Rueil Malmaison, 2 March 2004

# PRESS RELEASE

## 2003 FINANCIAL STATEMENTS

- **Excellent results:**
  - **Net income up 13.3% to €541 million, i.e. 3% of net sales (EPS up 15.5%)**
  - **Dividend: €2.36 per share (excluding tax credit), up 31%**
  - **9% growth of operating income to €1,166 million, i.e. 6.4% of net sales**
  - **Cash flow from operations up 13 % to €1,377 million**
  - **Net financial surplus (excluding concessions) at 31 December 2003: €743 million, up €303 million year on year**
- **Sound order backlog giving good visibility for 2004**

The Board of Directors of VINCI, chaired by Antoine Zacharias, met on 2 March 2004. The board approved the 2003 financial statements, which will be submitted to the Shareholders Meeting to be held on 4 May 2004 (on second notice). It also examined the business performance of the past year and the outlook for 2004.

**Net sales of €18.1 billion in 2003, a 5.5% increase at constant exchange rates. Strong growth of business in France.**

VINCI generated consolidated net sales of more than €18 billion in 2003, a 4.3% increase over the previous year on a like-for-like basis (3.2% on an actual basis). At constant exchange rates and after an adjustment of about €400 million to neutralise the impact of the depreciation of the pound sterling, dollar and other currencies tied to the dollar, growth in net sales amounted to 5.5%.

The first half of the year was marked by a wait-and-see attitude in the business world due to geopolitical events and by a poor industrial climate in Europe. Despite this, VINCI companies recorded a very good performance, reflecting their firm local roots and ability to position themselves in the most buoyant segments.

In France, net sales amounted to €11 billion, up 5.4% on a like-for-like basis and almost 7% on an actual basis, the latter taking into account recent acquisitions in the airport services and energy sectors. All the business lines recorded growth in sales, with VINCI Construction posting the highest organic growth of almost 10%.

Outside France, net sales amounted to €7.1 billion, up 2.6% on a like-for-like basis (down 2% on an actual basis due to the impact of exchange rate fluctuations), representing 39% of total net sales. Strong growth was recorded in the Central and Eastern European countries that will soon join the European Union (15% to almost €1 billion).

### *Net sales by business line**

| (in €millions) | 2003 | 2002 | 2003/2002 change actual structure | like-for-like structure | at constant exchange rates |
|---|---|---|---|---|---|
| Concessions and services | 1,895 | 1,851 | 2.4% | 2.3% | 6.4% |
| Energy | 3,115 | 3,044 | 2.3% | 0.6% | 2.6% |
| Roads | 5,338 | 5,209 | 2.5% | 4.6% | 5.1% |
| Construction | 7,716 | 7,350 | 5.0% | 6.6% | 7.5% |
| Holding company, misc. and elimination of inter-company transactions | 47 | 100 | | | |
| **Total** | **18,111** | **17,554** | **3.2%** | **4.3%** | **5.5%** |

* *after eliminating inter-company transactions*

**Earnings**

**Consolidated net income amounted to €541.4 million, up more than 13% over the previous year.**

Earnings per share, including the impact of share cancellations, increased 15.5% to €6.49.

The growth in net income reflects an improvement in operating income to €1,166 million, representing an increase of 9.2% compared with 2002 (10.1% at constant exchange rates), giving an operating margin of 6.4% compared with 6.1% the previous year.

All business lines contributed to this further growth in operating income.

### *Operating income by business line*

| (in € millions) | **2003** | **Operating margin** | **2002** | **Operating margin** |
|---|---|---|---|---|
| Concessions and services | 599.8 | 31.7% | 566.6 | 30.6% |
| Energy | 129.2 | 4.1% | 117.8 | 3.9% |
| Roads | 200.8 | 3.8% | 165.7 | 3.2% |
| Construction | 221.9 | 2.9% | 212.3 | 2.9% |
| Holding company and miscellaneous | 14.3 | | 4.9 | |
| **Total** | **1,166.0** | **6.4%** | **1,067.3** | **6.1%** |

Operating income less net financial expense increased 19% to €1,042 million, representing 5.8% of net sales. This includes a reduction in net financial expense due to the first dividend received from ASF.

**Strong generation of cash flow from operations and strengthened financial structure**

Cash flow from operations amounted to almost €1.4 billion in 2003, up 13%.
After taking into account capital expenditure of €429 million, down 6%, and a further reduction of €113 million in working capital requirement (following the €353 million reduction in 2002), free cash flow amounted to more than €1 billion, similar to the level achieved the previous year. It is divided fairly evenly between concessions and other business lines.

Growth investments in the concessions business line amounted to €526 million, up almost 30%, reflecting the increase in investments by Cofiroute (€313 million in 2003 as against €233 million in 2002), continuation of work on the Rion–Antirion bridge in Greece, and the start-up of work on the Newport bypass in Wales. The bridge and bypass are both scheduled for delivery by the end of 2004.

The €258 million in financial investments is mainly accounted for by the acquisition of additional shares in ASF, bringing VINCI's total interest to 20% for strategic purposes, and the buy-back of VINCI shares.

In total, positive cash flow of €234 million was recorded for the year, bringing VINCI's consolidated net debt to €2.26 billion at 31 December 2003.

Concessions debt, which represents more than VINCI total net debt, remained virtually flat at €3 billion, of which about 75% is financing without recourse to the parent company.

The other business lines and holding companies recorded €740 million in net cash and cash equivalents at 31 December 2003, up €303 million year on year and about €100 million more than at the end of 2001 when VINCI first acquired an interest in ASF.

The cash generated during the past two years, principally from VINCI subsidiary operations, has covered VINCI's investment in ASF and resulted in a higher level of cash and cash equivalents than before that transaction.

**Parent company results and dividend**

After taking into account the impact of the legal transactions required to create VINCI Concessions, net income for the parent company amounted to €2,066 million in 2003, as against €338 million in 2002.

Based on the good results achieved in 2003 and to emphasise its confidence in VINCI's outlook, **the Board of Directors decided to propose a significantly higher dividend to the Shareholders Meeting, i.e. €2.36 per share (excluding the tax credit), representing a 31% increase over the previous year.**

In addition, in line with the commitment made by Mr Zacharias to shareholders at the 2003 meeting, the board will propose that payment of the dividend be made from 11 May, one week after the Shareholders Meeting held on second notice.

**Lastly, as part of the effort to sustain EPS growth, it has been decided to carry out a further reduction in capital stock of 285,000 shares, bringing the total number of shares cancelled during the past six months to 705,000, representing 0.8% of VINCI's capital stock.**

## Outlook for 2004

The order backlog amounted to €12.3 billion at 31 January 2004, up almost 5% year on year, representing an average of over nine months of projected business activity.

On the basis of the above and while continuing to give priority to the quality of projects and good risk control, VINCI is projecting a further increase in sales in 2004 due to organic growth and a policy of targeted acquisitions, and is aiming for a further improvement in earnings.

## Notice of Shareholders Meeting

The Shareholders Meeting will take place on second notice on 4 May 2004 at 11 a.m. at the Théatre de l'Empire, Avenue de Wagram, Paris.

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**2003 RESULTS**
(in € millions)

| | 2001 | 2002 | 2003 | *03/02 change* |
|---|---|---|---|---|
| **Sales** | **17,172** | **17,554** | **18,111** | ***+5,5%*** |
| *of which outside France* | *6,571* | *7,236* | *7,112* | *(at constant exchange rates)* |
| **Gross operating income** | **1,536.4** | **1,664.0** | **1,777.9** | ***+ 6.8%*** |
| ***as % of net sales*** | ***8.9%*** | ***9.5%*** | ***9.8%*** | ***(+8,1% at constant*** *exchange rates)* |
| **Operating income** | **979.8** | **1,067.3** | **1,166.0** | ***+ 9.2%*** |
| ***as % of net sales*** | ***5.7%*** | ***6.1%*** | ***6.4%*** | ***(+10,1% at constant*** *exchange rates)* |
| **Operating income less net financial expense** | **850** | **875** | **1,042** | ***+ 19.1%*** |
| **Net income** | **453.5** | **477.8** | **541.4** | ***+ 13.3%*** |
| **Earnings per share** | **5.65 €** | **5.62 €** | **6.49 €** | ***+ 15.5%*** |
| **Net dividend per share** | **1.70 €** | **1.80 €** | **2.36 €** | ***+ 31.1%*** |
| **Cash flow from operations** | **1,076** | **1,219** | **1,377** | ***+158*** |
| Net capital expenditure | (473) | (455) | (429) | *+26* |
| **Free cash flow before change in working capital requirement** | **603** | **764** | **947** | ***+183*** |
| Change in working capital requirement | 175 | 353 | 113 | *(240)* |
| **Free cash flow after change in working capital requirement** | **778** | **1,117** | **1,060** | ***(57)*** |
| Investment in concessions growth | (637) | (407) | (526) | *(119)* |
| Shareholders' equity and minority interests | 2,689 *(a)* | 3,109 | 3,488 | *+379* |
| Provisions | 2,135 | 2,120 | 2,163 | *+43* |
| **Net debt, of which** | **2,267** | **2,493** | **2,266** | ***(227)*** |
| *concessions et services* | *2,908* | *2,933* | *3,009* | *+76* |
| *other business lines and holding companies* | *(480)* | *(252)* | *(561)* | *(309)* |
| *treasury stock* | *(161)* *(a)* | *(188)* | *(182)* | *+6* |

*(a) pro forma: after reclassification of shares to be cancelled to reduce shareholders' equity (€195.5 million)*