2005 for an initial period of three years.

In view of the closure of the building at Rue Balzac in Paris, VINCI signed an amendment to the agreement with Société Gastronomique de l'Étoile on 5 September 2006, under which this company undertakes to provide catering services to VINCI customers and employees at Rueil-Malmaison. These services are invoiced for a fixed annual amount of €322,092 excluding VAT, plus a variable amount depending on the menus chosen.
The amendment is for an initial period ending on 1 February 2008, at the end of which it will renewable by tacit agreement for an indefinite period.

This agreement was authorised by the Board of Directors on 5 September 2006.

In 2006, VINCI recognised expenses of €487,271.95 excluding VAT in respect of this agreement.

2. Agreements and commitments approved during previous years that continued to be implemented during the year.

In addition, in accordance with the French Code of Commerce, we have been informed that the implementation of the following agreements and commitments, approved in previous years, continued during the year reported on.

Agreement with the subsidiary VINCI Deutschland GmbH

On 22 December 2003, VINCI entered into an agreement with its subsidiary VINCI Deutschland GmbH under which VINCI undertakes to ensure this subsidiary's solvency and financial equilibrium from 1 January 2004 for a period of two years renewable by tacit agreement by successive periods of two years, subject to one year's notice of termination.

No payment was made by VINCI to VINCI Deutschland GmbH in 2006 in respect of this commitment.

Agreements with the subsidiaries VINCI Deutschland GmbH, VINCI Energies Deutschland GmbH and Eurovia GmbH.

On 28 June 2002, VINCI entered into contracts with its direct or indirect subsidiaries VINCI Deutschland GmbH, VINCI Energies GmbH, and Eurovia GmbH under which these subsidiaries will, from 1 July 2002, invest directly with VINCI the funds corresponding to their commitments to their employees in respect of supplementary pensions.

Under these agreements, VINCI recognised an interest expense of €5.45 million in 2006.

Agreement with the subsidiary VINCI Construction

On 15 February 2002, VINCI sold all the shares it held in Sogea Holdings UK Ltd to VINCI Construction.

As part of this sale, VINCI Construction granted VINCI a guarantee to cover the commitments made by VINCI to General Utilities Holdings and Vivendi UK on the occasion of the repurchase in December 2000 by VINCI of its interest in Sogea Holdings UK for direct ownership.
The commitment made by VINCI will end at the latest on 8 March 2011.

This guarantee was not called during 2006.

Agreement with Vivendi Universal

On 30 June 1997, Compagnie Générale des Eaux (CGE, now known as Vivendi Universal) and SGE (now known as VINCI) entered into an agreement at the time of the acquisition by SGE of a 50% holding in CBC from CGE. CGE had already sold a 40% shareholding in CBC to SGE, in a first transaction on 22 December 1996. On 1 December 2000, SGE acquired the remaining 10% and has therefore owned CBC in full since that date.

The agreement made on 30 June 1997 between CGE and SGE stipulated certain, in particular financial, guarantees. The guarantees in question expired on 31 December 2003, except for those relating to the Berlin Promotion operation, for which CGE must maintain its commitment to VINCI until the expiry of the contractual guarantees granted to the purchaser of the buildings in Berlin and of those relating to potential liabilities for taxes, duties and levies, and social benefit contributions, which will expire on the date when the related taxes, dues and contributions become time-barred.

VINCI did not invoice any amount under this agreement in 2006.

Agreement with Soficot

On 28 September 2001, VINCI entered into an agreement with Soficot concerning the study and analysis of investment projects proposed to VINCI Innovation and also of disposal proposals in respect of VINCI subsidiaries and businesses.

This agreement was entered into for a period of three years, renewable by tacit agreement. It provides for the payment of a monthly fee of €21,200 (excluding VAT), and for the reimbursement of expenses and travelling costs approved by VINCI.

In 2006, VINCI recognised an expense of €190,302.22 excluding VAT in respect of this agreement for the period from 1 January to 28 September 2006.

Under an amendment dated 12 June 2006, VINCI and Soficot agreed to terminate the contract for technical assistance and consultancy as at 28 September 2006.

Agreement with Soficot and AM Conseil

On 12 February 2002, VINCI entered into an agreement with Soficot and AM Conseil for a period of one year, renewable by tacit agreement, retaining them for a general consulting engagement relating to Group strategy and development, and secondly for assistance with certain specific matters.

Under the general consultancy engagement, each company receives an annual flat fee of €160,000 (excluding VAT), payable quarterly in advance, together with reimbursement of expenses and travelling costs approved by VINCI.

With respect to assistance on specific matters, the two companies receive a fee agreed in advance on each occasion with VINCI. The fee is proportionate to progress and also depends on the origin of the project, namely whether it was at the initiative of VINCI or of one of the two companies.
In 2006, VINCI recognised an expense of €346,667 (excluding VAT) in respect of remuneration for assignments carried out by Soficot and AM Conseil.

Under amendments dated 12 June 2006, VINCI agreed with Soficot and with AM Conseil to cancel the assistance and consultancy agreement as from 31 December 2006. These amendments provide that the full amount due for the last quarter in application of this agreement will be payable in final settlement of all sums due, despite its early termination.

Paris and Neuilly sur Seine, 29 March 2007
The Statutory Auditors

Salustro Reydel
A member of KPMG International

Deloitte & Associés

Bernard Cattenoz

Benoît Lebrun

Thierry Benoit

Free translation of the original French text. For information purposes only.

General information about the Company and its share capital

1. Corporate name and statutes

Corporate name: VINCI
Registered office: 1 cours Ferdinand de Lesseps, 92851 Rueil Malmaison Cedex, France
Telephone: +33 1 47 16 35 00
Legal form: French public limited company ("Société Anonyme") with a Board of Directors
Applicable legislation: French
Date of formation: 1 July 1908
Legal term of existence: The initial duration of 99 years was extended by another 99 years on 21 December 1979. The date of expiry is thus 21 December 2078 unless the term is extended again or the Company is liquidated at an earlier date
Financial year: From 1 January to 31 December
Registration number: RCS 552 037 806 Nanterre – Siret No. 552 037 806 00585 – Code NAF: 74.1J
Inspection of documents: Legal documents relating to VINCI are available for inspection at its registered office and at the Clerk's Office of the Nanterre Commercial Court

Corporate object (Article 2 of the corporate statutes)

"The Company has as its object:
• Undertaking all forms of civil engineering: in particular, development of the business goodwill originally contributed by Sainrapt et Brice and continuation of that company's operation, 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 pursue these operations in mainland France, in overseas French departments and territories, as well as outside France, either alone, or in partnership, on a trading basis, or in any other form whatsoever, either directly or indirectly through transfer, leasing arrangements or under licence, either on a brokerage or commission basis.

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

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

"At least 5% of the income for the year, after deduction of any previous years' losses, is taken to the legal reserve. This ceases to be obligatory when the legal reserve reaches an amount equal to 10% of the capital stock. This process is to resume when the reserve falls below this 10% level.
The income available for distribution consists of the income for the year (after deduction of previous years' losses as well as any amounts set aside in reserves in application of the law or corporate statutes) and retained earnings.
The Shareholders Meeting appropriates the following from this distributable income:
• Any amounts considered by the Board of Directors as appropriate for constituting or supplementing any ordinary or special reserves, or for carrying over to the next year as retained earnings;
• The amount required for distribution to shareholders by way of a first dividend, equal to 5% of the amounts of their fully paid, unredeemed shares. Shareholders cannot, however, claim this dividend against the income of subsequent years should the income of a given year be insufficient for the dividend payment;
• The balance available after these appropriations is distributed in respect of all shares, in proportion to the amount of the capital stock they represent.

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

Except in the case of a capital decrease, no distribution to shareholders may be made if the shareholders' equity is (or would be following such a distribution) less than the amount of the capital stock plus any reserves whose distribution is not permitted under the law or corporate statutes.

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

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

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

“Shareholders meetings are called and take place in accordance with the legislation and regulations in force. The meetings are held either at the registered office or at another location specified in the notice of the meeting.
All shareholders may, regardless of the number of shares they own, participate in meetings personally or by proxy, on producing proof of identity and share ownership 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 are unavailable for trading 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 may 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, if the Board of Directors so authorises at the time the meeting is convened. Shareholders attending in this manner are considered present and 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 electronic means, if the Board of Directors so authorises 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 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.”

The Shareholders Meeting of 10 May 2007 will be asked to approve the replacement of the words between square brackets above by the following:
for bearer shares, registration of the shares with an authorised intermediary, who provides an attendance certificate, if necessary, by electronic means.

These formalities must be completed no later than midnight (Paris time) of the third working day before the meeting.
Shareholders wishing to attend the meeting but who have not received their admission card by midnight (Paris time) of the third working day before the meeting will be given an attendance certificate. However, the Board of Directors may shorten or remove this deadline, provided any such decision applies to all shareholders.

Statutory threshold provisions (extracts 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 1%, 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 five stock market trading days of the date of crossing one of these thresholds [or, when a Shareholders Meeting has been convened, at the time the shares are made unavailable for trading] of the total number of shares, voting rights or securities giving future access to the Company’s capital stock that it holds on its own account directly or indirectly, or in concert.”

“Failure to meet this obligation may be sanctioned by the loss of the voting rights attached to the shares exceeding the undeclared proportion at any Shareholders Meeting held within two years of the date of the due notification provided for above.

This sanction is applied if so requested by one or several shareholders holding at least 5% of the Company’s capital stock and if the request is entered in the minutes of the Shareholders Meeting.”

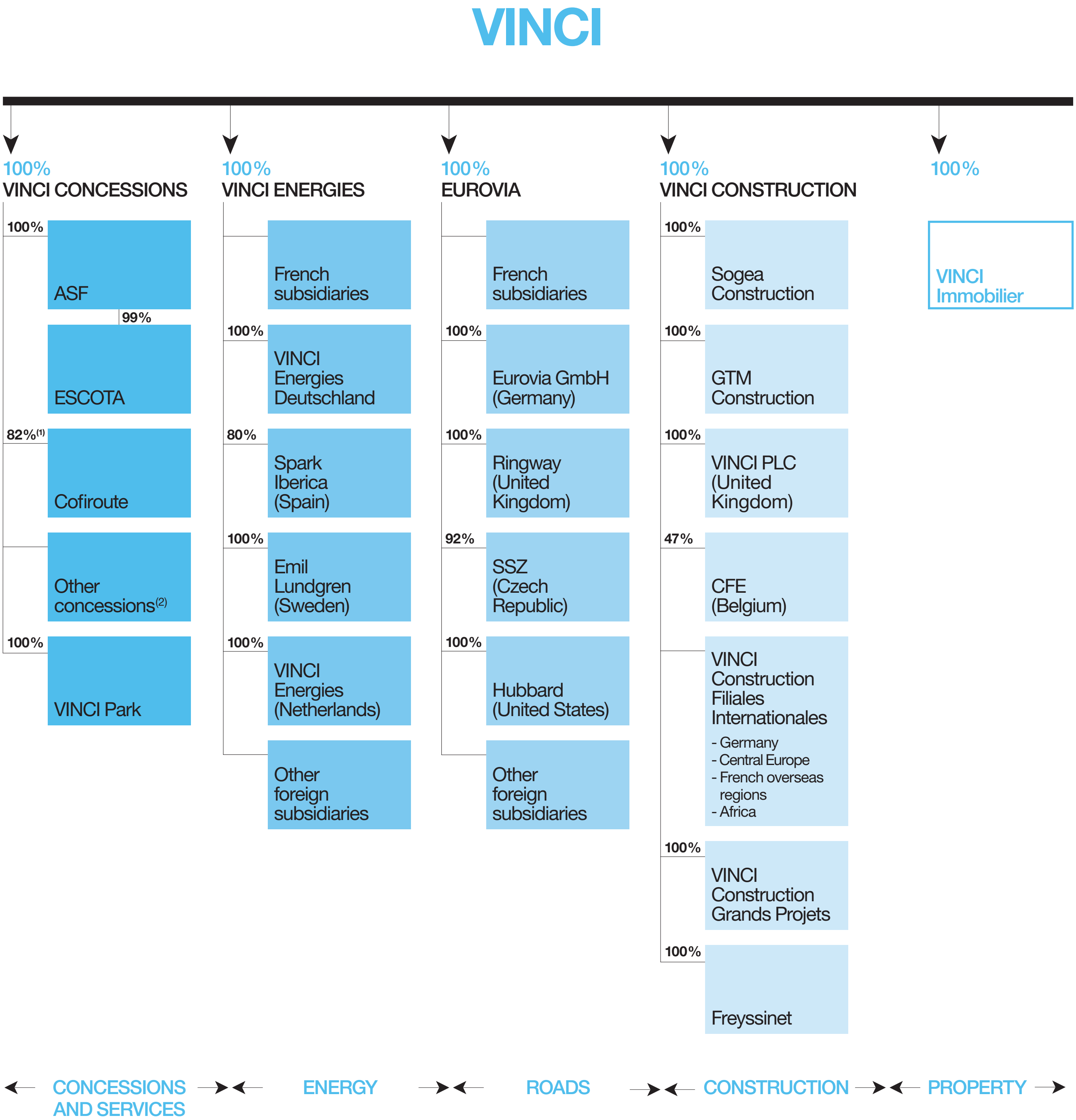
The Shareholders Meeting of 10 May 2007 will be asked to approve the replacement of the words between square brackets above by the following:
or, when a Shareholders Meeting has been convened, no later than midnight (Paris time) of the third working day preceding the meeting,

Shareholder identification (extract 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.”

2. Relations between the parent company and its subsidiaries

2.1 Structure



Simplified chart of the Group's structure showing the percentage of share capital owned directly or indirectly by VINCI.

(1) Following the acquisition of Eiffage's 17% holding on 1 March 2007.
(2) See list of concessions on page 23.

2.2 Role of the VINCI holding company as regards its subsidiaries

The VINCI holding company has no operational activities of its own. The Group's operational activities are carried out by a large number of subsidiaries (there were 1,766 consolidated entities at 31 December 2006), which are grouped under four business line lead companies: VINCI Concessions, VINCI Energies, Eurovia and VINCI Construction. Moreover, VINCI Immobilier, directly owned by VINCI, groups together the property activities previously carried out by Sorif and Elige, which were merged in 2005.

The holding company provides leadership and supervisory functions for the Group's operating entities, supplying services and assistance to its subsidiaries in the following areas:

- participation in the development and execution of subsidiaries' strategies, participation in acquisitions and disposals, and in the study and implementation of industrial and commercial synergies within the Group;
- provision of expertise in administrative, legal, human resources, tax, financial and communication matters;
- provision of benefits associated with the Group's size and reputation, such as easier access to internationally recognised partners, optimisation of terms for financing, purchases and insurance, easier access to regulatory authorities, public relations, etc.

2.3 Movements of funds between the VINCI holding company and its subsidiaries

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

Centralised cash management

Subsidiaries' cash surpluses are generally transferred through a cash pooling system to the holding company which, in return, meets subsidiaries' financing needs. The holding company acts on the money and financial markets on its own behalf or on its subsidiaries' behalf, investing and borrowing funds as necessary. With few exceptions (the main one to date being ASF and its subsidiaries), this system applies to all French and German subsidiaries wholly owned directly or indirectly by VINCI. It also applies, by agreement with the minority shareholders, to some subsidiaries in which VINCI is the majority shareholder.

In addition, VINCI may if necessary make medium-term loans to some subsidiaries and receive funds from other subsidiaries for medium-term investment. At 31 December 2006, these medium-term loans amounted to €83 million and fixed-term deposits to €150 million.

Payment for the holding company's assistance to its subsidiaries

In exchange for the assistance provided to its subsidiaries, VINCI receives a fee corresponding to the costs borne, recharged depending on the scope of the services provided. For 2006, fees for assistance paid to VINCI by its subsidiaries amounted to €68 million.

Regulated agreements

Refer to the Report of the Statutory Auditors on Regulated Agreements, page 267.

3. Information on VINCI's share capital

All changes in share capital 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 paragraph 1).

On 31 December 2006, VINCI's share capital amounted to €1,176,557,325 represented by 235,311,465 shares, each with a nominal value of €5, fully paid-up and all of the same class. VINCI shares are registered or bearer shares, at the shareholder's choice, and may be traded freely.

3.1 Movements in share capital over five years

	Capital increase/ (reduction) (in €)	Share premiums arising on issues, contributions or merger (in €)	Number of shares issued or cancelled [1]	Number of shares outstanding [1]	Share capital (in €)
Position at 31 Dec. 2001				**165,759,822**	**828,799,110**
Share capital reduction	(30,835,930)	(164,629,763)	(6,167,186)	165, 746,734	828,733,670
Group Savings Scheme	24,727,140	103,465,894	4,945,428	171,913,920	859 569,600
Share subscription options exercised	6,043,350	13,844,042	1,208,670	166,968,492	834,842,460
Position at 31 Dec. 2002				**165,746,734**	**828,733,670**
Share capital reduction	(4,200,000)	(22,671,065)	(840,000)	164,906,734	824,533,670
Group Savings Scheme	9,068,480	32,271,850	1,813,696	166,720,430	833,602,150
Share subscription options exercised	4,348,170	7,436,443	869,634	167,590,064	837,950,320
Position at 31 Dec. 2003				**167,590,064**	**837,950,320**
Share capital reduction	(55,335,000)	(402,166,161)	(11,067,000)	156,523,064	782,615,320
Group Savings Scheme	21,840,500	86,888,477	4,368,100	160,891,164	804,455,820
Share subscription options exercised	33,682,210	117,231,545	6,736,442	167,627,606	838,138,030
Position at 31 Dec. 2004				**167,627,606**	**838,138,030**
Share capital reduction	(12,500,000)	(112,613,432)	(2,500,000)	165,127,606	825,638,030
Group Savings Scheme	22,221,105	136,222,479	4,444,221	169,571,827	847,859,135
Share subscription options exercised	22,452,345	89,460,904	4,490,469	174,062,296	870,311,480
OCEANE conversion 2001-2007	57,341,310	458,730,480	11,468,262	185,530,558	927,652,790
OCEANE conversion 2002-2018	55,528,580	444,228,640	11,105,716	196,636,274	983,181,370
Position at 31 Dec. 2005				**196,636,274**	**983,181,370**
Share capital reduction	(34,875,000)	(445,071,106)	(6,975,000)	189,661,274	948,306,370
Group Savings Scheme	23,938,315	236,775,085	4,787,663	194,448,937	972,244,685
Share subscription options exercised	23,880,620	111,025,993	4,776,124	199,225,061	996,125,305
Share capital increase	180,432,020	2,325,239,176	36,086,404	235,311,465	1,176,557,325
Position at 31 Dec. 2006				**235,311,465**	**1,176,557,325**

(1) Adjusted for the two-for-one share split in May 2005.

3.2 Authorisations granted to the Board of Directors to increase the share capital and carry out other financial transactions

The authorisations currently in force are as follows:

	Date of Shareholders Meeting	Date of expiry	Maximum amount of issue (nominal value)
Issues of bonds or other debt securities	14/05/03 (Eighth resolution)	13/05/08	€1,500 million
Issues of all securities giving a right to debt securities	28/04/05 (Twentieth resolution)	27/06/07	€2,000 million
Share buy-backs	16/05/06 (Twelfth resolution)	15/11/07	€2,000 million 10% of share capital
Capital reductions by cancellation of treasury shares	16/05/06 (Thirteenth resolution)	15/11/07	10% of the share capital over a period of 24 months
Capital increases through capitalisation of reserves, profits or share premiums arising on issue	06/06/02 (Fifteenth resolution)	05/06/07	(1)
Issues, maintaining the shareholders' preferential subscription rights, of all shares and securities giving a right to a portion of the share capital of the Company and/or its subsidiaries	28/04/05 (Tenth resolution)	27/06/07	€400 million (shares) (2) €2,000 million (debt securities) (3)
Issues of OCEANE bonds, removing preferential subscription rights of the shareholders, of the Company and/or its subsidiaries	28/04/05 (Eleventh resolution)	27/06/07	€200 million (shares) (2) (4) €2,000 million (debt securities) (3)
Issues of debt securities other than OCEANE bonds giving a right to a portion of the share capital, removing the shareholders' preferential subscription rights	28/04/05 (Twelfth resolution)	27/06/07	€200 million (shares) (2) (4) €2,000 million (debt securities) (3)
Increase of the amount of an issue if it is over-subscribed	28/04/05 (Thirteenth resolution)	27/06/07	15% of the initial issue (2)
Issues of all shares and securities giving a right to a portion of the share capital to use as consideration for contributions in kind made to the Company	28/04/05 (Fourteenth resolution)	27/06/07	10% of the share capital
Capital increases reserved for employees of VINCI and its subsidiaries under group savings schemes	16/05/06 (Fourteenth resolution)	15/07/08	2% of the share capital (5b) 10% of the share capital (5c)
Capital increases reserved for employees of certain VINCI subsidiaries outside France under group savings schemes	28/04/05 (Seventeenth resolution)	27/06/07	10% of the share capital (5)
Capital increases reserved for employees of VINCI subsidiaries in the United States under group savings schemes	06/06/02 (Sixteenth resolution)	05/06/07	1% of the share capital (5)
Allocation of existing shares for no consideration	16/05/06 (Fifteenth resolution)	15/07/09	0.9% of the share capital (6)

The authorisations proposed to the Shareholders Meeting are as follows:

	Date of Shareholders Meeting	Date of expiry	Maximum amount of issue (nominal value)
Issues of all securities giving a right to debt securities	10/05/07 (Twenty-fourth resolution)	09/07/09	€5,000 million
Share buy-backs	10/05/07 (Eleventh resolution)	09/11/08	€3,500 million 10% of the share capital
Capital reductions by cancellation of treasury shares	10/05/07 (Fifteenth resolution)	09/11/08	10% of the share capital over a period of 24 months
Capital increases through capitalisation of reserves, profits or share premiums arising on issue	10/05/07 (Seventeenth resolution)	09/07/09	(1)
Issues, maintaining the shareholders' preferential subscription rights, of all shares and securities giving a right to a portion of the share capital of the Company and/or its subsidiaries	10/05/07 (Sixteenth resolution)	09/07/09	€200 million (shares) (2b) €5,000 million (debt securities) (3b)
Issues of OCEANE bonds, removing preferential subscription rights of the shareholders, of the Company and/or its subsidiaries	10/05/07 (Eighteenth resolution)	09/07/09	€100 million (shares) (2b)(4b) €3,000 million (debt securities) (3b)(3c)
Issues of debt securities other than OCEANE bonds giving a right to a portion of the share capital, removing the shareholders' preferential subscription rights	10/05/07 (Nineteenth resolution)	09/07/09	€100 million (shares) (2b)(4b) €3,000 million (debt securities) (3b)(3c)
Increase of the amount of an issue if it is over-subscribed	10/05/07 (Twentieth resolution)	09/07/09	15% of the initial issue (2b)
Issues of all shares and securities giving a right to a portion of the share capital to use as consideration for contributions in kind made to the Company	10/05/07 (Twenty-first resolution)	09/07/09	10% of the share capital
Capital increases reserved for employees of VINCI and its subsidiaries under group savings schemes	10/05/07 (Twenty-second resolution)	09/07/09	10% of the share capital (5c) 2% of the share capital (5b)
Capital increased reserved for financial institutions or companies created especially under group savings schemes for employees of certain VINCI subsidiaries outside France	10/05/07 (Twenty-third resolution)	09/11/08	10% of the share capital (5c) 2% of the share capital (5b)
Issues of securities (bonds with warrants) giving a right to a portion of the share capital, reserved for credit institutions or investment service providers that have habitually participated in the financing, of the VINCI group since 1 January 2002, these warrants being offered for sale to certain categories of VINCI group company officers and employees.	10/05/07 (Twenty-fifth resolution)	09/11/08	€20 million (shares) (2b) €1 billion (debt securities) (3b)

(1) Total amount of reserves, profits or share premiums arising on issue that may be capitalised.
(2) The cumulative nominal amount of share capital increases that may be undertaken by virtue of the Tenth, Eleventh, Twelfth and Thirteenth resolutions adopted by the Shareholders Meeting of 28 April 2005 may not exceed €400 million.
(2b) The cumulative nominal amount of share capital increases that may be undertaken by virtue of the Sixteenth, Eighteenth, Nineteenth, Twentieth and Twenty-fifth resolutions adopted by the Shareholders Meeting of 10 May 2007 may not exceed €200 million.
(3) The cumulative amount of issues of debt securities that may be undertaken by virtue of the Tenth, Eleventh and Twelfth resolutions adopted by the Shareholders Meeting of 28 April 2005 may not exceed €2,000 million.
(3b) The cumulative amount of issues of debt securities that may be undertaken by virtue of the Sixteenth, Eighteenth, Nineteenth, Twentieth and Twenty-fifth resolutions adopted by the Shareholders Meeting of 10 May 2007 may not exceed €5,000 million.
(3c) The cumulative amount of issues of debt securities that may be undertaken by virtue of the Eighteenth and Nineteenth resolutions adopted by the Shareholders Meeting of 10 May 2007 may not exceed €3,000 million.
(4) The cumulative nominal amount of share capital increases that may be undertaken by virtue of the Eleventh and Twelfth resolutions adopted by the Shareholders Meeting of 28 April 2005 may not exceed €200 million.
(4b) The cumulative nominal amount of share capital increases that may be undertaken by virtue of the Eighteenth and Nineteenth resolutions adopted by the Shareholders Meeting of 10 May 2007 may not exceed €100 million.
(5) The aggregate ceiling for all resolutions authorising share capital increases is limited to 10% of the share capital on the date of the Board's decision.
(5b) The total number of shares that may be issued on the basis of these authorisations may not exceed 2% of the share capital on the date of the Board's decision.
(5c) The mutual funds made up of Company shares acquired through a VINCI share capital increase reserved for employees at an issue price set with a discount against the stock market price may under no circumstances, due to any share capital increase carried out by virtue of the Twenty-first and Twenty-second resolutions of the Shareholders Meeting of 10 May 2007, exceed 10% of the share capital at any time.
(6) The total number of shares that may be allocated by virtue of this authorisation may not exceed 0.9% of the share capital on the date of the Board's decision.

3.3 Potential share capital

The only existing financial instruments that could cause the creation of new shares are the share subscription options allocated to VINCI officers and employees (see paragraph 2.7.5 of Corporate governance, page 147, for the characteristics of these options).

The Group's policy aims to limit the dilutive effect of the exercising of share subscription options and of subscriptions to group savings schemes invested in VINCI shares by buying back and cancelling shares. For details of the share buy-back programme, see Parent Company Financial Statements, paragraph 1.4, page 259.

3.4 Breakdown of share capital and voting rights

Breakdown of share capital and voting rights at 31 December 2006

	Number of shares	% of capital	Number of voting rights	% of voting rights	Number of shareholders
Employees (company mutual funds)	19,662,710	8.4%	19,662,710	8.4%	67,331
Treasury shares [1]	2,085,589	0.9%	—	—	—
Total not publicly held	**21,748,299**	**9.3%**	**19,662,710**	**8.4%**	**67,331**
Company officers	1,517,033	0.7%	1,517,033	0.6%	30
Other individual shareholders (France)	19,573,906	8.3%	19,573,906	8.4%	161,374
Other individual shareholders (rest of the world)	3,864,961	1.6%	3,864,961	1.7%	3,180
Total individual shareholders [2]	**24,955,900**	**10.6%**	**24,955,900**	**10.7%**	**164,584**
Institutional shareholders (France)	74,626,894	31.7%	74,626,894	32.0%	130
Institutional shareholders (rest of the world)	105,914,972	45.0%	105,914,972	45.4%	363
Total institutional shareholders [2]	**180,541,866**	**76.7%**	**180,541,866**	**77.4%**	**493**
Artemis 12 [3]	**8,065,400**	**3.4%**	**8,065,400**	**3.5%**	**1**
TOTAL	**235,311,465**	**100.0%**	**233,225,876**	**100.0%**	**232,409**

(1) Treasury shares held by VINCI.
(2) Estimates at 31 December 2006 based on registered shareholders, a schedule of identifiable bearer shares and an institutional shareholder survey.
(3) On 19 January 2007, Artemis 12 and Victoris declared through Société Financière Pinault, their controlling company, that they held 5.08% of VINCI's share capital.

Employee shareholders
Details of the Group Savings Scheme are given in Social Responsibility, page 106.

Voting rights
The difference between the breakdown of shareholdings and voting rights is due to the absence of voting rights attached to treasury shares.

Breaching shareholding thresholds
Shareholders identified as holding more than 1% of the share capital or voting rights, other than those mentioned in the table above, are:
- Financière Pinault (holding increased to 5.08% of the share capital, declared on 19 January 2007) through two companies, Artemis 12 and Victoris, which it controls;
- Morgan Stanley (3.32% of the share capital, declared on 28 December 2006);
- Caisse Nationale des Caisses d'Epargne (2.63% of the share capital, declared on 28 July 2006);
- UBS Investment Bank (2.15% of the share capital, declared on 2 March 2007);
- Société Générale (1.30% of the share capital, declared on 29 June 2006);
- Groupama Asset Management (1.28% of the share capital, declared on 12 June 2006).

Shareholder agreements
To the best of the Company's knowledge, with the exception of the concerted action by Artemis 12 and Victoris declared on 19 January 2007, there are no shareholder agreements or groups of shareholders acting as partners.

Registered shareholders
At 31 December 2006, the Company had 1,117 shareholders whose registration is managed by the Company and 775 shareholders whose registration is managed by a financial institution. At that date, 2,073, 368 shares (0.9% of the share capital) whose registration is managed by the Company were pledged.

Changes in the breakdown of share capital and voting rights during the last three years

	Position at 31 Dec. 2006			Position at 31 Dec. 2005			Position at 31 Dec. 2004		
	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights
Employees (company mutual funds)	19,284,502	8.2%	8.3%	16,732,490	8.5%	8.8%	15,131,916	9.0%	9.3%
Treasury shares	2,085,589	0.9%	—	6,835,016	3.5%	—	4,718,706	2.8%	—
Artemis 12	8,065,400	3.4%	3.4%	0	0.0%	0.0%	0	0.0%	0.0%
Company officers and directors	1,517,033	0.6%	0.7%	4,495,627	2.3%	2.4%	966,055	0.6%	0.6%
Other	204,358,941	86.9%	87.6%	168,573,141	85.7%	88.8%	146,810,929	87.6%	90.1%
Total	**235,311,465**	**100.0%**	**100.0%**	**196,636,274**	**100.0%**	**100.0%**	**167,627,606**	**100.0%**	**100.0%**

3.5 Shareholder agreements

In December 2006, as part of the financing of the reclassification of its 22.99% holding in ASF, VINCI Concessions signed an agreement with its subsidiary, ASF Holding,the company to which this shareholding was transferred, setting out the relationship between the two companies within ASF.

Under the terms of the agreement, as majority shareholders of ASF, the two parties committed to ensuring that the decisions taken by ASF's management structures comply with:

- the principle of implementing and maintaining a policy of maximising the dividends distributed on the basis of ASF's distributable income and reserves, provided ASF meets its commitments to a syndicate of 23 banks in respect of the €3.5 billion financing of 18 December 2006 and, in particular, with the following financial ratios calculated on the basis of ASF's consolidated financial statements: net debt/cash flow from operations before tax and financing costs ≤7 and cash flow from operations before tax and financing costs/net financing costs ≥2.2;
- the prior conditions for a possible sale by ASF of shares it holds in ESCOTA as defined in the credit line agreements signed on 18 December 2006 with a bank syndicate by ASF and ASF Holding for the amounts of €3.5 billion and €1.2 billion respectively.

VINCI also committed to the following:

- that VINCI Concessions will return to ASF Holding the sums the latter may have made available under Group centralised cash management agreements in the event that ASF Holding was required to make early repayment of its syndicated loan of €1.2 billion;
- that it would maintain, directly or indirectly, a holding in ASF giving it access to the majority of the share capital and voting rights. This commitment will end when ASF Holding has increased its holding in ASF so as to have this double majority directly.

This shareholder agreement will remain in force as long as ASF Holding owes any money to the banks in respect of the syndicated loan, it being understood that VINCI and/or ASF Holding may sell all or part of their holdings in ASF provided any third party becoming the holder of at least a blocking minority signs this shareholder agreement beforehand.

VINCI has not entered into any agreements other than this that could have a material impact on its share price. The formation of companies by VINCI with other parties may result in agreements being made. This is the case in particular of Cofiroute, Consortium Stade de France and companies created specifically for the needs of securing and operating infrastructure concessions. The main purpose of these agreements is to organise the respective rights of shareholders in the event of the disposal of shares and, if applicable, to set certain operating principles for the corporate management structures.

3.6 The VINCI share and the stock market

The VINCI share is traded on the regulated market of Euronext Paris (Compartment A) and is included in the CAC 40, NextCAC 70, Euronext 100, DJ Stoxx, NextPrime, Aspi Eurozone, Dow Jones Sustainability and Euronext FAS IAS indexes.

Changes in the VINCI share price and trading volumes over the last 18 months were as follows (source: Euronext Paris):

		Average (1) (in €)	High (2) (in €)	Low (2) (in €)	Transactions (in number of shares)	Value of transactions (in € millions)
2005	August	68.81	72.11	65.54	22,010,156	1,514.57
	September	70.35	72.16	68.73	20,905,547	1,470.77
	October	65.47	71.43	61.07	30,602,195	2,003.38
	November	64.72	68.87	60.82	35,888,216	2,322.83
	December	69.80	73.44	65.44	33,596,997	2,345.13
2006	January	73.29	76.73	69.51	32,423,513	2,376.30
	February	74.53	77.32	72.51	21,758,017	1,621.60
	March	77.78	83.94	71.67	42,080,745	3,273.04
	April	78.96	81.45	76.45	34,365,203	2,713.61
	May	77.78	84.05	70.50	41,273,815	3,210.07
	June	76.58	81.85	70.10	50,582,425	3,873.46
	July	78.36	80.95	75.10	18,328,150	1,436.27
	August	81.94	85.00	78.10	22,719,712	1,861.63
	September	85.35	88.80	82.80	23,761,437	2,027.98
	October	88.32	90.20	86.60	19,974,979	1,764.20
	November	91.88	95.95	87.90	23,381,351	2,148.37
	December	97.87	100.50	94.10	29,186,057	2,856.32
2007	January	100.13	108.50	94.10	32,266,407	3,230.97

(1) Average of the closing prices.
(2) Price during trading sessions.

Note: The price of the VINCI share and the volumes traded have been adjusted by Euronext to reflect the impact of the share capital increase in April 2006.

See also Stock market and shareholder base, pages 12 and 13.

Persons responsible for the registration document

1. Signed statement of the persons responsible for the registration document

"We have taken all due care to ensure that, to the best of our knowledge, the information presented in this registration document gives a true and fair view of the group and that there are no omissions liable to affect materially the meaning of the said information.

We have received from the Statutory Auditors a letter reporting on the completion of their audit work and stating that they have verified the information relating to the financial position and financial statements included in the present registration document as well as the overall presentation of this document.

The Statutory Auditors' reports on the historical and pro forma financial information provided in the registration document are included on pages 177, 258 and 266 of this document. These reports contain no observations."

Yves-Thibault de Silguy
Chairman of the Board of Directors

Xavier Huillard
Director
and Chief Executive Officer

2. Statutory Auditors

Names of the Statutory Auditors

Statutory Auditors
Salustro Reydel
Member of KPMG International
8 avenue Delcassé, 75008 Paris
(Bernard Cattenoz and Benoît Lebrun)
First appointed: 23 June 1989.
Current term expires at the close of the Shareholders Meeting to approve the 2006 financial statements.

Deloitte & Associés
185 avenue Charles-de-Gaulle, 92200 Neuilly-sur-Seine
(Thierry Benoit)
First appointed: 30 May 2001.
Current term expires at the close of the Shareholders Meeting to approve the 2006 financial statements.

Alternate Auditors
François Pavard
8 avenue Delcassé, 75008 Paris
First appointed: 16 June 1995.
Current term expires at the close of the Shareholders Meeting to approve the 2006 financial statements.

BEAS SARL
7-9 villa Houssay, 92200 Neuilly-sur-Seine
First appointed: 30 May 2001.
Current term expires at the close of the Shareholders Meeting to approve the 2006 financial statements.

VINCI's Statutory Auditors are registered with the Compagnie Nationale des Commissaires aux Comptes (official statutory auditors' representative body) and subject to the authority of the Haut Conseil du Commissariat aux Comptes (French High Council of Statutory Audit).

3. Fees of the statutory auditors

	Deloitte network				Salustro Reydel network [1]			
(in € millions)	2006	%	2005	%	2006	%	2005	%
Audit								
Statutory audit	7.6	88%	7.7	90%	7.2	89%	6.3	89%
Parent company	0.3	3%	0.2	2%	0.3	4%	0.2	3%
Fully consolidated subsidiaries	7.3	85%	7.5	88%	6.9	85%	6.1	86%
Ancillary assignments	1.0	11%	0.8	9%	0.8	10%	0.7	10%
Parent company	0.8	9%	0.6	7%	0.6	7%	0.6	9%
Fully consolidated subsidiaries	0.2	2%	0.2	2%	0.2	3%	0.1	1%
Audit subtotal	**8.6**	**99%**	**8.5**	**99%**	**8.0**	**99%**	**7.0**	**99%**
Other services								
Legal, tax and employment	0.1	1%	0.1	1%	0.1	1%	0.1	1%
Other	—	0%	—	—	—	0%	—	—
Other services subtotal	**0.1**	**1%**	**0.1**	**1%**	**0.1**	**1%**	**0.1**	**1%**
Total	**8.7**	**100%**	**8.6**	**100%**	**8.1**	**100%**	**7.1**	**100%**

(1) Salustro Reydel, member of KPMG International.

4. Officers responsible for financial information

Christian Labeyrie, Executive Vice-President and Chief Financial Officer, and Member of the Executive Committee (+33 1 47 16 35 23).

Pierre Coppey, Executive Vice-President, Corporate Communications, Human Resources and Synergies, and Member of the Executive Committee (+ 33 1 47 16 30 08).

5. Other information referred to in this document

The following information referred to in this registration document is deemed to have been provided thereby:

- the 2004 French GAAP consolidated financial statements, and the associated report of the Statutory Auditors, on pages 171-217 and 218 of the 2004 registration document filed with the AMF on 31 March 2005 (D.05-0310).
- the 2005 French GAAP consolidated financial statements, and the associated report of the Statutory Auditors, on pages 189-282 and 283 of the 2005 registration document filed with the AMF on 3 March 2006 (D.06-0101).

6. Documents available for public consultation

The following information is available for consultation by the public on the Group's website (www.vinci.com):

- the registration document filed in the form of an annual report with the Autorité des Marchés Financiers (French financial markets authority) on 29 March 2007;
- the 2004 and 2005 registration documents filed in the form of annual reports with the Autorité des Marchés Financiers on 31 March 2005 and 3 March 2006 (D.05-0310 and D.06-0101);
- the update of the 2004 registration document 2004 filed with the Autorité des Marchés Financiers on 27 July 2005 (D.05-310-A01);
- the financial press releases.

The corporate statutes of VINCI may be consulted at the Company's registered office, 1 cours Ferdinand de Lesseps, 92851 Rueil-Malmaison Cedex, France (+ 33 1 47 51 91 02).

Registration document
Table of correspondence

The table below gives page references to the information contained in this annual report/registration document.

AUTORITÉ
DES MARCHÉS FINANCIERS

AMF

In accordance with Article 212-13 of the General Regulation of the Autorité des Marchés Financiers (the French Securities Regulator), this registration document comprises the registration document filed with the AMF on 29 March 2007. It may be used in support of a financial transaction only if it is supplemented by a prospectus on the transaction officially approved by the Autorité des Marchés Financiers.

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