



# Presentation of VINCI Park

London - 12 February 2004

Dario d'ANNUNZIO – Chairman of VINCI Concessions

Denis GRAND – Chairman and CEO of VINCI Park

Sue TAYLOR – CEO of VINCI Park UK

Renaud LAROCHE – CFO of VINCI Park

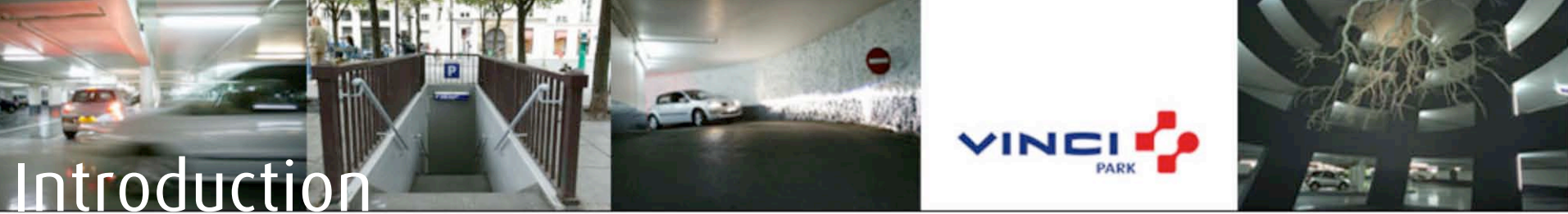


# Programme

1. Introduction
  2. VINCI Park – Presentation
  3. Challenges to be met
  4. Strategy
  5. Focus – VINCI Park in the UK
  6. Key figures
  7. Outlook
-



# Introduction



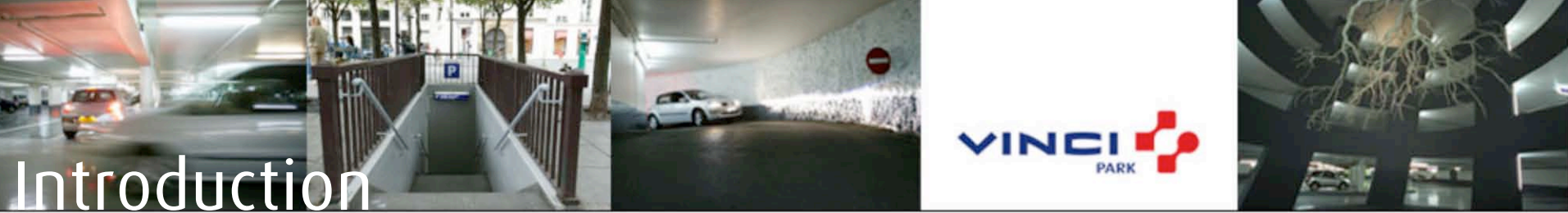
# Introduction

An excellent combination of complementary skills in construction and concessions

## Fundamentals of the combination of skills:

- Entrepreneurial culture
- Commercial synergies based on a dense network of local companies (e.g.: building & civil engineering → car parks, ...)
- Recognised expertise (design capability, cost and schedule control, project management know-how, operator know-how)
- Complementary business cycles: concessions generate recurring and growing revenue

Value creation: Cofiroute, VINCI Park, infrastructure concessions, etc ...



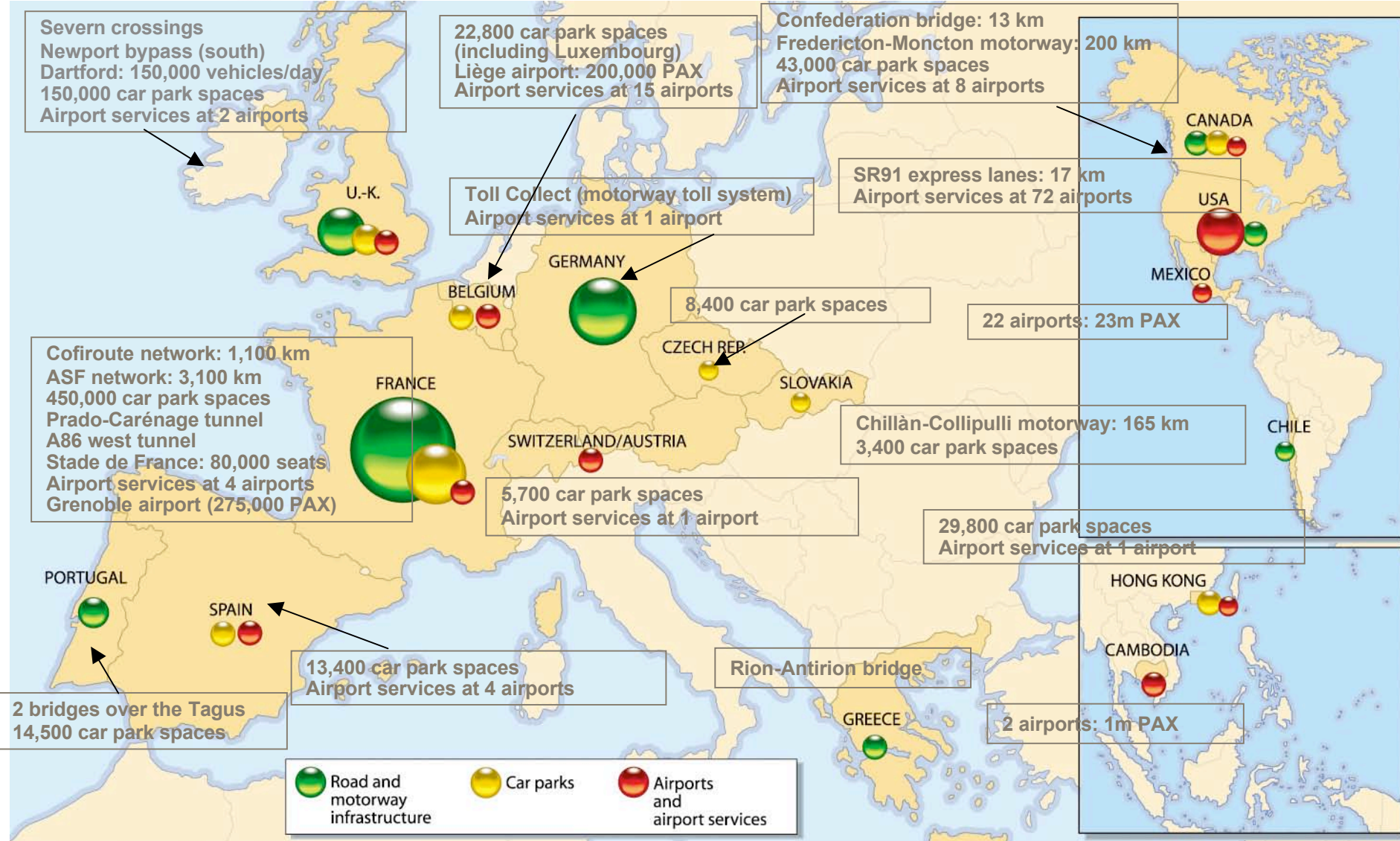
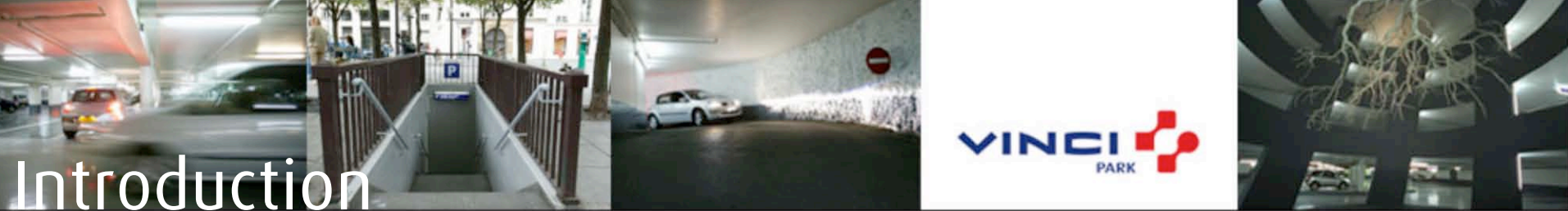
# Introduction

## Concessions: a long-standing VINCI business line

- A growth model that draws on the strengths of a construction company
- Strong presence in France and in Europe
- Diversified portfolio
- A fully fledged VINCI business line

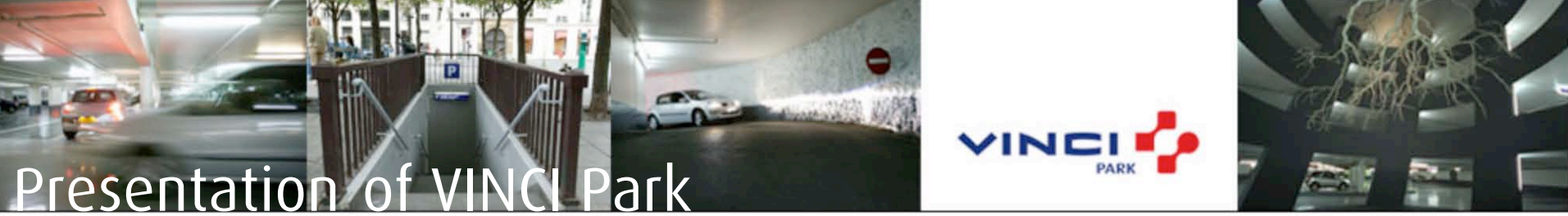


# Introduction





# Presentation of VINCI Park



# Presentation of VINCI Park

## European leader in parking

Operating in 12 countries and 240 cities

- ⇒ France : 165 cities
- ⇒ International : 75 cities

Operates 811,000 paying parking spaces  
and  
1,400 kilometres of on-street regulated parking

Operates 1,250 car parks





- ⇒ France : 550 car parks
- ⇒ International : 700 car parks



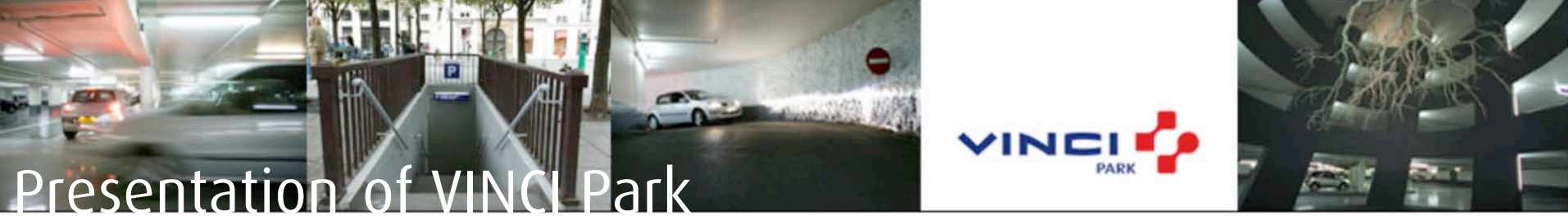


No.1 in parking in France

- 464,000 spaces under management (12/31/03)
- Operating in 165 cities
- Complementing the motorway network in which VINCI is involved (ASF, Escota, Cofiroute)

-  Cofiroute network (65%)
-  ASF network (20%)
-  VINCI Park car parks
-  Airports





# Presentation of VINCI Park

## Strong operations in Europe

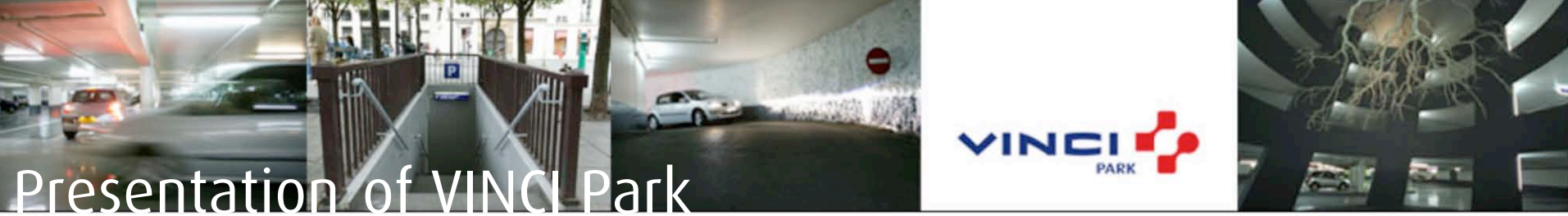
- |   |  |   |  |
|---|--|---|--|
|  France |  United Kingdom |  Belgium    |  Austria        |
|  Spain  |  Switzerland    |  Luxembourg |  Czech Republic |
|   |  |   |  Slovakia       |

 Canada



China 

 Chile

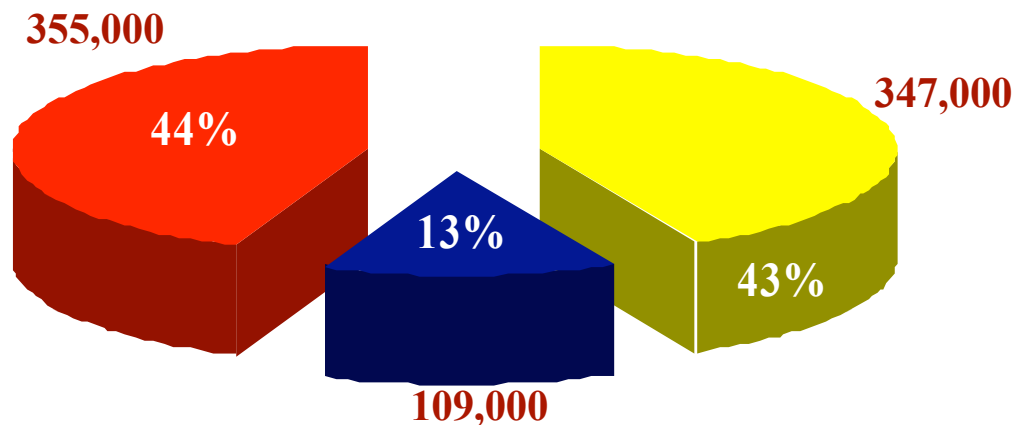


# Presentation of VINCI Park

Breakdown by geographic region: 811,000 spaces

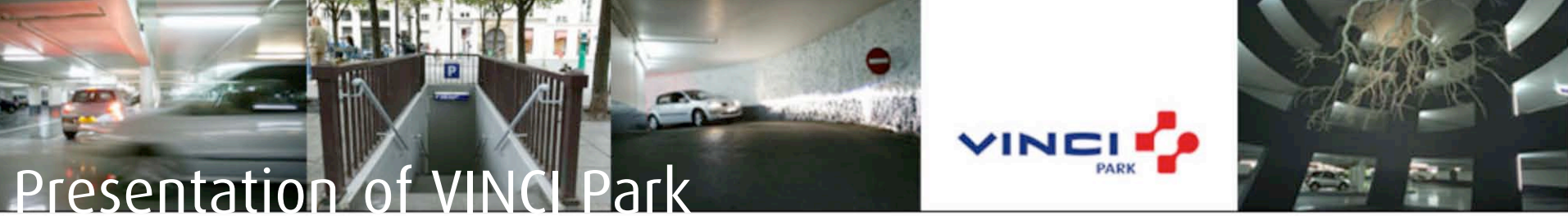
International	
United Kingdom	190 000
Belgium	10 800
Luxembourg	37 300
Switzerland	5 400
Czech Republic	8 500
Austria	400
Spain	13 600
Slovakia	400

Canada	46 700
China	30 500
Chile	3 400



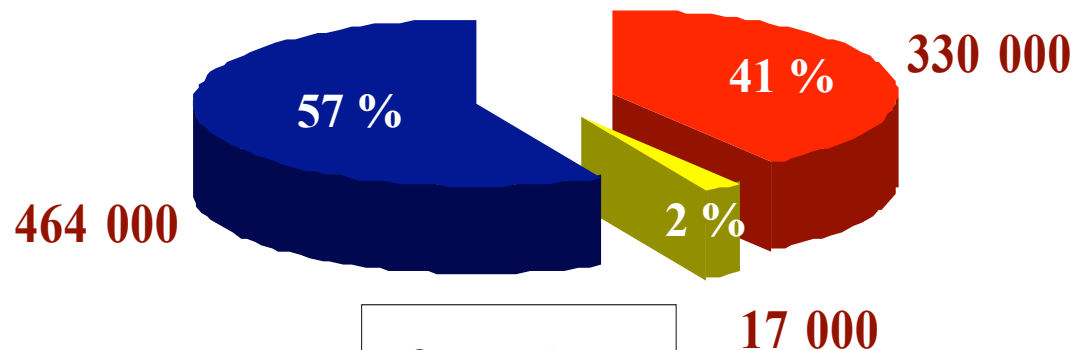
■ International
 ■ Paris
 ■ French regions

France : 464,000 spaces



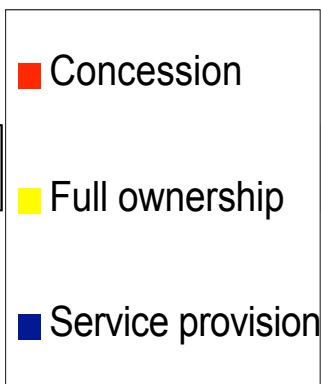
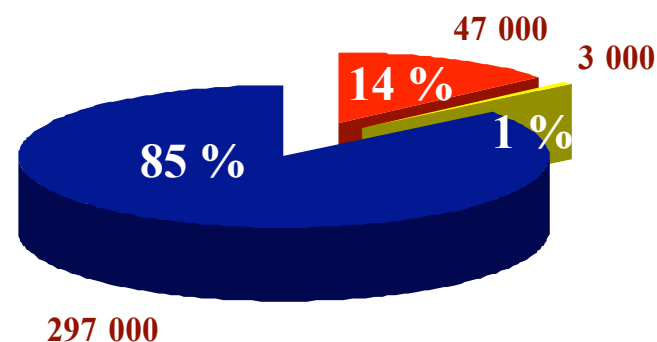
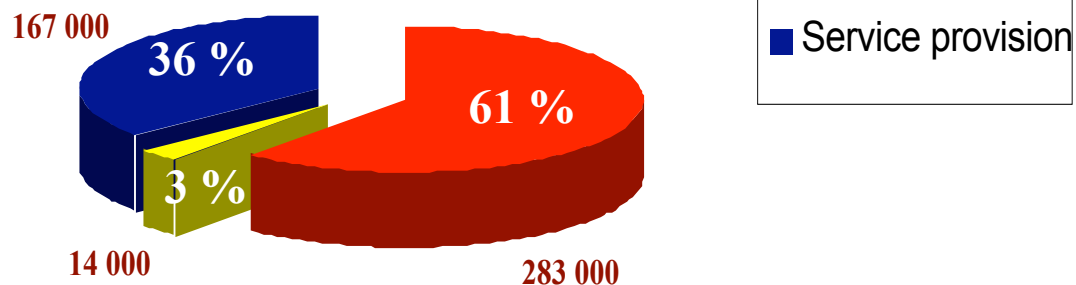
# Presentation of VINCI Park

## Breakdown by type of contract

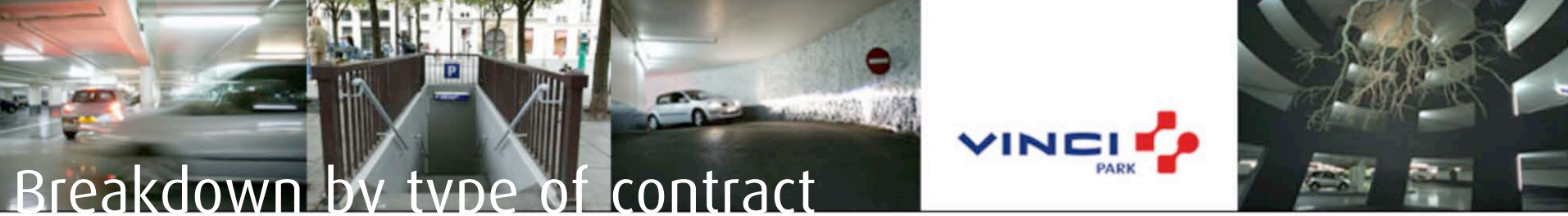


France : 464,000 spaces

International : 347,000 spaces



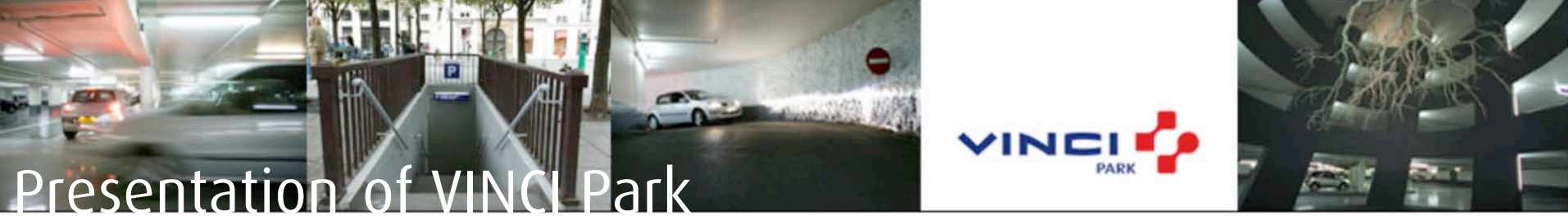




# Breakdown by type of contract

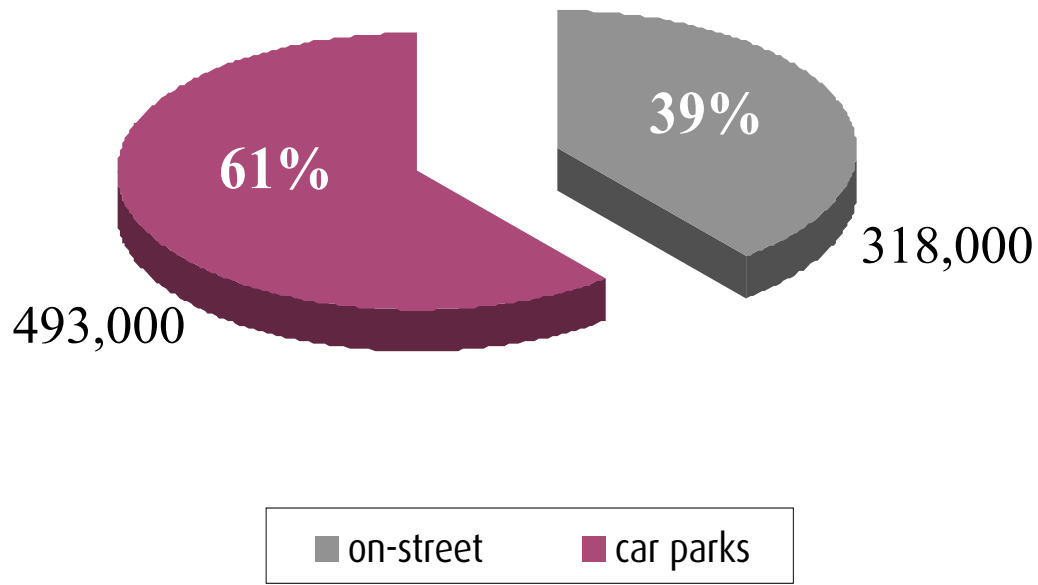
## Contract features

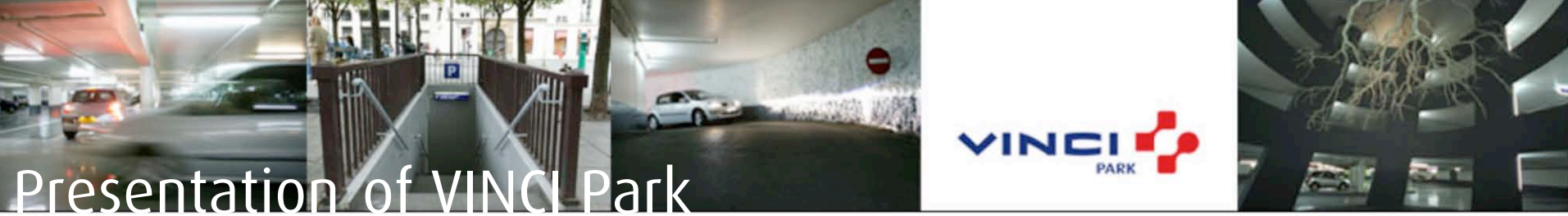
	Full ownership	Concession/lease	Service provision
<b>Capital intensity</b>	high	high/medium	low
<b>%EBITDA/net sales</b>	~ 45%	~ 45%	~ 13%
<b>Duration</b>	unlimited	30/15 years	3/5 years
<b>Pricing</b>	unrestricted	unrestricted within a ceiling	lump sum+incentive
<b>Upstream customer</b>	n/a	local authority/lessor	local authority/owner
<b>Final customer</b>	motorist	motorist	local authority/owner



# Presentation of VINCI Park

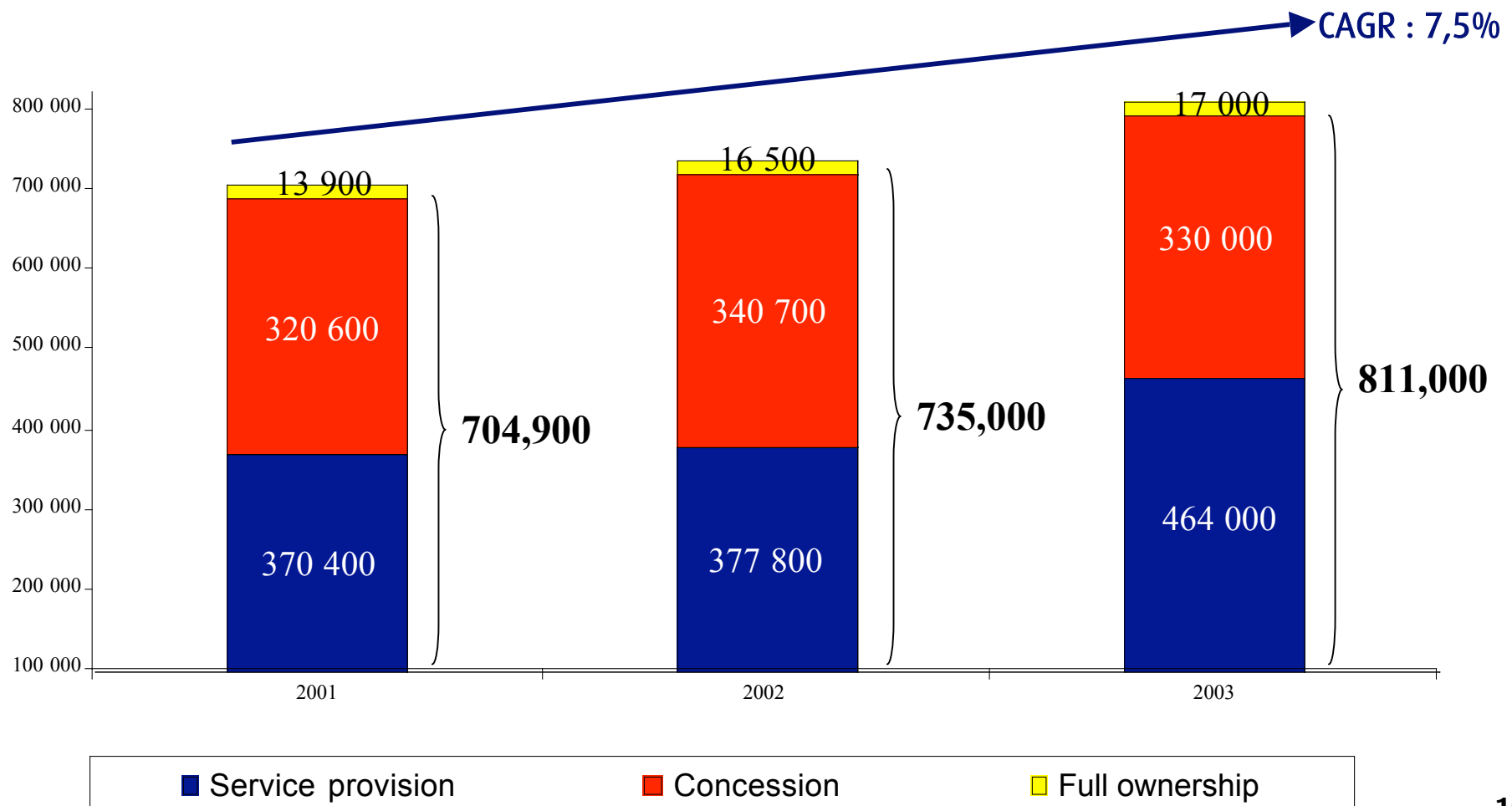
## Breakdown by type of facility

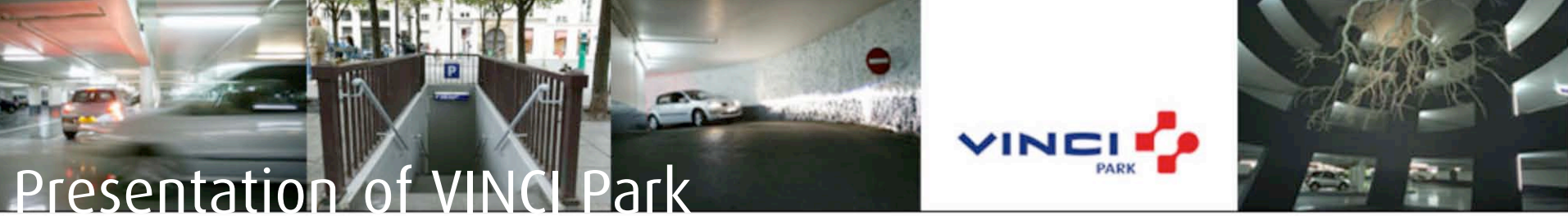




# Presentation of VINCI Park

Change: + 105,000 spaces in 2 years

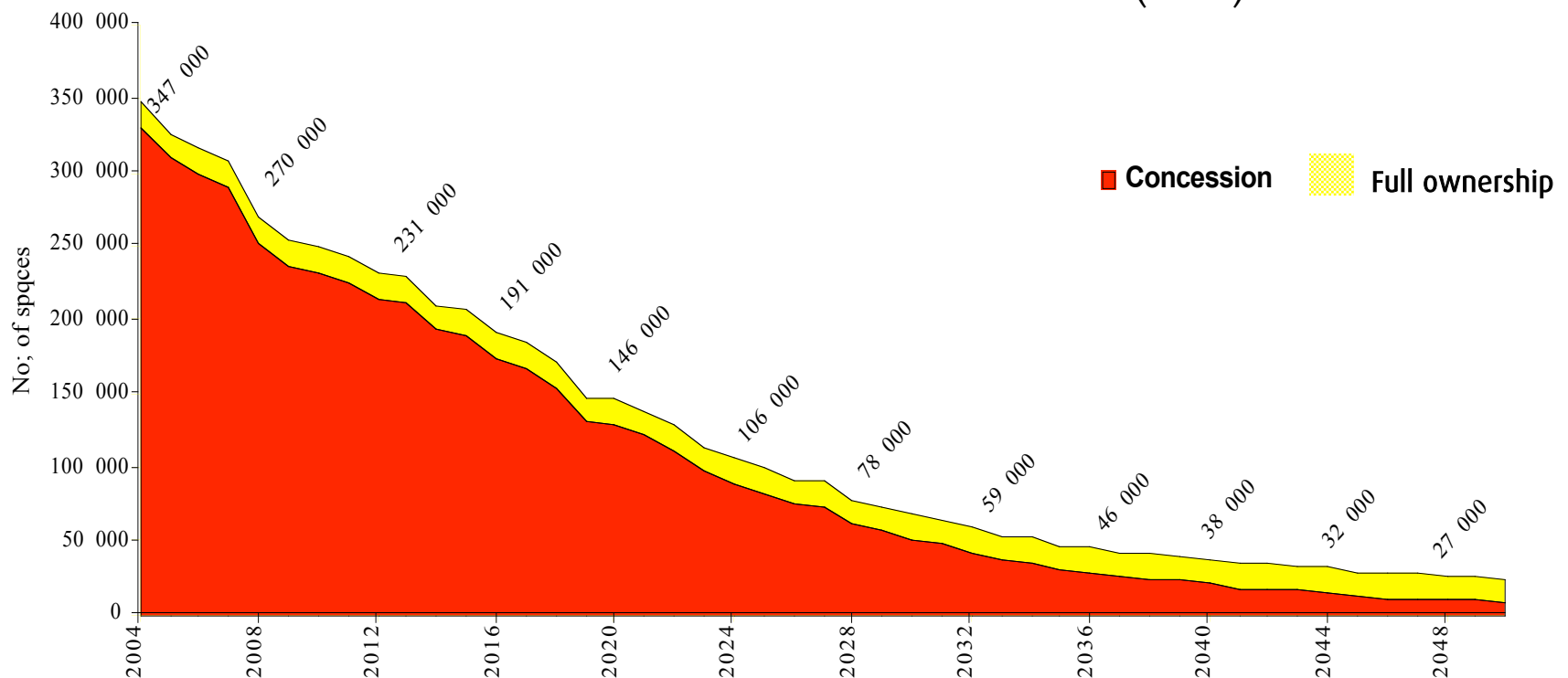




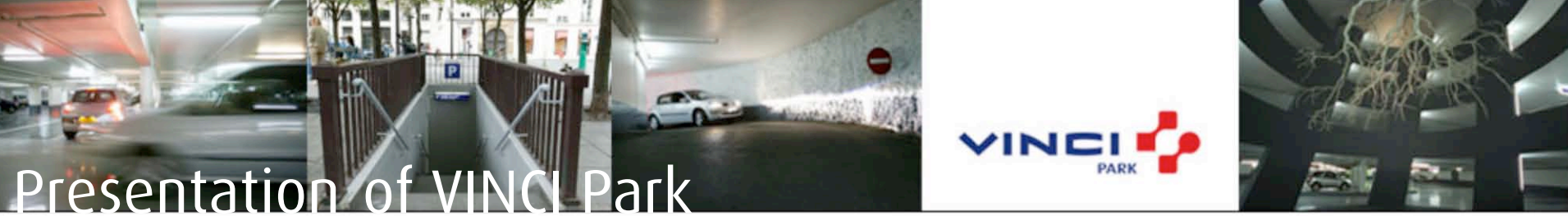
# Presentation of VINCI Park

Average concession duration: 28 years

Calculation method: residual contract duration weighted by EBITDA discounted at VINCI Park WACC (5.6%)







# Presentation of VINCI Park

## Creation of a corporate identity and a business line

4,700 employees

- 2,100 in France
- 2,600 outside of France

## Development of a strong corporate culture

- « VINCI Park et vous »
- VINCI Park Raid adventure
- Training institute





# Challenges to be met



## A combination of issues to be addressed

### External factors

- »Arr été Gallot» government ban on competition: July 2001 – June 2004
- Restriction on cars in cities

### Internal factors

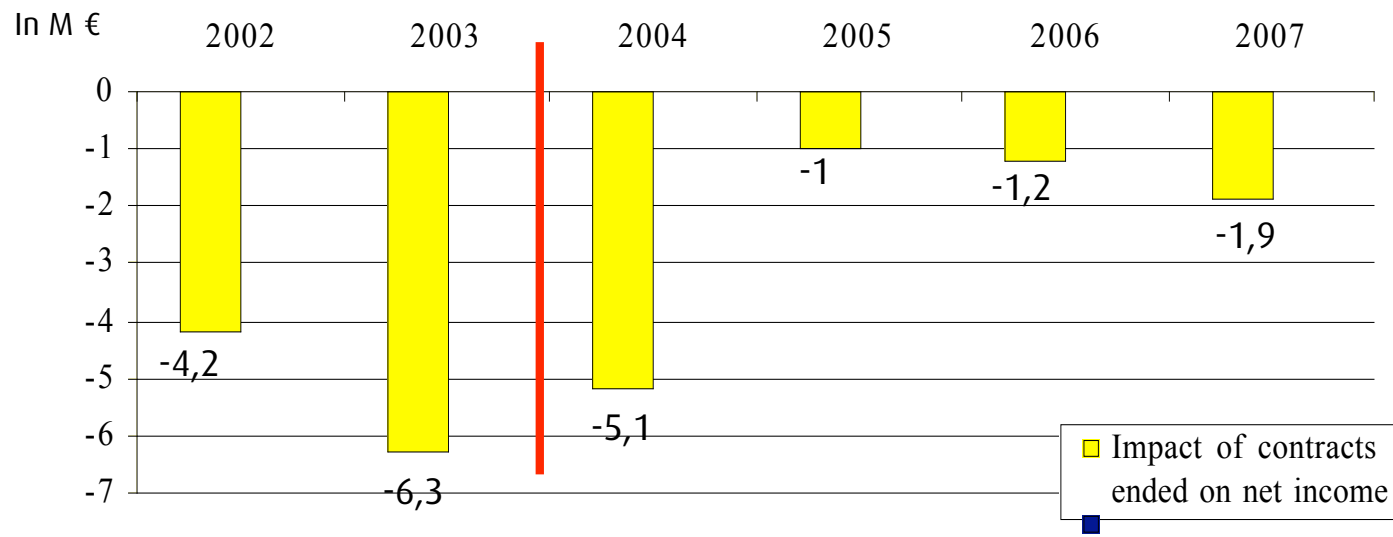
- End of several major contracts generating significant income (2002 – 2005)
- Request by several concession grantors for renegotiation



# Challenges to be met

## Impact of contracts ended on net income

Annual net sales lost	-9,874	-9,398	-9,196	-12,469	-5,202	-8,311
Annual spaces lost	-14,621	-7,416	-10,166	-11,662	-9,294	-9,379



- Effect of the strategy: At 12/31/03, loss of 10.6 M € completely offset





# VINCI Park strategy



## Organisation

### Action completed (2002 – 2003)

- Refocusing on core business: parking
- Operational reorganisation: streamlining and decentralisation
- Reduction of overheads

### Action under way (2004)

- Optimisation of purchasing policy

**Total savings: 6 M € / year**



## Development

### Proactive strategy

- External growth
- Full ownership acquisitions
- Expansion outside France

### Firm approach to contract renegotiation

### Refocusing and margin improvement outside France



## Examples of acquisitions in 2002 and 2003

France	No. of spaces
➤ 01/02 - <u>Pathé Ivry</u>	865
➤ 02/02 - <u>Les tanneurs</u> (Lille)	592
➤ 05/02 - Park Heulin (François 1er, Pierre Charron, Vendôme, <u>Saint Honoré</u> , Bourse)	4 236
➤ 05/02 - SPS (Saint Quentin, Compiègne, Tarbes, Amiens, ...)	5 895
➤ 05/02 - <u>Mail Gaillardon</u> (Melun)	300
➤ 07/02 - <u>Saint Denis Greneta</u> (Paris)	511
➤ 07/02 - Disneyland Paris	1 400
➤ 12/02 - <u>Saint Georges</u> (Toulouse)	1 326
➤ 12/03- <u>Etoile Wagram</u> (Paris)	530
Outside France	
➤ 01/02 - Cardiff et Dundee Hospital car parks (UK)	5 340
➤ 01/03 - 50% Gestipark (Canada)	42 000
➤ 07/03 - Général Yague Car Park(Madrid / Spain)	409
➤ 10/03 - Grotemarkt and Vemarkt car parks (Malines / Belgium)	284
➤ 12/03 - Alexia car park (Bratislava / Slovakia)	358
➤ In progress - Simplon car park TGV station Lausanne	410





## Contract renegotiation

### Concession contracts renegotiated in 2003

- Euralille: 14 years
- Grenoble: 20 years
- Grasse: 25 years
- Toulouse: new 23 year concession contract obtained
- Lille: Peuple Belge 50 years, Grand Place 45 years

### Negotiations under way

- Boulogne-Billancourt
- Nancy



## Refocusing outside France

### Expansion strategy

- Canada : acquisition of a 50% stake in Gestipark and increase planned
- Central Europe: foothold in Slovakia
- Expansion under way in Eastern and Central Europe based on the VINCI network

### Disposal of minority interests

- Switzerland
- Portugal

### Sale of non-strategic activities

- United Kingdom: Cinergic - October 2003
- Hong Kong : ASF and ACS - December 2003



## Sales and marketing strategy

Goal: strengthening appeal of the brand and the product

- Creation and launch of the VINCI Park brand in mid-2001
- Service revolution
- Sales and marketing activities
- Sales events
- Quality monitoring



## Customer commitment



### Une marque d'exigence

*Nous vous devons*  
**un accueil irréprochable.**

*Nous vous devons*  
**le bien-être et la sécurité.**

*Nous vous devons*  
**des parcs propres  
et qui sentent bon.**

*Nous vous devons*  
**des espaces lumineux  
et transparents.**

*Nous vous devons*  
**des parcs bien signalisés.**

*Nous vous devons*  
**des outils de premier secours  
pour vous dépanner.**

*Nous vous devons*  
**une réponse à vos critiques.**

*Nous vous devons*  
**des tarifs souples et adaptés.**

*Nous vous devons*  
**une aide pour vous repérer  
dans notre quartier.**

*Nous vous devons*  
**des services qui vous rendent  
la vie plus facile.**





## Related services provided free of charge



Aujourd'hui jour de pluie,  
VINCI Park vous prête un parapluie !



Going shopping ?  
VINCI Park will lend you a basket !



C'est votre anniversaire ? Aujourd'hui  
chez VINCI Park, votre parking est offert !





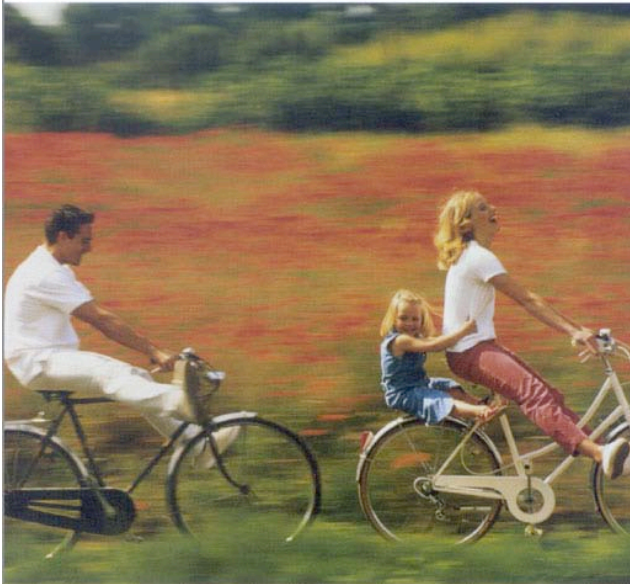
Related services provided free of charge

VINCI PARK



Besoin d'aide ? Aujourd'hui  
VINCI Park porte vos paquets\* !

VINCI PARK



Aujourd'hui il fait beau,  
VINCI Park vous prête un vélo\* !



## Services provided for a fee

Segway

Car rental

Car wash

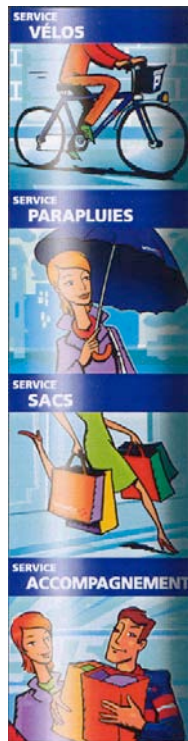
Traffic information







## Service advertising tools







# Marketing activities

**VINCI PARK**

Découvrez le nouveau parking "Cœur de ville"

**1h de stationnement GRATUIT**

VILLE DE VINCENNES

**VINCI PARK**

## Découvrez la carte à décompte !

et stationnez en toute liberté à Compiègne...

Carte à décompte rechargeable  
Valable dans nos 4 parcs

**Contactez-nous au 03 44 86 13 07 !**

**P** MARCHÉ + **P** SOLFÉRINO + **P** BOUVINES + **P** CAPUCINS





VINCI PARK

**NOËL À TOUT PRIX !**

Des cartes à gratter ...  
des milliers de cadeaux à gagner !

RFM  
le meilleur de la musique

VINCI PARK

*Une rentrée sans faute !*

**A GAGNER ! 250 stylos plume  
40 000 stylos encre gel fantaisie  
pour bien préparer la rentrée !**

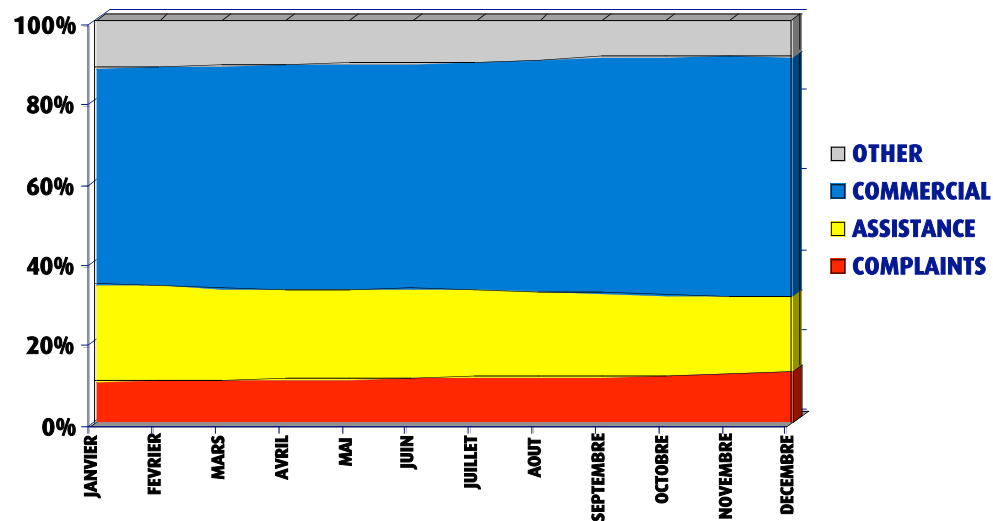
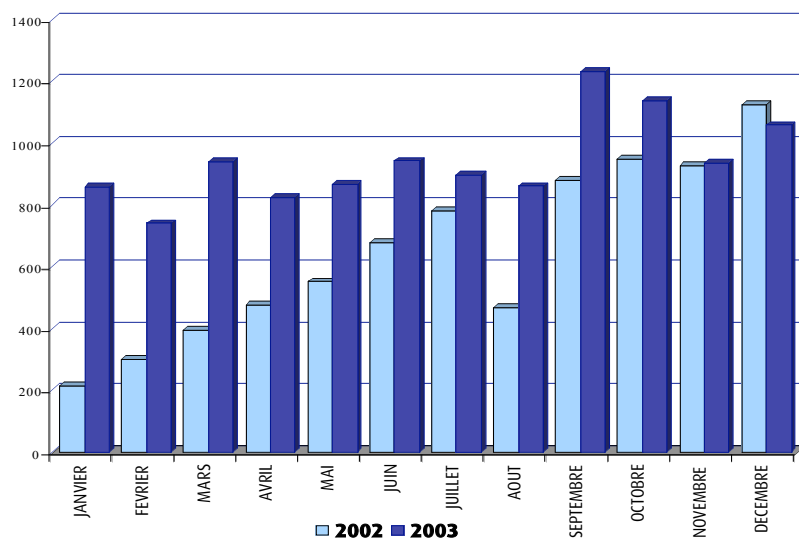
En partenariat avec **Reynolds**



## Toll-free number – Increase in / reason for calls

- Some 1,000 calls per month, always responded to
- Complaints have platformed at about 10% of calls

**RELATIONS CLIENTS**  
**N°Azur 0 810 26 3000**  
PRIX D'UN APPEL LOCAL







## Sales and marketing strategy results

### Preliminary results

- Name recognition survey carried out in Paris in October 2003 (ADVIR polling organisation – 1,300 persons interviewed)
- Sales and marketing strategy results



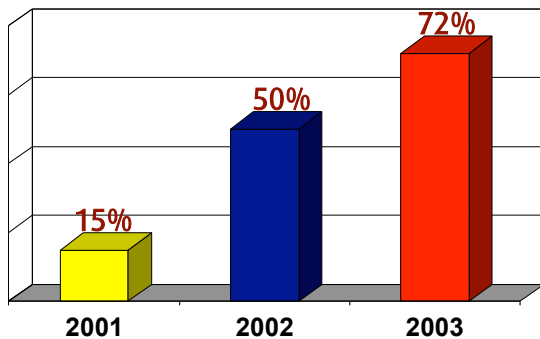


## Name recognition survey: focus on the brand

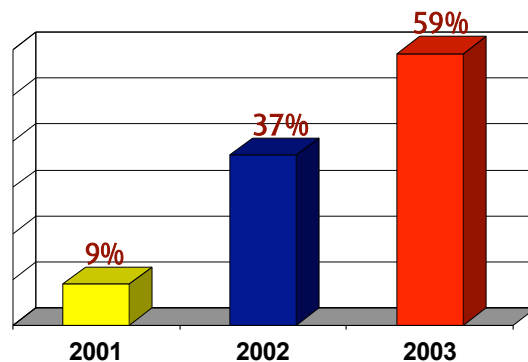
### Main results in October 2003

- **Spontaneous recognition:** What car park companies do you know by name ?

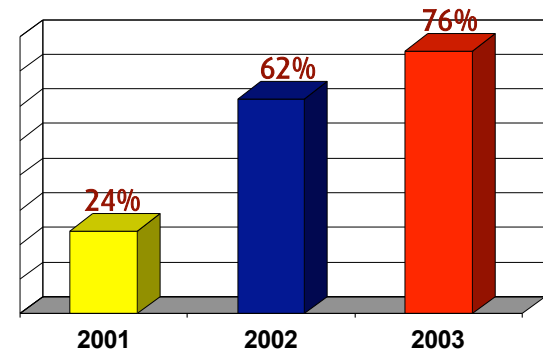
Total



On-street



Car park

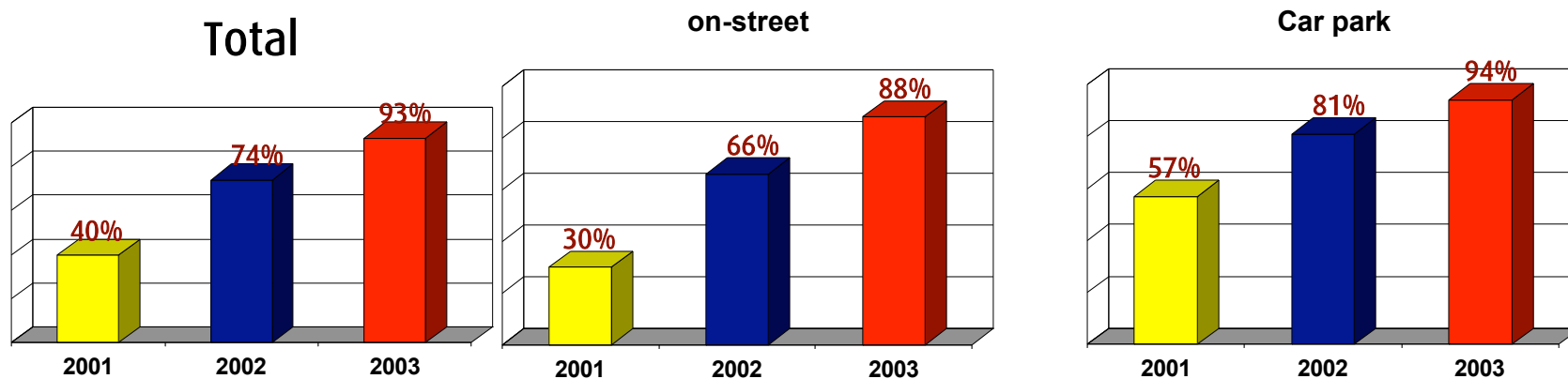




## Name recognition survey: focus on the brand

### Main results in October 2003

➤ **Prompted recognition:** Which of these car park logos do you recognise by name ?



« VINCI Park is now a strong brand »

Conclusion of the ADVIR survey – October 2003

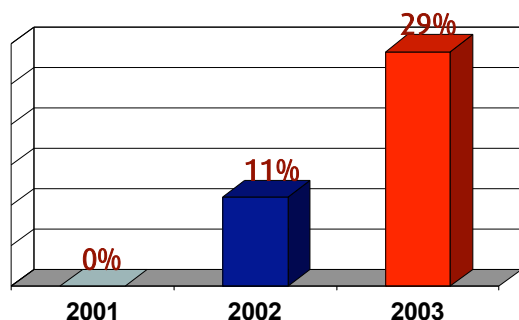


## Name recognition survey: focus on services provided

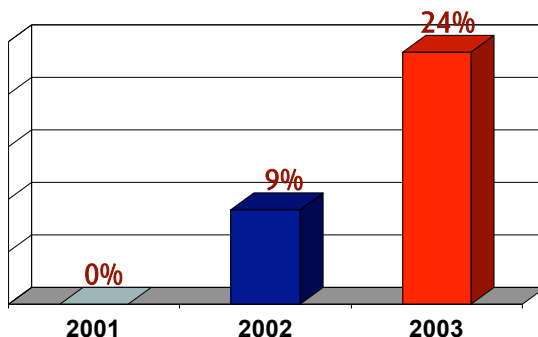
### Other indicators in the survey

➤ **Perception of services** : VINCI Park has launched new services for customers. Have you heard about them ?

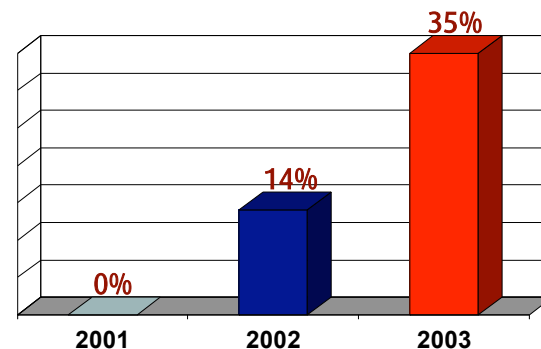
Total



on-street



car park

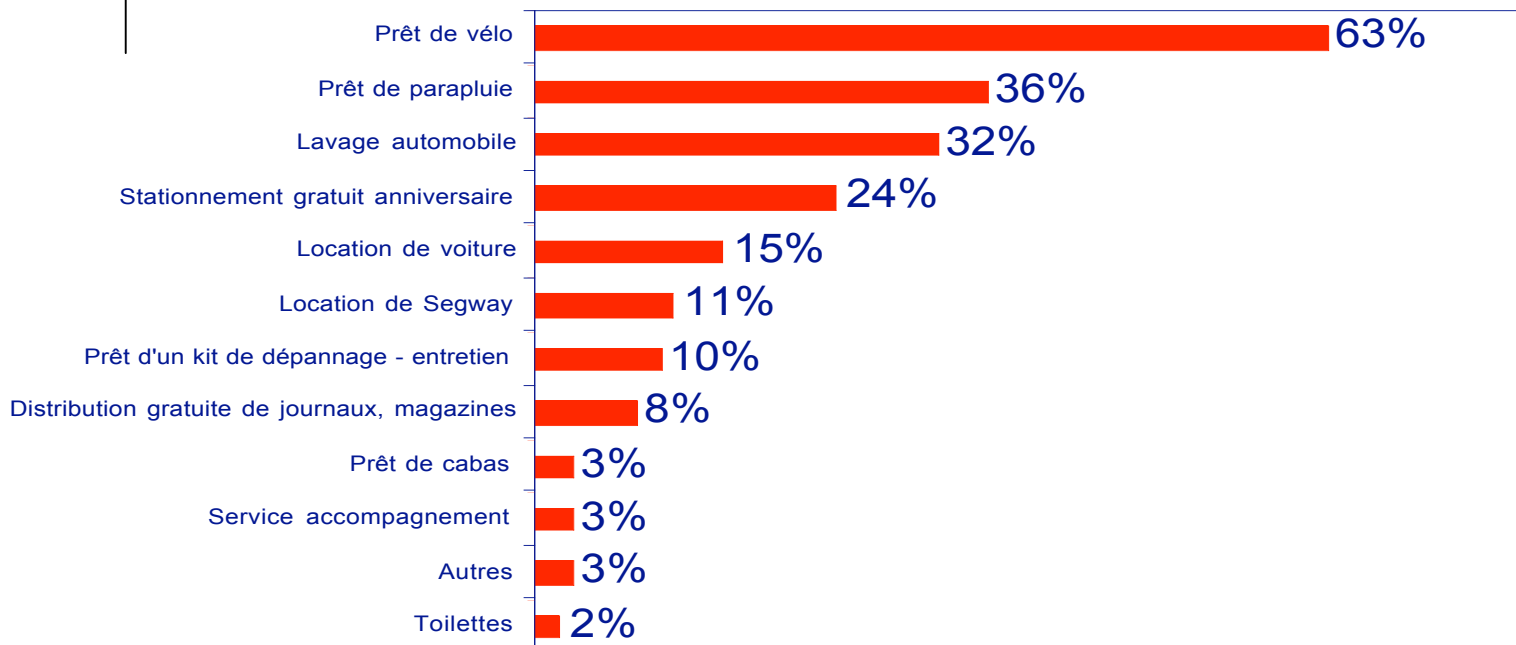




## Name recognition survey: focus on services provided

### Other indicators in the survey

➤ **Perception of services:** If yes, which services have you heard about ?







## Name recognition survey: theoretical service price ratio

### « Psychological price »

- The « PSYCHOLOGICAL PRICE » method is used to determine the maximum price that can be charged
  - above what price level would you stop coming?
  - below what price would this car park seem too low-end?  
(always full, poorly maintained, poor security,...)

### Three lessons learned

- Prices are by and large well accepted today
- Business customers are prepared to pay a bit more
- Highlighting services makes it possible to raise the hourly rate by 0,10 to 0,50 €



## Results of the sales and marketing strategy in Paris

### Sample

- 80 Parisian car parks (like-for-like basis)
- Statistics between March 2001 and July 2003
- **Number of customers :**
  - **11 million hourly customers per annur**
  - **28,000 season ticket holders**
- Net sales (excl. VAT) :
  - Hourly: 65 million euros
  - Season tickets: 35 million euros

### VINCI Park locations in Paris





## Results of the sales and marketing strategy in Paris

### Context

- Generally poor economy
- Restrictions on automobile traffic

### Strategy implemented

- Creation of the brand, renovation of car parks and launch of services
- Sales activities to promote season tickets

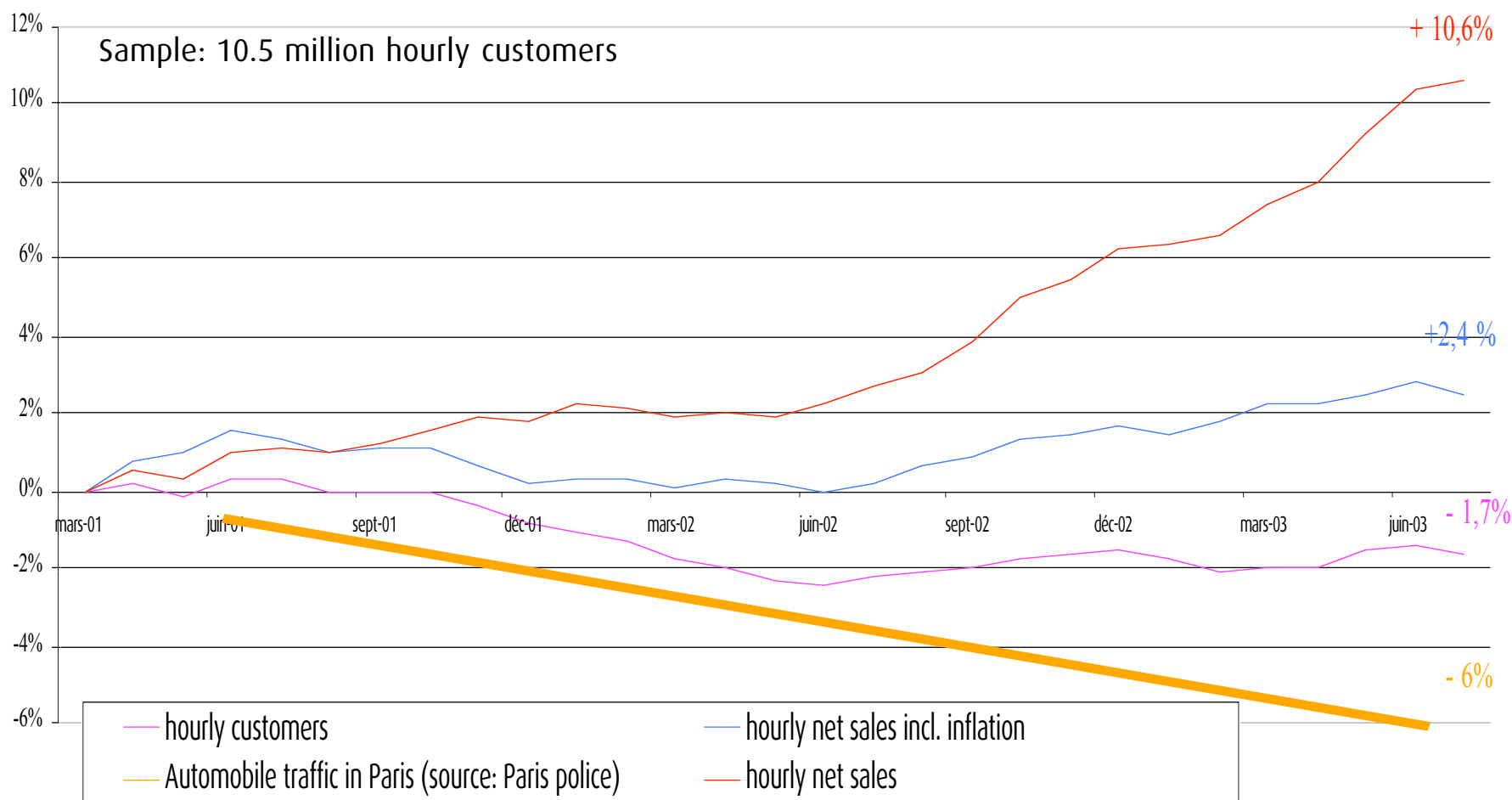
### Results

- **Increase in net sales above inflation**





## Change in number of hourly customers and net sales in Paris

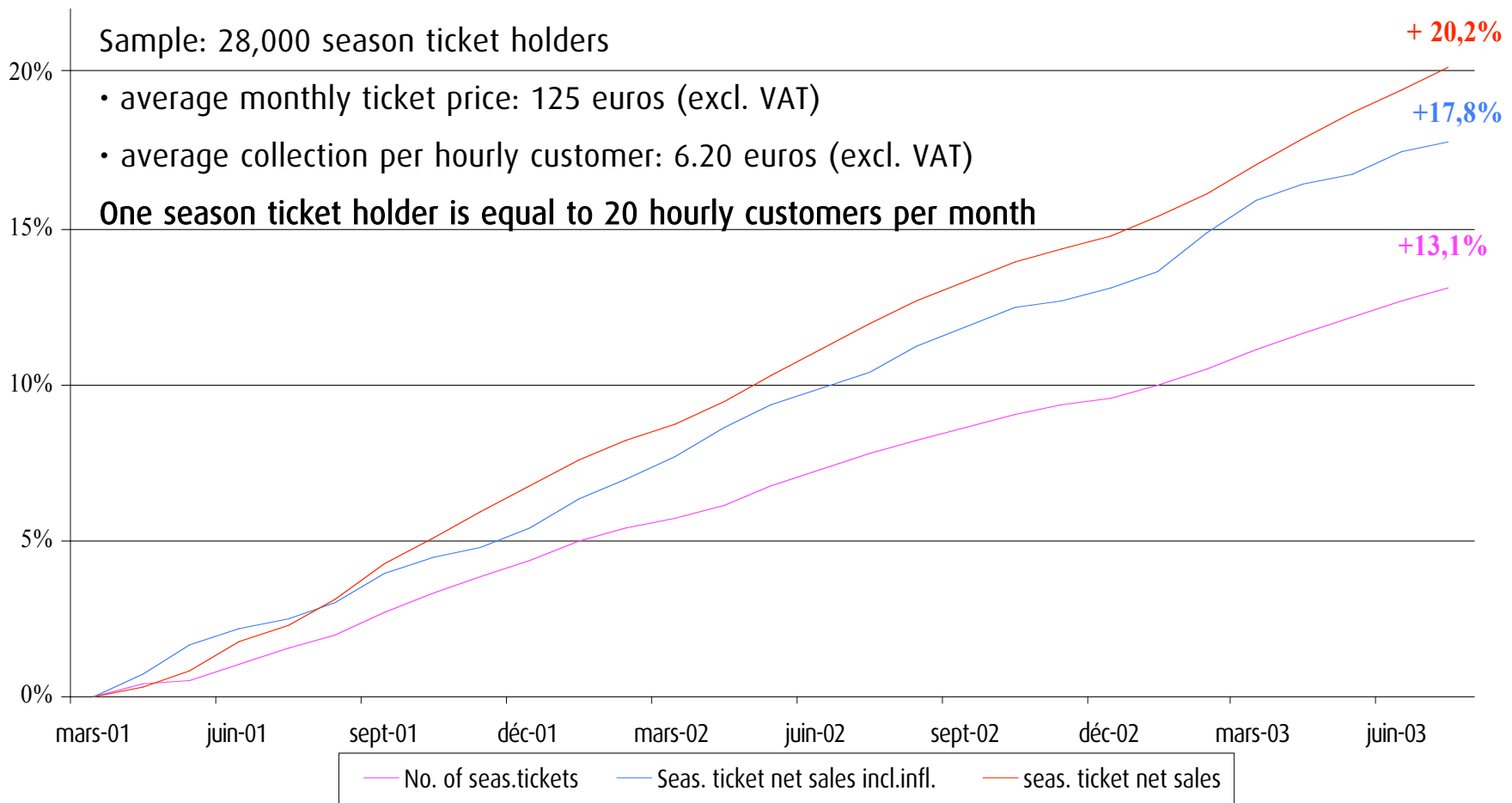






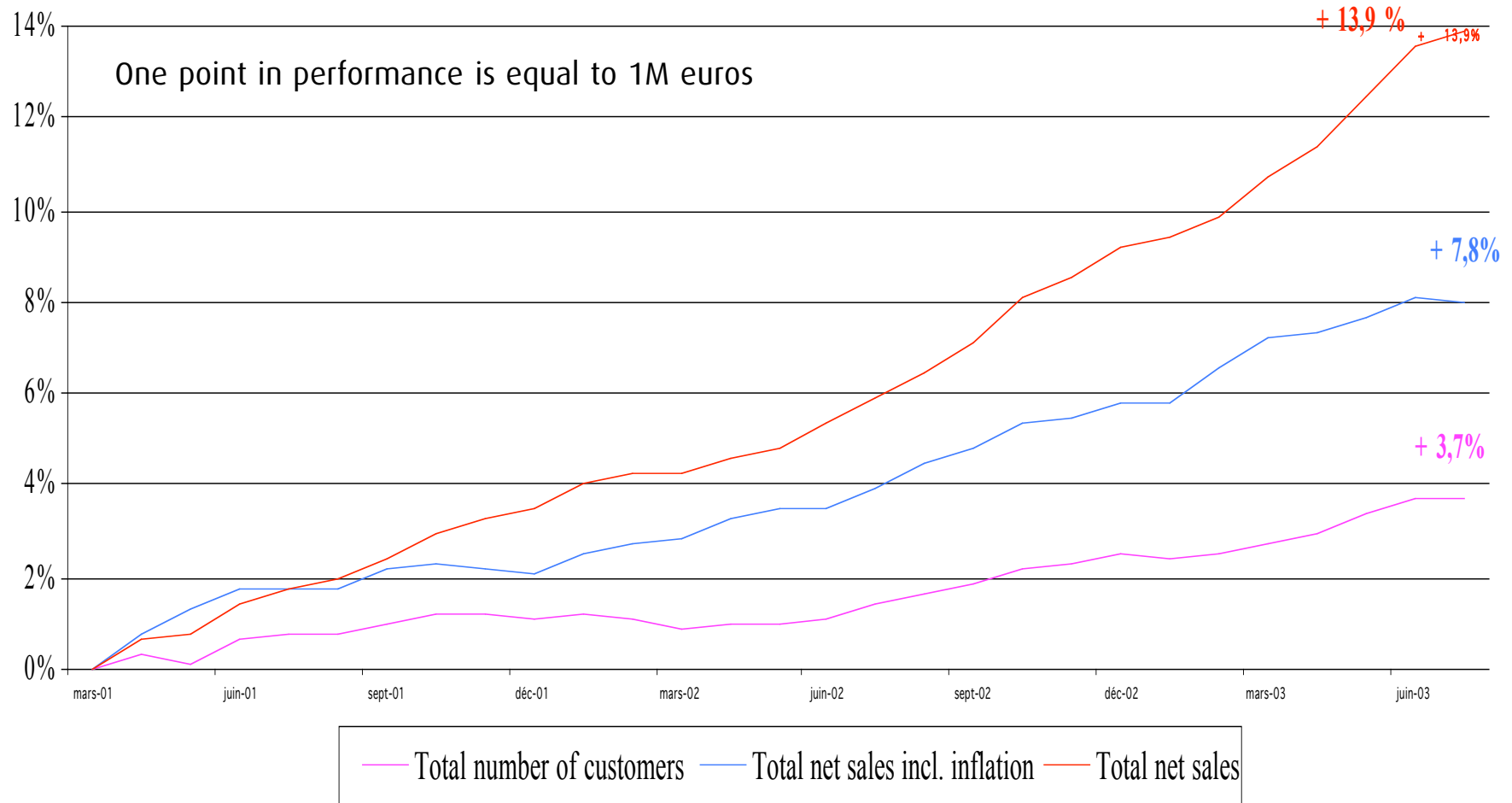
Quality monitoring

# Change in number of season ticket customers and net sales in Paris





## Change in total number of customers and net sales in Paris





# Focus on VINCI Park in the UK



# VINCI Park

## in key figures





## Key figures – 2003

In millions of euros	2003	2002	Change 2003 / 2002	Change 2003 / 2002 (excl. translation differences)
Net sales (*)	491	484	+ 1.4%	+ 4%
EBITA (**)	122	118	+3.4%	+4.9%
EBIT	117	113	+3.5%	+ 4.6%
Net income before SOGEPARC goodwill	61.3	62.9	-2.5 %	- 2.1 %
Net income after SOGEPARC goodwill	46.9	48.7	-3.7%	-3.1%

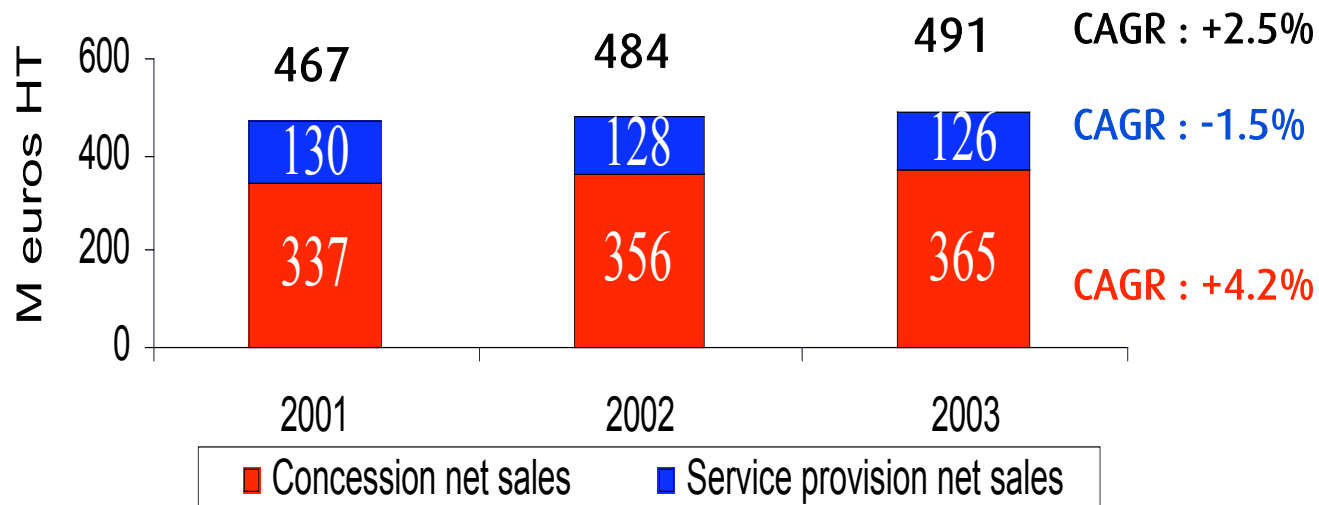
\*Like-for-like, excluding impact of contracts completed or won and excluding translation differences: + 3%

\*\* EBIT before amortisation of goodwill allocated to fixed assets



## Change in net sales

- Full ownership and concessions drive growth in net sales
- Sales and marketing strategy support this growth



Change 2003-2002 like-for like :

+3%

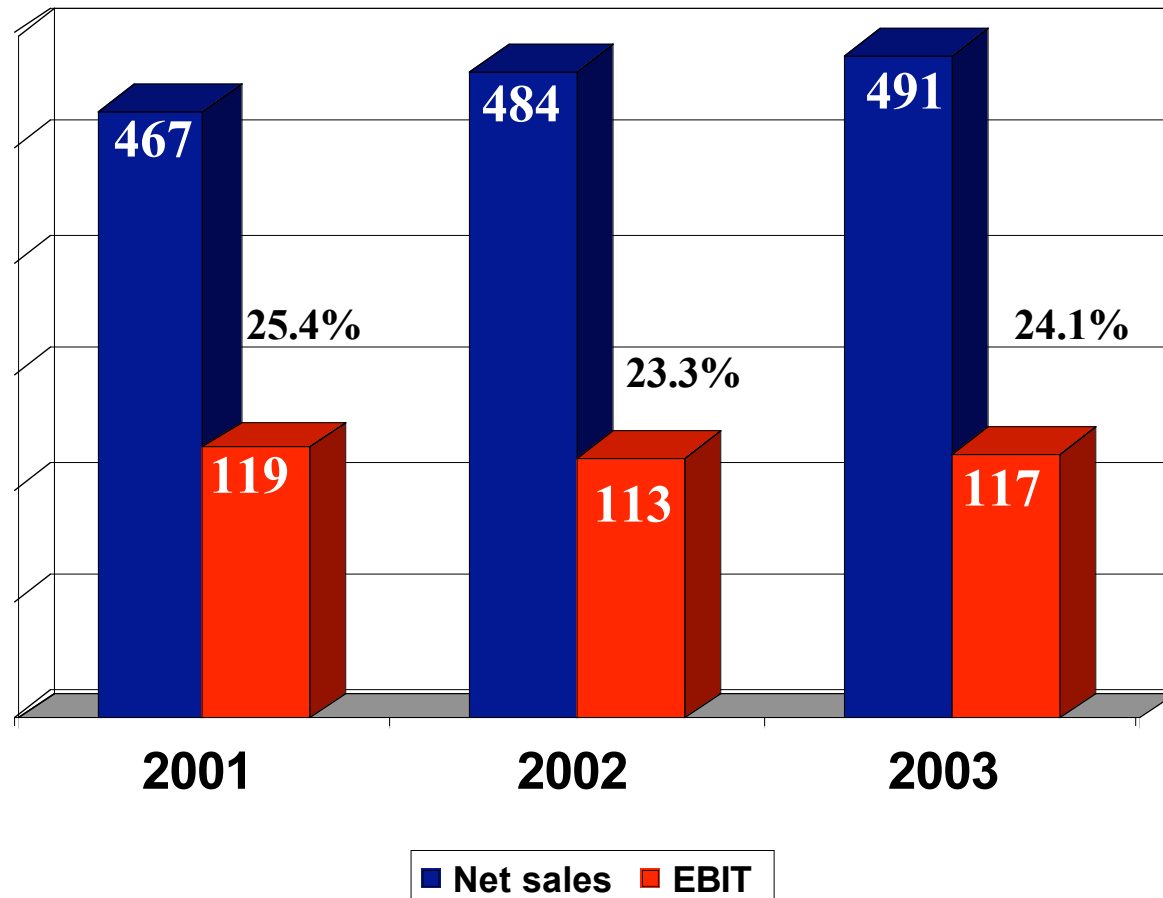
Concession :

+3.5%

Service provision :



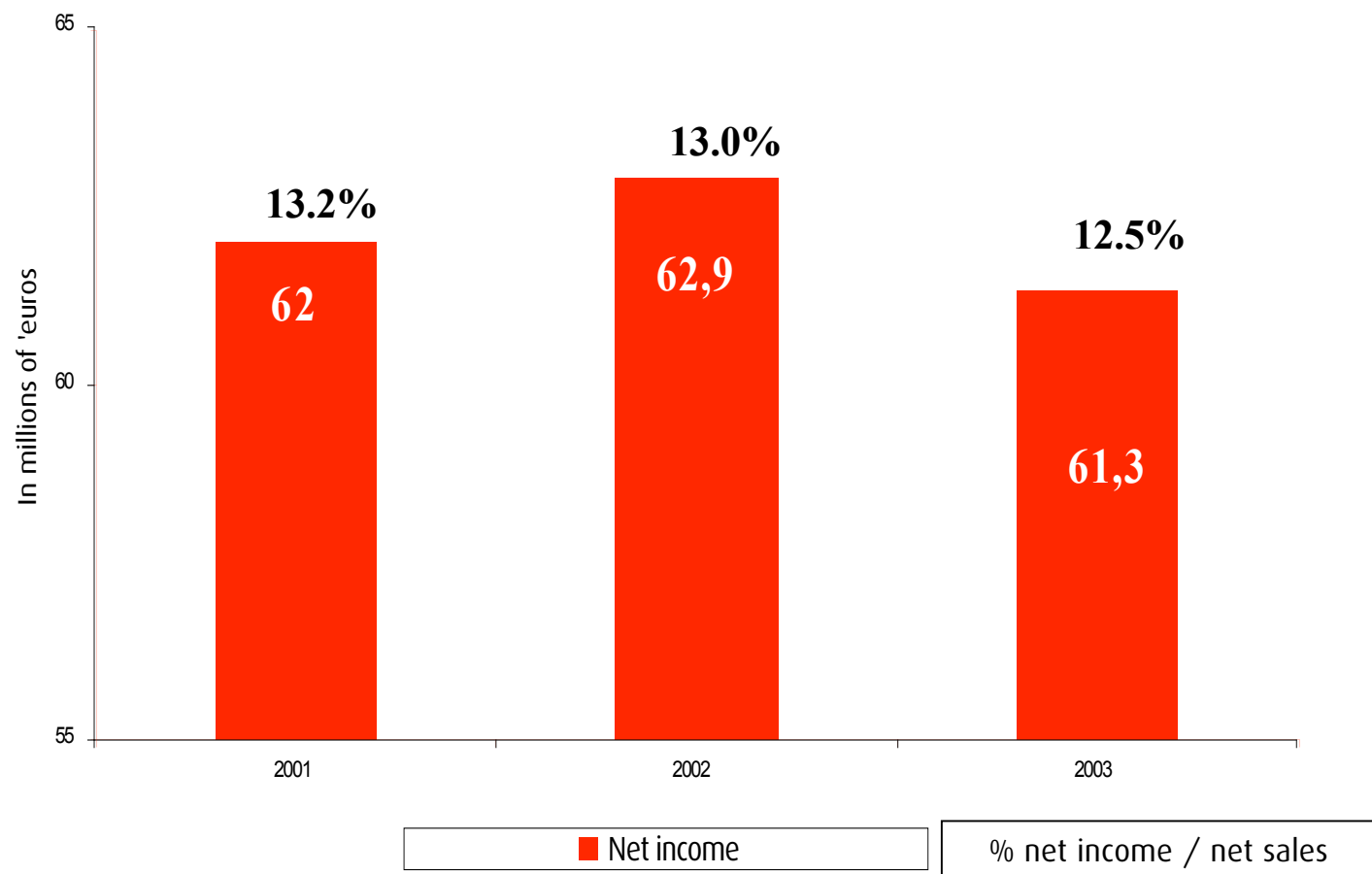
2003 EBIT slightly up, despite the impact of lost contracts







## Net income (before SOGEPARC goodwill) stable at a high level

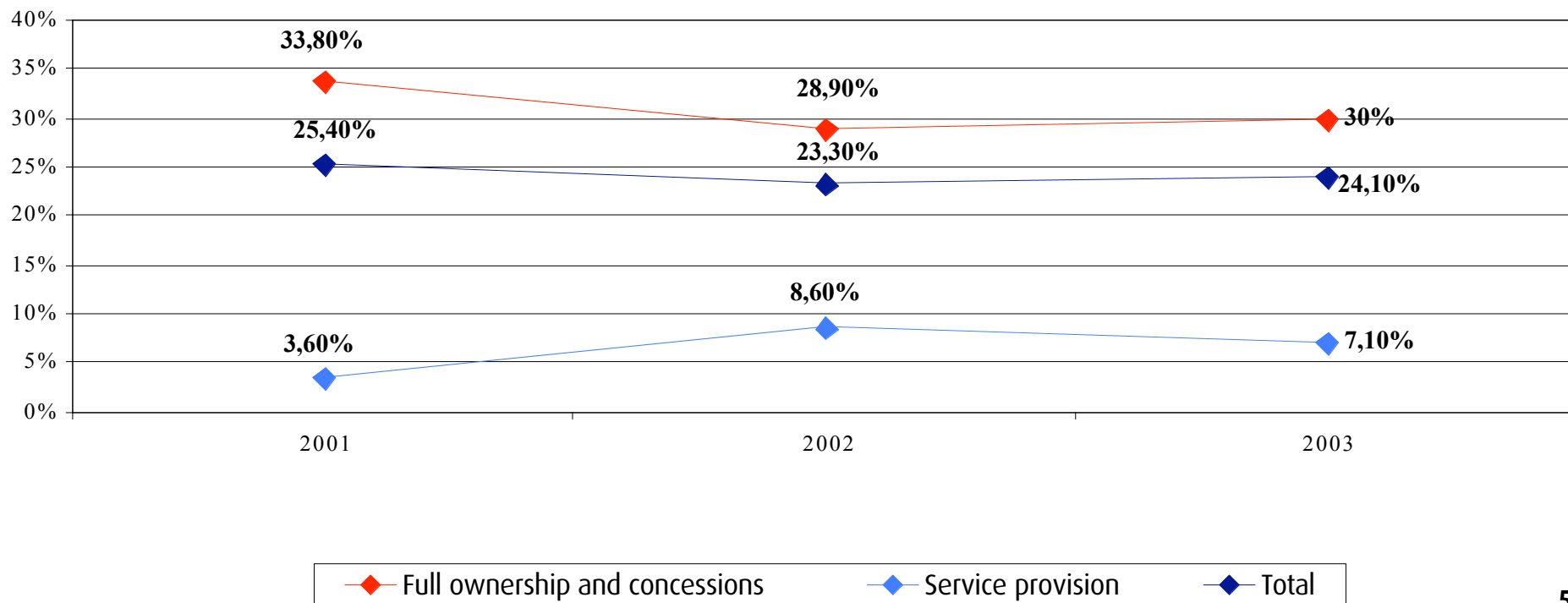




## Sectorial information

- **concessions and full ownership facilities support EBIT growth**

EBIT by business line as a % of net sales





## Consolidated balance sheet

- Sound financial structure, low indebtedness

Assets	2003	2002
Fixed assets	1,389	1,414
<i>o/w net goodwill</i>	368	381
Current assets	204	208
<b>Total assets</b>	<b>1,593</b>	<b>1,622</b>
<b>Liabilities</b>		
Shareholders' equity	725	719
Provisions et other items	29	35
LT financial debt	520	567
Short term debts and liabilities	319	301
<b>Total liabilities</b>	<b>1,593</b>	<b>1,622</b>
Net financial debt	-479	-518
% debt at fixed interest rate	63%	63%





## Analysis of debt at 31 December 2003

2003 net financial debt: 479 million euros

2003 gross financial debt: 520 million euros

### Financing

- Long term: 87%
- Short term: 11%
- Local authorities: 2%

Average interest rate of long-term debt: 4.30% in 2003 (after hedging)



## Capex and financial investments

- VINCI Park adapted its capex and financial investments in 2003 to Group objectives

(in millions of euros)	2003	2002	2001
Maintenance capex	19	25	25
Net development capex	32	35	44
Net financial investments	5	48	35
Total	56	108	104



# VINCI Park in key figures



## Financing of capex and financial investments

- With average investment of some 80 M euros per year, VINCI Park has stabilised its net indebtedness

(in millions of euros)	2003	2002
Operating cash flow	114	119
Capex and financial investments	-56	-108
Net changes in WCR and in scope of consolidation	+18	+36
Free cash flow	+76	+ 47
Dividends paid	-37	-58
Change in net indebtedness	+39	-11



## Financial ratios

- Favourable ratios
- Significant additional leverage capacity

	2003	2002
Net financial debt (in millions of euros)	479	518
Net debt / equity	66%	69%
Net debt / operating cash flow	4.2	4.3
Net debt / EBITDA	2.9	2.9





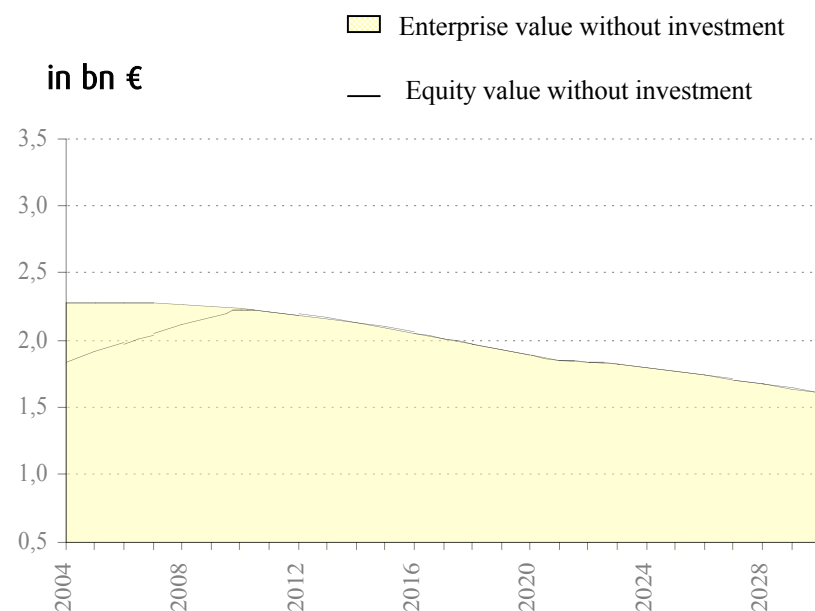
## Valuation of VINCI Park without development

### No-investment scenario

- Annual growth net sales: +3% and expenses: +2,1%
- Present value of FCF: EBITDA – maintenance capex – tax
- VINCI Park WACC: 5.6% at 12/31/2003

In billions of euros	2004	2010
Enterprise value	2.3	2.2
Equity value	1.8	2.2

### Change in enterprise value without development (1)



(1) Net present value calculated for each period (at 12/31) based on future FCF – discount rate: 5.6%



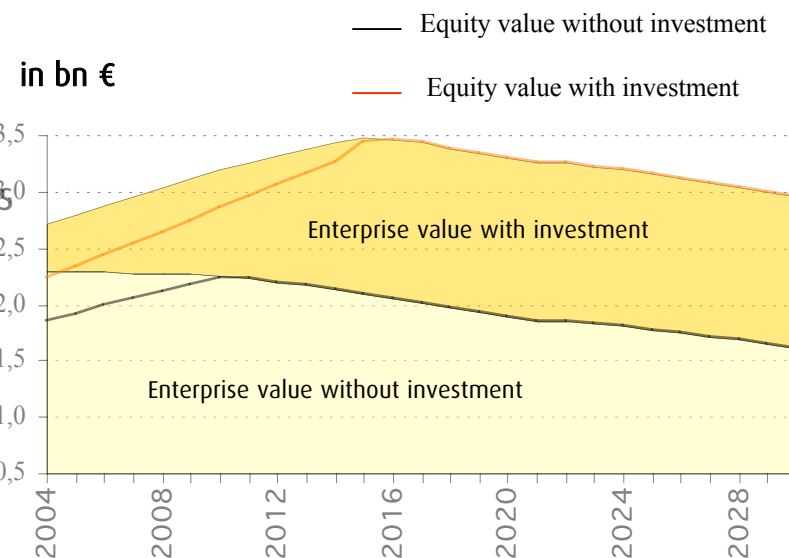
## Valuation of VINCI Park with development

### Investment scenario

- 60 M euros invested over 11 years
- Project mix:
  - 2 full ownership – 50 years
  - 2 concessions in large-sized cities – 30 years
  - 2 concessions in medium-sized cities – 30 years
  - 2 concessions renewed – 15 years
  - 1 acquisition
- Other parameters unchanged

In billions of euros	2004	2016
Enterprise value	2.8	3.5
Equity value	2.2	3.4

### Comparative change in enterprise value with and without development (1)



(1) Net present value calculated for each period (12/31) based on future FCF – discount rate: 5.6%

**VINCI Park creates 400 million euros additional value by 2004**



# Outlook



## VINCI Park, European leader and service creator

### Growth driven by services provided

- High quality facilities
- Recognised brand
- Focus on services

VINCI Park is pursuing an **original and innovative sales and marketing strategy** aimed at:

- Enhancing the appeal of the brand
- Fastening growth of high added-value net sales







## VINCI Park, European leader and service creator

### Growth opportunities

- France: ready to take advantage of the end of the ban on competition in July 2004
- International: strengthening operations in Europe and expansion in Central and Eastern Europe
- Synergies with other VINCI Construction subsidiaries, VINCI Airport, COFIROUTE and ASF
- Cross-fertilisation through sharing of local know-how

### **Building the future:**

- Meeting environmental aspirations
- Creating the world leader in intermodal parking

# A BIENTÔT

