



Rueil-Malmaison, 7 September 2004

PRESS RELEASE

HALF YEAR 2004 FINANCIAL STATEMENTS

- **Net sales up almost 7%**
- **Operating income up 22% to €520 million**
- **Net income up 28% to €252 million**
- **Good outlook for full year 2004**
- **Interim dividend of €1.20 per share to be paid on 21 December 2004**

The VINCI Board of Directors, chaired by Antoine Zacharias, met on 7 September 2004 to approve the half year financial statements at 30 June 2004 and examine the outlook for the full year.

Growth of net sales in France and international markets

VINCI's net sales for the first half of 2004 amounted to €9.1 billion, up 6.8% on a like-for-like basis over the same period last year. At 6.7%, growth in net sales on an actual basis is very similar, the negative impact of dollar-related exchange rates having been entirely offset by the effects of external growth. At constant exchange rates, net sales rose 7.4%.

In France, where growth continued throughout the period, net sales amounted to €5.7 billion, up 9.6% (10.7% on an actual basis), and represented 62.5% of total net sales.

In international business, net sales amounted to €3.4 billion, up 2.4% (0.6% on an actual basis).

Net sales by business line

(in € millions)	1st half 2004	1st half 2003	Change 2004/2003	
			actual structure	like-for-like and constant exchange rates
Concessions and services	937	910	+3.0%	+4.6%
Energy	1,596	1,493	+6.9%	+4.7%
Roads	2,531	2,329	+8.7%	+9.8%
Construction	3,981	3,759	+5.9%	+5.9%
Misc. and elimination of inter-company transactions	41	24	ns	ns
Total	9,086	8,515	+6.7%	+6.8%

Earnings

Operating income rose 22% to €520 million, representing 5.7% of net sales. This compares with €427 million for the first half of 2003, when it represented 5.0% of net sales. All VINCI's business lines contributed to this improvement.

Operating income by business line

(in € millions)	1st half 2004	% of net sales	1st half 2003	% of net sales
Concessions and services	273	29.2%	257	28.2%
Energy	51	3.2%	49	3.3%
Roads	20	0.8%	8	ns
Construction	166	4.2%	113	3.0%
Holding company and misc.	10		--	
Total	520	5.7%	427	5.0%

Financial expense improved by €6 million (€57 million as against €63 million), including the increase in dividend received from ASF.

VINCI net income amounted to €252 million, up 28% over the first half 2003 figure.

Earnings per share rose to €2.99, an increase of 27% compared with the first half 2003.

Strong generation of cash flow from operations and strengthened financial structure

Cash flow from operations amounted to €607 million for the first half of 2004, up €113 million (23%) compared with the same period in 2003.

After taking into account capital expenditure of €180 million and a seasonal negative change in working capital requirement that was less pronounced than in the first half of 2003 (€310 million as against €456 million in 2003), free cash flow amounted to €117 million, up €239 million over the first half of 2003).

Growth investments in concessions represented €304 million, up €100 million, reflecting the increase in investments by Cofiroute as part of the new 2004–2008 master plan signed with the French government and the continuation of work on the A86. Following completion of construction work, the Rion–Antirion bridge was brought into service on 12 August 2004, five months ahead of schedule.

VINCI continued its share buy-back programme, which is aimed at eliminating dilution for shareholders due to the creation of shares as a result of stock options and employees participating in the Group Savings Scheme. The repurchase of shares represented €112 million net of capital increase operations carried out.

VINCI's balance sheet structure remains very sound, with total shareholders' equity of €3.5 billion at a higher level than net debt (€2.8 billion). All the debt is attributable to the concessions business line (€3 billion) and, for the most part, is made up of financing without recourse to the parent company.

VINCI's other business lines and holding companies had a financial surplus of €200 million at 30 June 2004, an increase of €300 million over the figure at 30 June 2003.

Parent company results, interim dividend and share cancellations

Net income for the parent company amounted to €143 million for the first half of 2004.

To underline its confidence in the visibility of VINCI's results, the Board of Directors decided, in line with the Chairman's proposal, to **pay an interim dividend of €1.20 per share (excluding tax credit)**. Payment will be made on 21 December 2004.

The Board also decided to pay an interim dividend each year based on projected full-year income after examination of the half year financial statements.

Lastly, the Board decided to carry out a further reduction in capital of 2,300,000 shares (representing 2.7% of the company's capital stock), bringing the total number of shares cancelled since 1 January 2004 to 3,061,500.

Outlook for 2004

VINCI's order backlog at 30 June 2004 reached a record high of €13.8 billion, up 15% over 12 months. This represents almost 10 months of average business activity (about 13 months for the Construction business line). Replenishment of the backlog continues to be achieved with good terms and conditions, enabling VINCI to move confidently into the second half of 2004 and the new financial year.

The Chairman, Antoine Zacharias, indicated that full-year net sales could reach €19 billion, representing growth in the order of 6%, that operating income could increase at a higher rate than net sales, and that net income could show a further, significant improvement.

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*This press release is available in French, English and German
on VINCI's website: www.vinci.com*

FIRST-HALF 2004 RESULTS

(in millions of euros)

	1st half 2002	1st half 2003	1st half 2004	<i>Change 04/03</i>
Sales	8,466	8,515	9,086	+6,8% *
<i>of which France</i>	<i>5,009</i>	<i>5,132</i>	<i>5,682</i>	<i>+9.6% *</i>
<i>of which outside France</i>	<i>3,457</i>	<i>3,383</i>	<i>3,404</i>	<i>+2.4% *</i>
Gross operating income	722.0	686.1	785.5	+ 14.5%
<i>as % of net sales</i>	<i>8.5%</i>	<i>8.1%</i>	<i>8.6%</i>	
Operating income	416.3	426.5	520.4	+ 22.0%
<i>as % of net sales</i>	<i>4.9%</i>	<i>5.0%</i>	<i>5.7%</i>	
Net income	173.6	195.6	251.7	+ 28.7%
Earnings per share	2.06 €	2.36 €	2.99 €	+ 26.7%
Diluted earnings per share	1.95 €	2.20 €	2.71 €	+ 23.2%
Cash flow from operations	524	494	607	+113
Net capital expenditure	(196)	(160)	(180)	(20)
Free cash flow before change in working capital requirement	328	334	427	+93
Change in working capital requirement	(323)	(456)	(310)	+146
Free cash flow after change in working capital requirement	+5	(122)	+117	+239
Investment in concessions growth	(221)	(203)	(304)	(101)
Shareholders'equity and minority interests	2,798 ^(a)	3,176	3,478	+302
Net debt, of which	3,323	2,994	2,835	(159)
<i>concessions and services</i>	<i>2,923</i>	<i>2,883</i>	<i>3,035</i>	<i>+152</i>
<i>other business lines and holding companies</i>	<i>587</i>	<i>293</i>	<i>(44)</i>	<i>(337)</i>
<i>treasury stock</i>	<i>(187) ^(a)</i>	<i>(182)</i>	<i>(156)</i>	<i>+26</i>

^(*) on a like-for-like basis

^(a) pro forma : after reclassification of shares to be cancelled to reduce shareholders'equity (€195.5 million, i.e. 3,083,593 shares, cancelled on 17 December 2002)