VINCI Construction: overview

In mainland France

- A very tightly knit network of business units:
  - Sogea Construction, GTM Construction

Rest of the world

- European subsidiaries with local management:
  - UK, Germany, Belgium, Central Europe
  - Long-standing presence in Africa (Sogea Satom) and in French overseas territories

Specialist business activities in France and export markets

- VINCI Construction Grands Projets, Freyssinet, DEME
VINCI Construction: overview

- Decentralised structure: 600 profit centres
- Risk control: clear guidelines
- 46,000 employees
- 15,000 worksites a year

- Managers/supervisors 15%
- Technicians 31%
- Labourer/office staff 54%
- Rest of world 43%
- France 57%
### Change in net sales by management centre

<table>
<thead>
<tr>
<th>(in € billions)</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>Average growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>SOGEA Construction</td>
<td>1,939</td>
<td>1,873</td>
<td>2,132</td>
<td>+5%</td>
</tr>
<tr>
<td>GTM Construction</td>
<td>1,491</td>
<td>1,512</td>
<td>1,582</td>
<td>+3%</td>
</tr>
<tr>
<td>Filiales Internationales</td>
<td>903</td>
<td>886</td>
<td>928</td>
<td>+1%</td>
</tr>
<tr>
<td>UK</td>
<td>629</td>
<td>794</td>
<td>773</td>
<td>+11%</td>
</tr>
<tr>
<td>GERMANY (*)</td>
<td>147</td>
<td>431</td>
<td>418</td>
<td>+69%</td>
</tr>
<tr>
<td>CFE</td>
<td>850</td>
<td>797</td>
<td>793</td>
<td>-3%</td>
</tr>
<tr>
<td>Grands Projets</td>
<td>595</td>
<td>626</td>
<td>669</td>
<td>+6%</td>
</tr>
<tr>
<td>Freyssinet</td>
<td>389</td>
<td>431</td>
<td>420</td>
<td>+4%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>6,943</td>
<td>7,350</td>
<td>7,715</td>
<td>+5%</td>
</tr>
<tr>
<td><strong>Elimination of inter-company transactions</strong></td>
<td>-50</td>
<td>-48</td>
<td>-47</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL CONSOLIDATED</strong></td>
<td>6,893</td>
<td>7,302</td>
<td>7,668</td>
<td>+5%</td>
</tr>
</tbody>
</table>

- Strong growth for 2004 expected in France and Central Europe
- Growth in the UK, Germany and Africa

(* Reclassification of Bautec within VINCI Construction in 2002 (formerly ... VINCI Energies)
Some photos ....

CTRL / Medway viaduct

Lefortovo / St Pétersbourg Metro

Berjaya Times Square
Almost 90% of net sales generated in Europe

- Good balance between France and the rest of the world
The majors in Europe

Net sales in € billions

Skanska
Hochtief
VINCI Construction
ACS Construction
Bilfinger & Berger
Bouygues Construction
Balfour Beatty Contracting
Ferrovial Construcion
Eiffage Construction
Varied and complementary know-how

- Building: 43%
- Civil engineering: 28%
- Specialist activities: 12%
- Hydraulic engineering: 7%
- Services and misc.: 10%

Net sales by business line
France: market and competition

- Increased market share of VINCI Construction in overall stable market

![Graph showing market share of VINCI Construction](image)

- VINCI Construction: No. 1 in France

VINCI Construction business lines

- Civil engineering: 30%
- Building: 57%
- Hydraulic engineering: 11%
- Services & misc.: 2%

2003 net sales: €3.8 bn

Competitors

- Bouygues Construction: €5 bn, of which €2.4 bn in France
- Eiffage Construction: €3.4 bn, of which €1.7 bn in France
- Spie Batignolles: €0.8 bn
- Fayat: €1.1 bn, of which €0.4 bn in construction

Source: Euroconstruct June 2003, 55th Conference
SKE and VINCI Bautec: 2 specialist companies independent of traditional construction markets:
- SKE: facilities management/PPP
- VINCI Bautec: building-related services

VINCI Construction business lines
- Facilities management 34%
- Building-related services 66%

2003 net sales: €418m

Competitors
- Bilfinger & Berger: €5.5 bn (of which €2.5 bn in Germany)
- Walter Bau: €3.1 bn (of which €2 bn in Germany)
- Hochtief: €10 bn (of which €1.5 bn in Germany)
UK: market and competition

- Norwest Holst: a medium size player offering a broad array of know-how

VINCI Construction business lines

<table>
<thead>
<tr>
<th>Services &amp; misc.</th>
<th>Hydraulic engineering</th>
<th>Civil engineering</th>
<th>Building</th>
</tr>
</thead>
<tbody>
<tr>
<td>12%</td>
<td>5%</td>
<td>27%</td>
<td>56%</td>
</tr>
</tbody>
</table>

2003 net sales: €718m

Competitors

- Balfour Beatty: €4.9 bn
- Amec: €3.1 bn
- Mowlem: €2.1 bn
- Laing O’Rourke: €1.8 bn

Source: Euroconstruct June 2003, 55th Conference
Belgium: market and competition

- CFE (45%): one of Belgium’s leading construction companies
- DEME: one of the world’s leading dredging companies

Competitors

- Besix: €0.7 bn
- Soficom (Eiffage): €0.4 bn

2003 net sales: €793m
Warbud: a growing company in a market with strong potential

<table>
<thead>
<tr>
<th>Year</th>
<th>Total market</th>
<th>VINCI Construction</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>20</td>
<td>19</td>
</tr>
<tr>
<td>2001</td>
<td>20</td>
<td>19</td>
</tr>
<tr>
<td>2002</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>2003</td>
<td>20</td>
<td>21</td>
</tr>
<tr>
<td>2004E</td>
<td>20</td>
<td>22</td>
</tr>
</tbody>
</table>

**Warbud business lines**
- Building: 94%
- Civil engineering: 6%

**Competitors**
- Skanska: €400m
- Strabag: €300m
- Mitex (Eiffage): €200m
- Hochtief Polska: €100m

2003 net sales: €191m

Source: Euroconstruct June 2003, 55th Conference
Hídépítő: a strong growth infrastructure specialist in a very dynamic market

**Hídépítő business lines**
- Civil engineering: 87%
- Building: 10%
- Hydraulic engineering: 3%

2003 net sales: €62m

**Competitors**
- Strabag: €400m
- Vegyepszer: €250m

Source: Euroconstruct June 2003, 55th Conference
Czech Republic: market and competition

- A targeted presence:
  - FCC: developing building projects
  - SMP: infrastructure

**VINCI Construction business lines**

- Civil engineering: 57%
- Building: 37%
- Hydraulic engineering: 6%

2003 net sales: €70m

**Competitors**

- Metrostav: €420m
VINCI Construction: organisation/values

- A management model that fits the business:
  - organisational structure: responsible, independent profit centres
  - worksites at the heart of the company
  - people and companies networked

- Shared values, in phase with our era:
  - profit culture
  - individual empowerment
  - professionalism
  - a sense of belonging to a community/loyalty
  - customer satisfaction
  - respect for partners

- The approach:
  - multi-disciplinary (building, hydraulic engineering, civil engineering, related services)
  - presence throughout the value chain (structural work, fit out, design-build, project management, systems integrator, PPP, property development)
VINCI Construction: competitive position

- Significant market share in four markets:
  - mainland France
  - French overseas territories
  - Belgium
  - French-speaking Africa

- Good positions in markets with strong potential:
  - Poland, Hungary, Czech Republic

- A good image and leadership positions in three world markets:
  - major infrastructure: VINCI Construction Grands Projets
  - specialist business activities: Freyssinet (pre-stressed concrete, cable staying, reinforced earth, ground improvement)
  - dredging: eme
Financial statements
**Income statement 1/2**

<table>
<thead>
<tr>
<th>(in €m)</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>Average growth</th>
<th>H1 03</th>
<th>H1 04</th>
<th>Δ %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales (*)</td>
<td>6,893</td>
<td>7,302</td>
<td>7,668</td>
<td>+5%</td>
<td>3,744</td>
<td>3,955</td>
<td>+5.6%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>337</td>
<td>395</td>
<td>449</td>
<td>+15.4%</td>
<td>178</td>
<td>227</td>
<td>+27.4%</td>
</tr>
<tr>
<td>Operating income</td>
<td>200</td>
<td>213</td>
<td>222</td>
<td>+5.4%</td>
<td>113</td>
<td>166</td>
<td>+47.4%</td>
</tr>
<tr>
<td>Financial income</td>
<td>15</td>
<td>14</td>
<td>20</td>
<td></td>
<td>4</td>
<td>16</td>
<td></td>
</tr>
<tr>
<td>Operating income after net financial income</td>
<td>215</td>
<td>227</td>
<td>242</td>
<td>+6.1%</td>
<td>117</td>
<td>182</td>
<td>+55.6%</td>
</tr>
</tbody>
</table>

- EBITDA increased 33% between 2001 and 2003, 27% for 1st half 2004
- Substantial improvement in operating margins in 2004
- Growth of operating income after net financial income greater than that of net sales

(*) After elimination of inter-company transactions
### Income statement 2/2

<table>
<thead>
<tr>
<th></th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>Average growth</th>
<th>H1 03</th>
<th>H1 04</th>
<th>Δ %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income after net financial income</td>
<td>215</td>
<td>227</td>
<td>242</td>
<td>+6%</td>
<td>117</td>
<td>182</td>
<td>+56%</td>
</tr>
<tr>
<td>% of net sales</td>
<td>3.1%</td>
<td>3.1%</td>
<td>3.2%</td>
<td>3.2%</td>
<td>4.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exceptional income/ (expense)</td>
<td>(36)</td>
<td>5</td>
<td>7</td>
<td>(10)</td>
<td>(2)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax</td>
<td>(19)</td>
<td>(42)</td>
<td>(48)</td>
<td>(21)</td>
<td>(58)</td>
<td></td>
<td>+176%</td>
</tr>
<tr>
<td>Goodwill</td>
<td>(15)</td>
<td>(41)</td>
<td>(11)</td>
<td>(6)</td>
<td>(5)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minority interests</td>
<td>(7)</td>
<td>2</td>
<td>(12)</td>
<td>(4)</td>
<td>(5)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income</td>
<td>138</td>
<td>151</td>
<td>178</td>
<td>+13.6%</td>
<td>76</td>
<td>112</td>
<td>+47%</td>
</tr>
<tr>
<td>% of net sales</td>
<td>2%</td>
<td>2.1%</td>
<td>2.3%</td>
<td>2.1%</td>
<td>2.8%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Almost 30% growth in net income over three years
- Progressing towards net margin of 3% of net sales!
Construction, a business line that generates strong cash flow

<table>
<thead>
<tr>
<th></th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>Average growth</th>
<th>H1 03</th>
<th>H1 04</th>
<th>Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flow from operations</td>
<td>298</td>
<td>326</td>
<td>379</td>
<td>+13%</td>
<td>142</td>
<td>200</td>
<td>+58</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>(210)</td>
<td>(213)</td>
<td>(200)</td>
<td></td>
<td>(88)</td>
<td>(94)</td>
<td></td>
</tr>
<tr>
<td>Change in working capital</td>
<td>24</td>
<td>242</td>
<td>11</td>
<td>(88)</td>
<td>(6)</td>
<td>+176</td>
<td></td>
</tr>
<tr>
<td>requirement</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Free cash flow</td>
<td>112</td>
<td>355</td>
<td>190</td>
<td>+30%</td>
<td>(128)</td>
<td>100</td>
<td>+228</td>
</tr>
<tr>
<td>Financial investment</td>
<td>0</td>
<td>(27)</td>
<td>23</td>
<td></td>
<td>(2)</td>
<td>(16)</td>
<td></td>
</tr>
<tr>
<td>net of disposals</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends paid</td>
<td>(23)</td>
<td>(91)</td>
<td>(109)</td>
<td>+118%</td>
<td>(25)</td>
<td>(38)</td>
<td></td>
</tr>
<tr>
<td>Exchange rate, consolidation</td>
<td>(90)</td>
<td>70</td>
<td>37</td>
<td></td>
<td>41</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>scope and other financial</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>flows</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cash flow for the period</td>
<td>(1)</td>
<td>307</td>
<td>141</td>
<td></td>
<td>(114)</td>
<td>46</td>
<td>+160</td>
</tr>
<tr>
<td>Cash at beginning of period</td>
<td>689</td>
<td>688</td>
<td>995</td>
<td>+20%</td>
<td>995</td>
<td>1,136</td>
<td></td>
</tr>
<tr>
<td>Cash at end of period</td>
<td>688</td>
<td>995</td>
<td>1,136</td>
<td>+28%</td>
<td>881</td>
<td>1,182</td>
<td>+301</td>
</tr>
</tbody>
</table>
Continuous improvement in cash and equivalents, with surplus for past four years

Limited seasonal variation, reflecting good diversification (business lines, geographical areas)
### Consolidated balance sheet at 31 December 2003

**(in €m)**

<table>
<thead>
<tr>
<th>Tangible fixed assets</th>
<th>731</th>
<th>Shareholders’ equity*</th>
<th>624</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodwill</td>
<td>75</td>
<td>Provisions and other long-term commitments</td>
<td>155</td>
</tr>
<tr>
<td>Financial and other fixed assets</td>
<td>111</td>
<td>Retirement commitments</td>
<td>132</td>
</tr>
<tr>
<td>Net cash and equivalents</td>
<td>1,136</td>
<td>WCR (incl. provisions for operating risks)</td>
<td>1,142</td>
</tr>
<tr>
<td>Total assets</td>
<td>2,053</td>
<td>Total liabilities</td>
<td>2,053</td>
</tr>
</tbody>
</table>

- Negative capital employed (€175m)
- Very sound financial situation
- Policy of cautious provisions
- Efficient management of WCR

(*) Incl. minority interests: -€99m
## Return on equity

*(in €m)*

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2003</th>
<th>H1 2003</th>
<th>H1 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shareholders’ equity at 1 January (excl. minority interests)</td>
<td>387</td>
<td>442</td>
<td>442</td>
<td>525</td>
</tr>
<tr>
<td>Net income</td>
<td>151</td>
<td>177</td>
<td>76</td>
<td>112</td>
</tr>
<tr>
<td>ROE</td>
<td>39%</td>
<td>40%</td>
<td>34%</td>
<td>42%</td>
</tr>
</tbody>
</table>

- Very high and growing return on equity
Strategy and outlook
## Order intake to 31 October 2004

<table>
<thead>
<tr>
<th></th>
<th>10 months 2004</th>
<th>Change over 12 months</th>
</tr>
</thead>
<tbody>
<tr>
<td>SOGEA Construction</td>
<td>2,154</td>
<td>+18.8%</td>
</tr>
<tr>
<td>GTM Construction</td>
<td>1,789</td>
<td>+20.7%</td>
</tr>
<tr>
<td>Filiales Internationales</td>
<td>1,201</td>
<td>+73.3%</td>
</tr>
<tr>
<td>UK – USA</td>
<td>583</td>
<td>+33.9%</td>
</tr>
<tr>
<td>Germany</td>
<td>597</td>
<td>+21.4%</td>
</tr>
<tr>
<td>CFE</td>
<td>716</td>
<td>+8.4%</td>
</tr>
<tr>
<td>Grands Projets</td>
<td>535</td>
<td>+293.2%</td>
</tr>
<tr>
<td>Freyssinet</td>
<td>395</td>
<td>+17.5%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>7,970</strong></td>
<td><strong>+30%</strong></td>
</tr>
</tbody>
</table>

- Exceptional level of orders taken by all divisions
- … reflecting good commercial positioning in dynamic markets
### Order backlog at new record high

<table>
<thead>
<tr>
<th>(in €m)</th>
<th>At end October 2004</th>
<th>Change over 12 months</th>
<th>Months of activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>SOGEA Construction</td>
<td>1,993</td>
<td>+20.3%</td>
<td></td>
</tr>
<tr>
<td>GTM Construction</td>
<td>1,866</td>
<td>+22.6%</td>
<td>11.3</td>
</tr>
<tr>
<td>Filiales Internationales</td>
<td>1,247</td>
<td>+69.7%</td>
<td></td>
</tr>
<tr>
<td>UK – USA</td>
<td>500</td>
<td>+52.5%</td>
<td>12.6</td>
</tr>
<tr>
<td>Germany</td>
<td>522</td>
<td>+32.9%</td>
<td></td>
</tr>
<tr>
<td>CFE</td>
<td>951</td>
<td>-1.6%</td>
<td></td>
</tr>
<tr>
<td>Grands Projets</td>
<td>1,173</td>
<td>+7.9%</td>
<td>25.6</td>
</tr>
<tr>
<td>Freyssinet</td>
<td>317</td>
<td>-0.4%</td>
<td>8.6</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>8,569</strong></td>
<td><strong>+19.2%</strong></td>
<td>12.6</td>
</tr>
</tbody>
</table>

VINCI Construction’s order backlog gives excellent visibility for 2005
Our strategy: exploit our sources of value creation

One leitmotiv: profit is top priority

- think net margin, not gross margin
- strict application of project selection procedure
- performance-linked remuneration for managers
- margin objective: 5% before tax

For VINCI Construction managers, the quest for profit:

- is a constant challenge
- allows objective performance measurement
- is a way of fighting the individual’s ego
- a true long-term profit culture shared by all for the benefit of shareholders
Our strategy: exploit our sources of value creation

Excellence:

- Focus on productivity
  - preparation of worksites, factory-type organisation and management of worksites
  - accurate measurement of difference between forecast and adjusted forecast
  - quality, innovation, safety and accident prevention

- Excellence is a means:
  - of differentiating ourselves from competitors
  - using our leadership position
  - of giving our employees free rein to use their skills and talents
  - enabling them to give the best of themselves
Our strategy: exploit our sources of value creation

Augmenting the value added:

**Upstream:**
- Combine design with construction
  - better control of the project and its costs
  - better control of property development transactions
  - propose integrated projects to public customers (PPP)

**Downstream:**
- Remain on site after construction completed (facilities management)
  - competitive advantage (already there)
  - feedback on structure delivered to customer
  - complete design-construction package (PPP)

**Augmenting the value added:**
- is a supplementary goal
- gives us a better understanding of our environment and helps us adapt to it
- is a means of protecting our core business
- gives us a recurring revenue stream
Our strategy: exploit our sources of value creation

Continued push to intensify geographical coverage of our markets:

- focus on organic growth
- targeted policy of small acquisitions
- mainly in France, the UK and Central Europe; on exceptional basis elsewhere

- In 2002: acquisition of Crispin & Borst (maintenance/facilities management) in the UK:
  - representing net sales of €161 million

- 25 acquisitions in France and Central Europe in 2002–2004:
  - at Sogea (9), GTM (11) and VINCI Construction Filiales Internationales (5)
  - representing total full-year net sales of €130 million
Zoom on Central Europe

- Remain reasonable:
  - the 10 new countries represent less than 5% of the enlarged EU’s building and public works market

- .... but they are growth markets:
  - housing: strong growth expected in new build sector, but dependent on the evolution of the credit market
  - industrial buildings and offices: steady growth, but watch for cycles
  - infrastructure: the most buoyant market in the short term (significant needs, structural funds from the EU)
Projected trend of international financing for infrastructure

Source: OBSIC 2004 study on integration of C&EE
What VINCI Construction contributes to VINCI

- Its earnings
- Its cash and equivalents

but also:

- New concessions: Rion–Antirion, A19, Comarnic-Predeal, etc.
- A bridgehead into new countries: Poland, Hungary, Greece, Chile, etc.
- The “product” made by independent managers, which can be used by other VINCI divisions;
- Opportunities for exchanging personnel (production, administration)
- Good projects shared with other VINCI divisions (Concessions, Energy, Roads)
Presentation of VINCI Construction to financial analysts

Lille, France – 17 December 2004