



Rueil-Malmaison, 4 September 2007

## Press release

### 2007 INTERIM RESULTS

- **Excellent performance for the half-year:**
  - **Revenue: €13.7 billion (+15% <sup>1</sup>)**
  - **Operating profit from ordinary activities: €1,306 million (+16% <sup>1</sup>)**
  - **Consolidated net profit: €614 million: (+18% <sup>1</sup>)**
  
- **Interim dividend: €0.47 per share (+11%) payable on 20 December 2007**
  
- **Favourable outlook for 2007:**
  - **Order book at high level: €20 billion at end of July 2007 (+12% over 12 months)**
  - **Major successes in concessions and public-private partnerships**
  - **Dynamic external growth**

VINCI's Board of Directors, chaired by Yves-Thibault de Silguy, met on 4 September 2007 to finalise the interim financial statements at 30 June 2007. The Board also examined the outlook for 2007 and approved the payment of an interim dividend in respect of 2007.

#### **Strong revenue growth in all business lines, both in France and abroad**

VINCI's consolidated revenue for the first half of 2007 was €13.7 billion, up 14.9% against pro forma revenue for the first half of 2006.

In France, revenue stood at €9.2 billion, up 14.9%<sup>1</sup> compared with the first half of 2006. Activity levels increased in all the Group's business lines.

Outside France, revenue also increased by 14.9% (of which 2.3% was accounted for by external growth) to €4.4 billion, representing 32.5% of total revenue.

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<sup>1</sup> Pro forma data: full consolidation of ASF/ESCOTA since 1 January 2006. Compared with the 2006 actual data taking account of the consolidation of ASF and ESCOTA as from 9 March 2006 (the date of acquisition of control by VINCI), revenue increased by 18.8%, operating profit from ordinary activities by 25.6% and net profit by 18.7%.

### **Revenue by business line**

(in millions of euros)	H1 2006 Pro forma	H1 2007	Change 07/06PF
Concessions	2,000	2,147	+7.4%
Energy	1,740	1,983	+14.0%
Roads	3,122	3,383	+8.4%
Construction	4,928	6,047	+22.7%
Property development	247	265	+7.2%
Eliminations	(139)	(160)	
<b>Total</b>	<b>11,898</b>	<b>13,665</b>	<b>+14.9%</b>

### **Stronger operating margins and higher net profit**

The consolidated net profit for the first half of 2007 was €614 million, up 18.5% compared with the first half of 2006 restated on a pro forma basis (€518 million) <sup>1</sup>.

Diluted earnings per share <sup>2</sup> improved by 17% to €1.27 per share on a pro forma basis.

### **Net profit by business line**

(in millions of euros)	H1 2006 Pro forma	H1 2007	Change 07/06PF
Concessions	266	298	+12%
Energy	53	64	+20.5%
Roads	16	62	+278%
Construction	159	198	+24.5%
Property development	24	24	(0.1)%
Holding companies	0	(32)	
<b>Total</b>	<b>518</b>	<b>614</b>	<b>+18.4%</b>

### **Faster growth in operating profit from ordinary activities than in revenue**

Operating profit from ordinary activities for the first half of 2007 was €1,306 million, up 15.7% against the first half of 2006, and representing 9.6% of revenue compared with 9.5% in the first half of 2006.

The increase in operating profit from ordinary activities for operating entities (excluding holding companies' results) was 23.9% (€1,305 million against €1,053 million in the first half of 2006).

<sup>1</sup> Pro forma data: full consolidation of ASF/ESCOTA since 1 January 2006. Compared with the 2006 actual data taking account of the consolidation of ASF and ESCOTA as from 9 March 2006 (the date of acquisition of control by VINCI), revenue increased by 18.8%, operating profit from ordinary activities by 25.6% and net profit by 18.7%.

<sup>2</sup> After taking account of the dilutive effect of outstanding share subscription options

**Operating profit from ordinary activities by business line**

(in millions of euros)	H1 2006 Pro forma	% revenue	H1 2007	% revenue	Change 07/ 06
Concessions	671	33.6%	789	36.7%	17.5%
Energy	86	4.9%	105	5.3%	22.0%
Roads	30	1.0%	90	2.7%	197.9%
Construction	224	4.5%	282	4.7%	25.7%
Property development	41	16.8%	39	14.9%	(5.0%)
<b>Sub total</b>	<b>1,053</b>	<b>8.7%</b>	<b>1,305</b>	<b>9.4%</b>	<b>23.9%</b>
Holding companies	76		1		
<b>Operating profit from ordinary activities</b>	<b>1,129</b>	<b>9.5%</b>	<b>1,306</b>	<b>9.6%</b>	<b>15.7%</b>
IFRS 2 expenses and miscellaneous	(36)		(46)		
<b>Operating profit</b>	<b>1,093</b>	<b>9.2%</b>	<b>1,261</b>	<b>9.2%</b>	<b>15.4%</b>

In a context of strong growth in activity levels, VINCI's business lines have improved their operating margins.

VINCI Concessions, the business line that makes the greatest contribution to the Group's operating profit from ordinary activities (60% of the total), reported an operating profit up 17.5%, reflecting good control of operating expenses.

VINCI Energies reported growth of 22% in its operating profit from ordinary activities, reflecting that enterprise's fine performance in good market conditions both in France and abroad.

Eurovia<sup>3</sup> saw a significant increase in its operating profit from ordinary activities, which reflects in particular the high level of activity in France and the positive effects of the reorganisation of its Spanish and American subsidiaries.

The operating profit from ordinary activities of VINCI Construction increased as a result of the dual effects of growth in activity levels and improved operating margins in most of the division's entities.

The operating profit from ordinary activities of the holding companies was €75 million lower than in the first half of 2006, when the capital gain on the disposal of a property complex at Nanterre was recorded for €53 million (€47 million after tax).

The cost of net financial debt was €363 million against €317 million in the first half of 2006 (on a pro forma basis). This increase was the consequence of the increased level of debt, mainly due to the acquisition of a further, 18% shareholding in Cofiroute, continuation of the motorway concession operating companies' capital investment programme and the impact of share buy-backs.

The debt-hedging policy implemented in the first half of 2006 and strengthened since then has enabled the impact of the increase in interest rates to be limited. The proportion of net debt at fixed or capped floating rates now accounts for more than 90% of the total.

<sup>3</sup> We remind readers that the first-half results reported by Eurovia are markedly less than half its annual performance, given the pronounced seasonal nature of its road works activities.

## **Cash flow from operations, investments, share buy-backs**

Cash flow from operations before tax and cost of debt increased by 15.1% to €1,975 million, compared with €1,715 million in the first half of 2006 on a comparable basis and represented 14.5% of revenue for the period.

The Concession operations' cash flows, representing two thirds of the total, increased by 11.1%, at a faster pace than activity. Benefiting from sustained levels of traffic, in particular heavy vehicle traffic, and good control of operating expenses, ASF and Cofiroute markedly improved their operating profitability, with EBITDA to Revenue<sup>4</sup> ratios now standing at 65.5% and 70.3% respectively.

Investments in operating assets amount to €361 million, close to the level of the first half of 2006 (excluding the impact of disposals), despite the growth in activity levels.

In total, cash flow from operations improved markedly, standing at €448 million for the first half of 2007, against €210 million in the first half of 2006.

Growth investments in concessions remained at high level, at €604 million during the period (against €660 million in the first half of 2006) of which €300 million at Cofiroute, €214 million at ASF and ESCOTA and €70 million at Arcour, which operates the A19 motorway under a concession.

Net financial investments amounted to €1,122 million (against €8,941 million in the first half of 2006, comprising mainly the investment in ASF). They include €802 million for the supplementary acquisition of 18% of Cofiroute, the acquisition of 100% of Nukem (dismantling of nuclear facilities) in the UK and 13.4% of Entrepose Contracting (in the Oil & Gas sector).

During the first half of 2007, VINCI continued its share buy-back programme by acquiring 14.9 million shares on the market and by purchasing 6.8 million share purchase options (calls) to cover the Group's savings schemes and the share purchase option and free share plans in progress. These transactions represented a total investment of €900 million in the period. Since 30 June 2007, VINCI has acquired a further 4 million shares and cancelled 3.8 million shares. As at 31 August 2007, treasury shares accounted for 3.85% of the share capital.

## **Lengthening of debt maturity and stronger liquidity**

Net financial debt at €16.8 billion was up by nearly €2 billion against 31 December 2006 (€14.8 billion) and by €1.1 billion against 30 June 2006 (€15.7 billion). Debt is almost totally in the concession operating subsidiaries, including ASF/ESCOTA for €11 billion and Cofiroute for €3.1 billion.

The increased borrowings in the first half of 2007 were mainly financed by an increase of long-term debt, which increased from €19 billion at 31 December 2006 to €20.7 billion at 30 June 2007, while net cash remained stable at nearly €4 billion.

The average maturity of the Group's debt is nearly 7.5 years, after taking account of the latest refinancing transactions and in particular ASF's inaugural 15-year, €1.5 billion bond issue last July.

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<sup>4</sup> EBITDA to Revenue = Cash flow from operations before tax and financing costs to revenue

Consolidated non-current assets at 30 June 2007 amounted to €28.5 billion and for a large part comprised concessions' assets (€25.2 billion), of which ASF accounted for nearly €18 billion. Overall, the Group's capital employed, including a working capital surplus of €1.3 billion and current provisions for more than €1.5 billion amounted to €25.7 billion at 30 June 2007. The Concessions division accounts in total for nearly 96% of the Group's capital employed.

### **Outlook 2007**

The very good performances from all the Group's business lines in the first half go to confirm the forecast announced at the Shareholders General Meeting on 10 May 2007 of a 10% increase in consolidated revenue over 2007 as a whole, before inclusion of Solétanche Bachy and Entrepouse Contracting.

### **Dividend payment**

The Board of Directors decided to pay an interim dividend in respect of the current year of €0.47 per share, which will be paid on 20 December next.

The Board of Directors stated that the final dividend for 2007, which will be proposed at the next Shareholders Ordinary General Meeting, will be determined so as to maintain the payout ratio of consolidated net profit at 50%.

### **Company results**

VINCI S.A.'s individual company profit for the first half of 2007 was €4,034 million, compared with €467 million for the first half of 2006. This improvement is the consequence of the strong increase in dividends remitted by VINCI Concessions, in particular in connection with the partial push-down to ASF of the debt incurred to acquire that company.

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This press release and the presentation to analysts are available in French and English on VINCI's web site: [www.vinci.com](http://www.vinci.com).

## 2007 INTERIM ACCOUNTS

In millions of euros	H1 06 actual <sup>1</sup>	H1 06 pro forma <sup>2</sup>	H1 07 actual	Change 07/06 PF
Revenue	11,500	11,898	13,665	+14.9%
<i>of which France</i>	7,638	8,036	9,229	+14.9%
<i>of which outside France</i>	3,862	3,862	4,436	+14.9%
Operating profit from ordinary activities <sup>3</sup>	1,040	1,129	1,306	+15.7%
<i>as % of revenue</i>	9.0%	9.5%	9.6%	
Operating profit	1,004	1,093	1,261	+15.4%
<i>as % of revenue</i>	8.7%	9.2%	9.2%	
Net profit (Group share)	517	518	614	+18.4%
Earnings per share (in euros)	1.26	1.14	1.33	+16.7%
Diluted earnings per share (in €) <sup>4</sup>	1.20	1.09	1.27	+17.1%
Cash flow from operations <sup>5</sup>	1,472	1,715	1,975	+15.2%
Investments in operating assets	352	354	361	+7
Investments in concessions	537	660	604	(56)
Equity <sup>6 7</sup>	8,204	8,204	7,586	(618)
Net financial debt	(15,712)	(15,712)	(16,756)	(1 044)
<i>of which Concessions</i>	(11,926)	(11,926)	(16,432)	(4 506)

(1) Actual data: ASF 23% equity-accounted until 9 March 2006 then fully consolidated as from 10 March 2006

(2) Pro forma: ASF fully consolidated as from 1 January 2006

(3) After amortisation of asset valuation surplus on ASF and ESCOTA contracts: (€134 million)

(4) After taking account of dilutive instruments outstanding (share subscription options)

(5) Before tax and financing costs

(6) Including minority interests

(7) In connection with the revision in progress of IFRS 3 Business Combinations, VINCI has decided to apply the approach adopted by the IASB, which considers acquisitions or disposals of non-controlling interests as transactions with the Group's shareholders. Application of this change in accounting method has led the Group to reduce its equity by €1 billion at 30 June and 31 December 2006. This amount corresponds to the goodwill arising on the acquisition of supplementary shareholdings in companies that were already controlled (mainly ASF). Similarly, the goodwill arising on the acquisition of 18% of Cofiroute has been set against equity at 30 June 2007 for €0.5 billion, in application of this accounting method.