

# ROADSHOW EUROPE

## November 2001



**Antoine Zacharias**  
Chairman and CEO

**Bernard Huvelin**  
Managing Director

**Jérôme Tolot**  
Managing Director

**Christian Labeyrie**  
Chief Financial Officer





## **Introduction to the group**

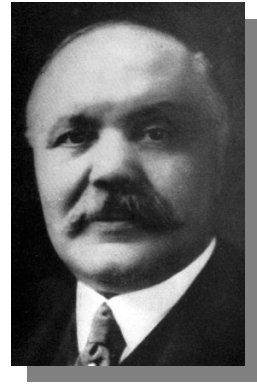
**Recurring business activities with growth potential**

**Healthy financial situation and good visibility**

**Strategy unchanged for the last 5 years**

# VINCI, the world's leading company for concessions, construction and associated services

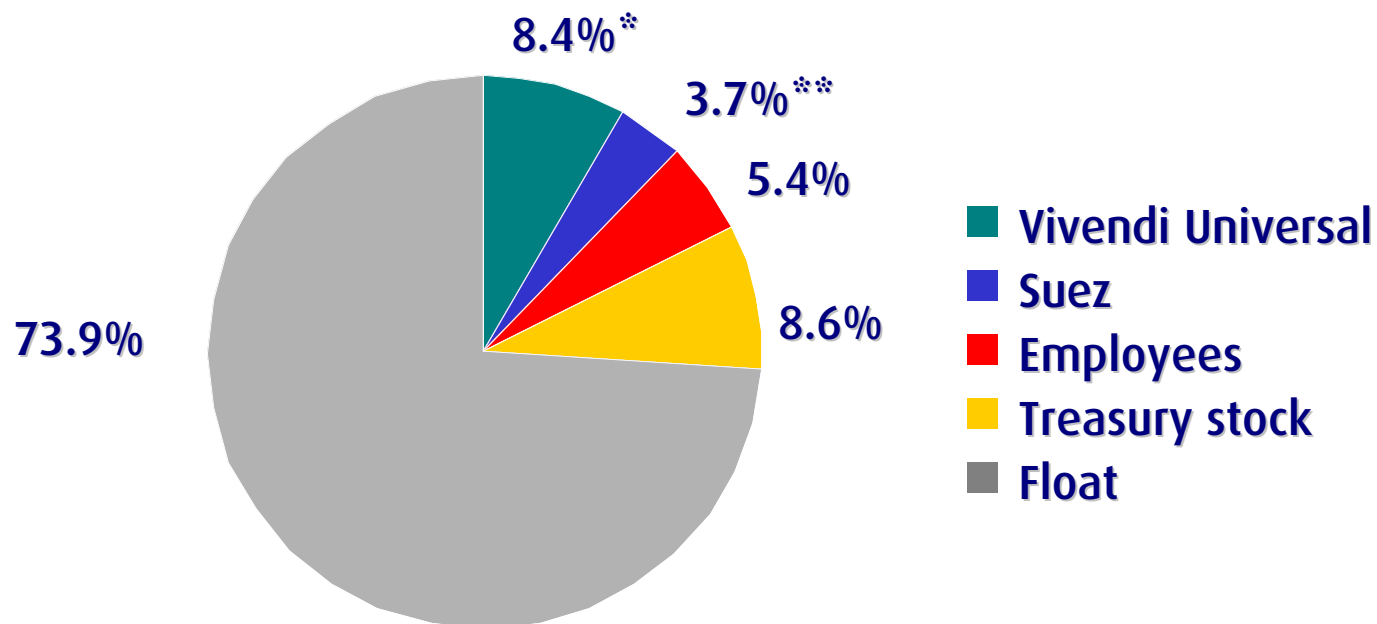
- VINCI has over a century of experience: the group was founded in 1898 by Alexandre Giros and Louis Loucheur
- Following the merger with GTM end-2000, VINCI became the world no. 1 in concessions, construction and related services
  - European no. 1 in car parks
  - French no. 1 in information technologies
  - European no. 1 in roads and materials production
  - World no. 1 in specialised civil engineering



# From SGE to VINCI, 10 years of in-depth change

<b>SGE</b>	<b>1990</b>		<b>VINCI</b>	<b>2000</b>
6	Ebn	Net sales x 3	17.3	Ebn
90	Em	Operating income x 10	966	Em
70	Em	Net income x 6	423	Em
0.5	Ebn	Stock market capitalisation x 10	5.3	Ebn
63,000		Workforce x 2	120,000	

# An independent group



Shareholder base on 30 September 2001  
(80,925,319 shares)

\* Vivendi Universal has issued bonds convertible into VINCI shares, covering its full interest in VINCI (maturity March 2006).

\*\* Suez has issued bonds convertible into VINCI shares, covering its full interest in VINCI (maturity November 2003). Suez has sold forward December 2001 1.3% of VINCI's capital stock.



# Organisation along 4 business lines

## CONCESSIONS

Motorways  
Car parks  
Airports  
Bridges  
Tunnels  
Stade de France

## ENERGY AND INFORMATION

Electrical engineering and works  
Automated manufacturing systems  
Communications infrastructure  
Networks integration  
Thermal and climate control activities

## ROADS

Roadworks  
Road materials production  
Demolition  
Construction waste recycling

## CONSTRUCTION

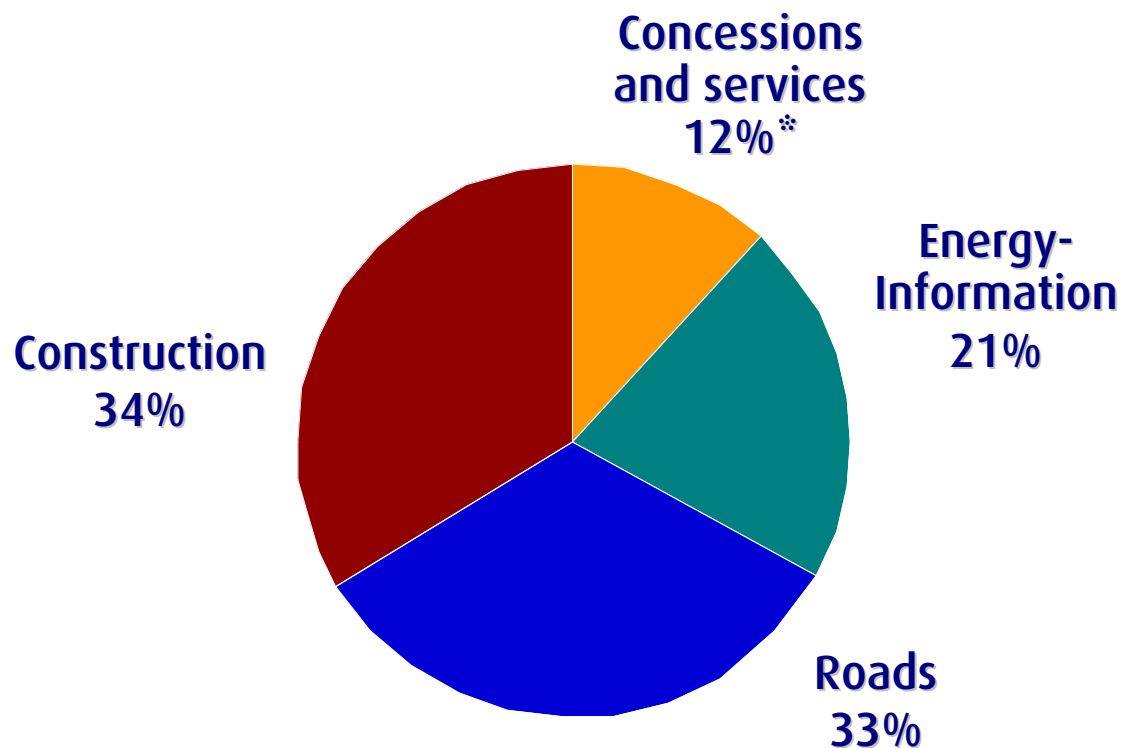
Building  
Facility management  
Design & build  
Civil engineering  
Project management  
Hydraulic works  
Repair of structures  
Cable-staying  
Geotechnical engineering

**An entrepreneurial group**

**A decentralised organisation (approx. 3,000 profit centres)**

**A management method that encourages autonomy and responsibility**

# A balanced business portfolio



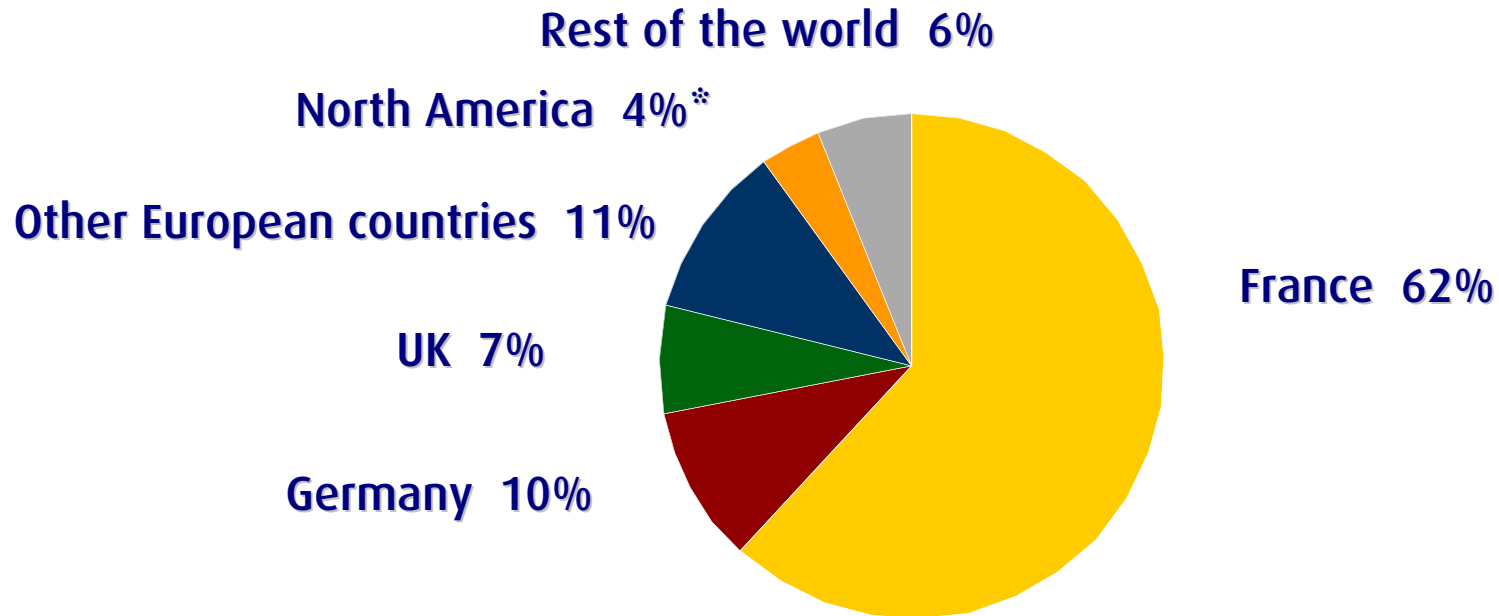
2000 net sales  
(17.3 billion euros)

\* approx. 14% including WFS





# A European group



2000 net sales  
(17.3 billion euros)

\* approx. 6% including WFS

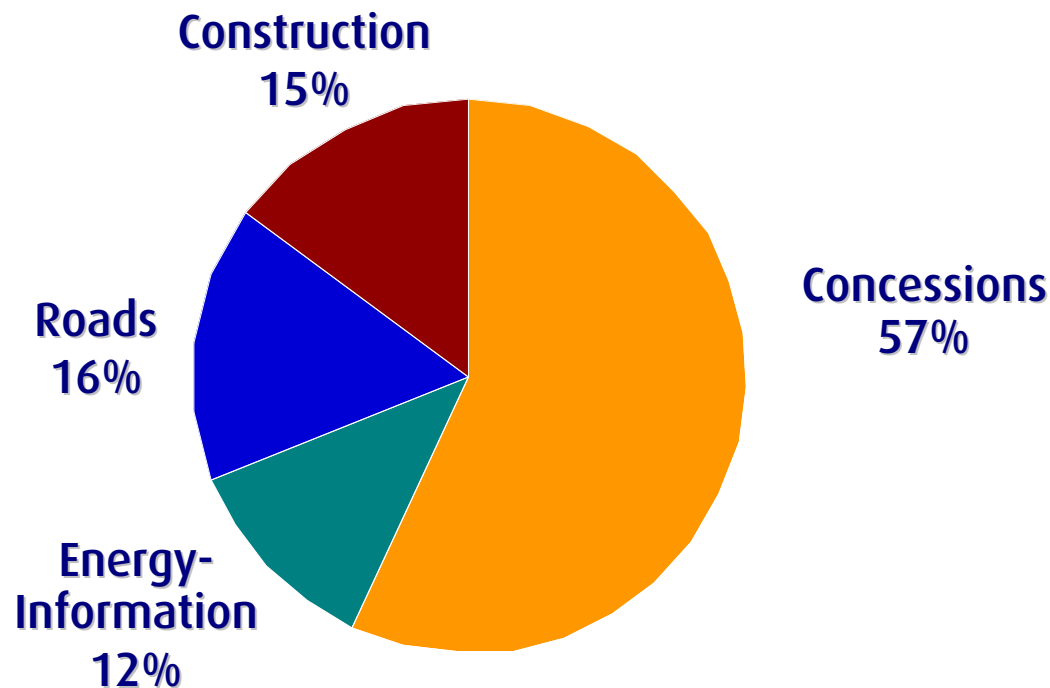
## **Introduction to the group**

**Recurring business activities with growth potential**

**Healthy financial situation and good visibility**

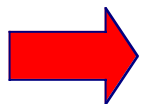
**Strategy unchanged for the last 5 years**

# More than 85% of VINCI's operating income generated by recurring business activities



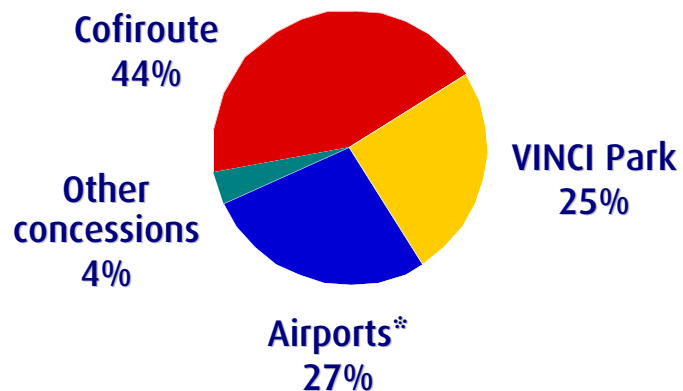
2000 operating income (966 million euros)

- Transport infrastructure concessions largely unaffected by economic slowdowns
- High average residual duration of contracts
  - Cofiroute 29/70 years
  - Car parks approx. 30 years
  - Tunnels, bridges approx. 40 years
  - Airports > 40 years
- Reinvestment of cash flow from mature concessions into new concessions → expiry of a certain number of contracts more than offset by the increased contribution from recent contracts and external growth (e.g. car parks)

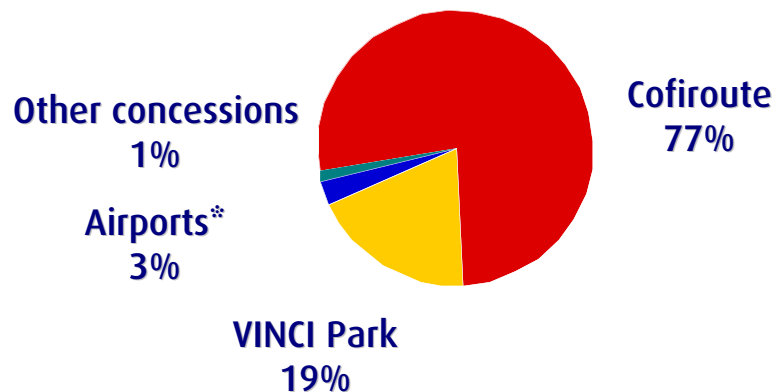


**a source of recurring revenue streams**  
**outstanding long-term visibility**

## Contribution to net sales



## Contribution to operating income



\* including WFS

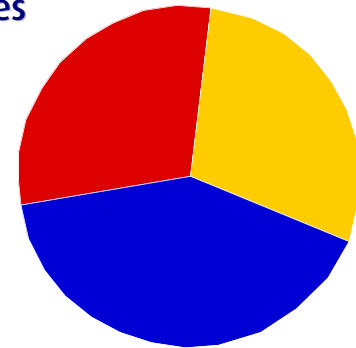
million euros

	2000	2001 forecast
Sales	1,342	↗
EBITDA %	648 48.3%	↗
EBITA %	568 42.3%	↗

- 40% of sales come from electrical engineering and works, usually under contracts lasting several years ( EDF/RTE contracts, public lighting maintenance, rural electrification)
- A network of 700 business units (average sales of 5 million euros) with strong roots on their local markets
  - ability to tailor their services to customer requirements (ex: automotive processes, agri-food industry, pharmaceuticals...)
  - highly responsive to technological change (ex : business communication systems)
  - partnership with clients
  - strong customer base generating high business volumes

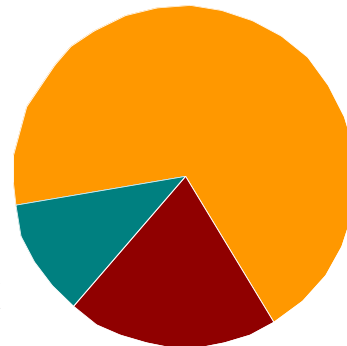
Thermal activities  
30%

Information and communications technologies  
29%



Electrical engineering  
41%

France  
69%



Sweden, Netherlands, UK  
11%

Germany  
20%

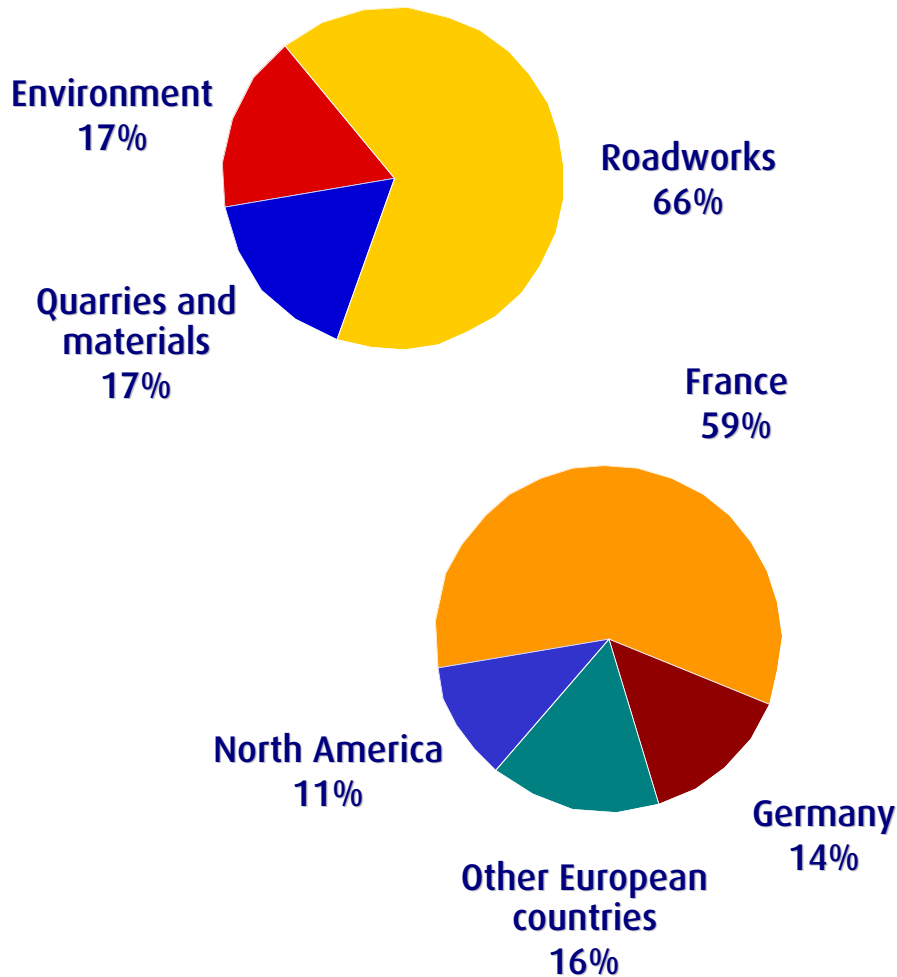
*Breakdown of 2000 net sales*

million euros

	2000	2001 forecast
Sales	3,096	➔
EBITDA %	189 6.1%	➔
EBITA %	118 3.8%	➔

- Roadworks are essentially maintenance works, usually under contracts lasting several years
- Local authorities generate more than 60% of the sales volume  
→ lessens the effect of economic swings
- The business is mainly in a large number of small contracts and broad network of regional contractors  
→ better spread of risks / less fluctuation in income levels
- European leader in road materials production (200 quarries, 400 coating plants, 95 binder plants)  
→ substantial entry barriers, decisive competitive edge, controlled, guaranteed supply
- Promising positions in construction waste and clinker recycling

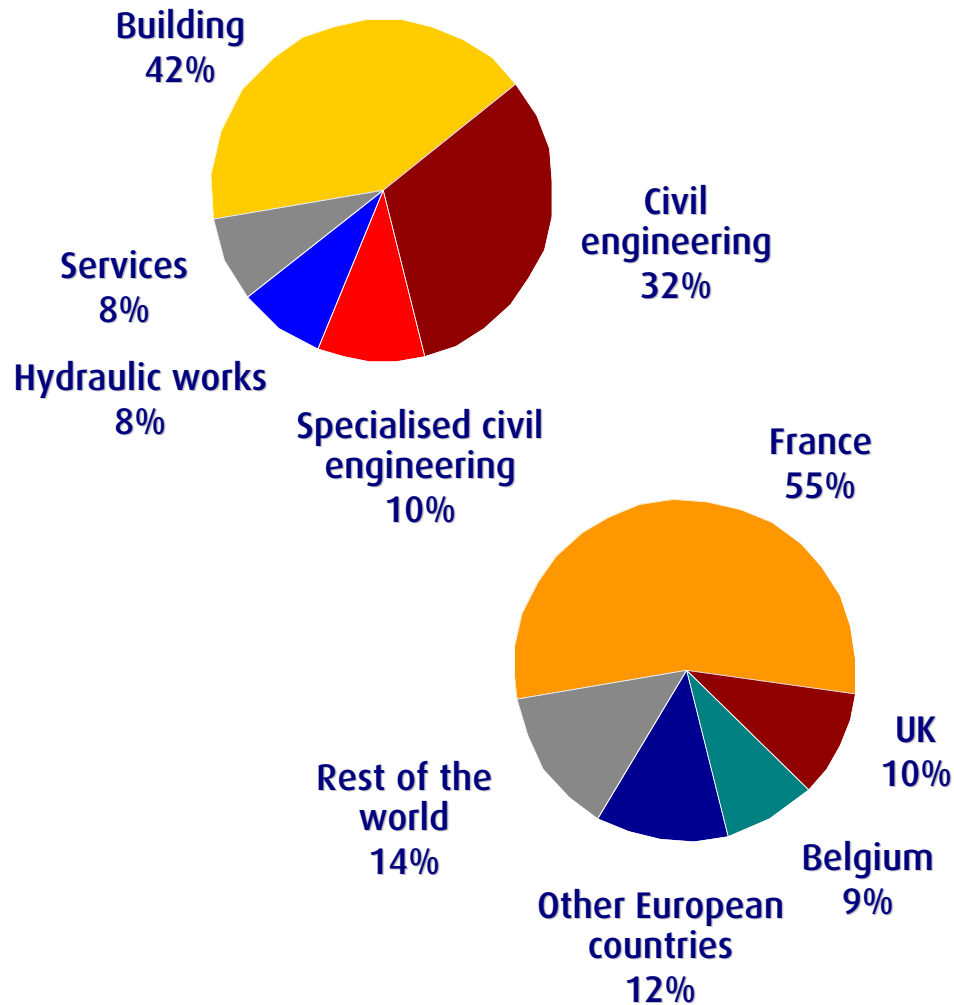




*Breakdown of 2000 net sales*

	million euros	
	2000	2001 forecast
Sales	5,355	↗
EBITDA %	298 5.6%	↗
EBITA %	156 2.9%	↗

- **Priority given to profit over volume**
  - no sales volume target
  - selective order-taking policy
  - reduction of overheads
- **Shift to market segments less exposed to cyclical change and offering higher value added (facility management, project management, design and build, PFIs, specialised civil engineering...)**
- **Partnering with clients ("preferred contractor")**  
→ long-term relationships / better profit margins
- **Major project activity scaled back (less than 5% of sales, priority to business on a direct negotiation basis and concessions)**
- **Pull-out from businesses where the group has no competitive edge**



*Breakdown of 2000 net sales*

million euros

	2000	2001 forecast
Sales	7,176	➔
EBITDA %	325 4.5%	↗
EBITA %	150 2.1%	↗



## **Introduction to the group**

**Recurring business activities with growth potential**

**Healthy financial situation and good visibility**

**Strategy unchanged for the last 5 years**

# Outstanding half-year performance, better than forecast

In millions of euros	1st half 2000 pro forma	1st half 2001	Var.
Net sales	7,963	8,239	+3.5%
Operating income	335	415	+24%
Net income	130 <sup>*</sup>	170	+31%
Net income before tax and non-recurring items	200	265	+33%

\* excluding capital gains from disposal of ETPM (73 million Euros after tax)

# Healthy finances

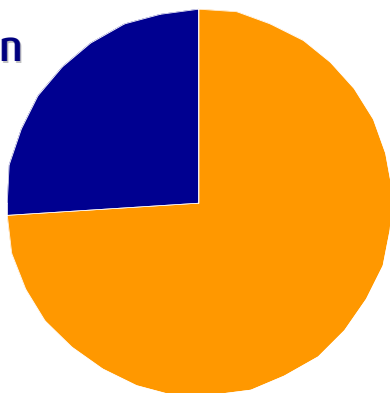
## Zero debt excluding concessions

in millions of euros	30.06.2000 pro forma	31.12.2000	30.06.2001
Shareholders' equity	1,564	1,834	1,989
Minority interest	450	483	495
Grants and other LT	419	471	488
Pension commitments	459	429	426
Provisions	1,777	1,929	1,834
WCR	162	458	54
Net financial debt			
<i>Concessions</i>	2,325	2,513	2,546
<i>Other business</i>	274	(658)	(192)
	<u>2,599</u>	<u>1,855</u>	<u>2,354</u>
<b>Financial resources</b>	<b>7,430</b>	<b>7,459</b>	<b>7,640</b>
<b>Fixed assets</b>	<b>7,430</b>	<b>7,459</b>	<b>7,640</b>

# A group creating shareholder value

**Capital employed**  
**5.9 billion euros\***

Energy-  
Information,  
Roads,  
Construction  
26%



Concessions  
74%

**Return on capital employed 2000**  
(operational income after tax / capital employed)

Concessions 9.2%

Other 22.8%

**ROCE group 12.7%**

**WACC group 7.5%**

**Return on equity - ROE 23.1%**

\* Average for 1999-2000

# Good quality order backlog

## Order backlog on September 2001

In millions of euros	30.09.2001	In months of business activity	Var. / 30.09.2000
Energy-Information	1,272	4.6	(4%)
Roads	2,882	6.2	(2%)
Construction	<u>6,833</u>	<u>11.7</u>	<u>+11%</u>
<b>Total</b>	<b>10,987</b>	<b>8.3</b>	<b>+5%</b>

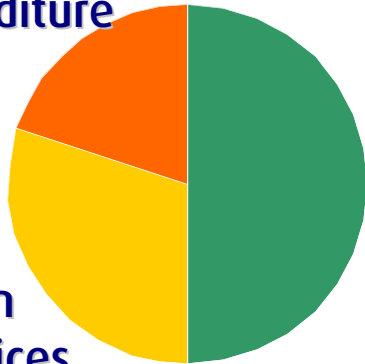


# Over 100 million euros (before tax) expected from synergies by 2003

A benchmark merger:

- Swift implementation
- Synergy effect revised upwards

•Purchasing and capital expenditure  
20%

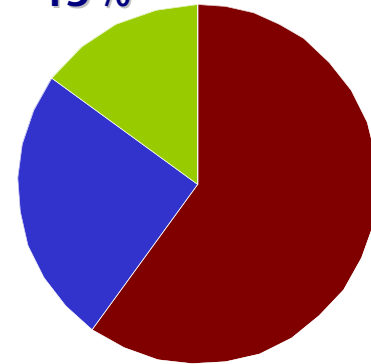


Streamlining of organisation and elimination of duplications  
50%

Concessions and holding

15%

Roads  
25%



Construction  
60%

# 2001 targets confirmed

No sales volume target but growth in recurring business  
(concessions, roads)

Operating income climbs again

Net income before tax and non-recurring items +20%

2001 net income better than in 2000  
despite heavier tax burden and no exceptional capital gains



## **Introduction to the group**

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# Strategy unchanged for the last 5 years

**Selectivity**

**Priority on margins rather than volumes**

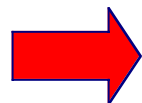
**Control of overheads**

**Targeted external growth**

**Focus on recurring business activities and income**

# The airport sector : a major growth focus for VINCI

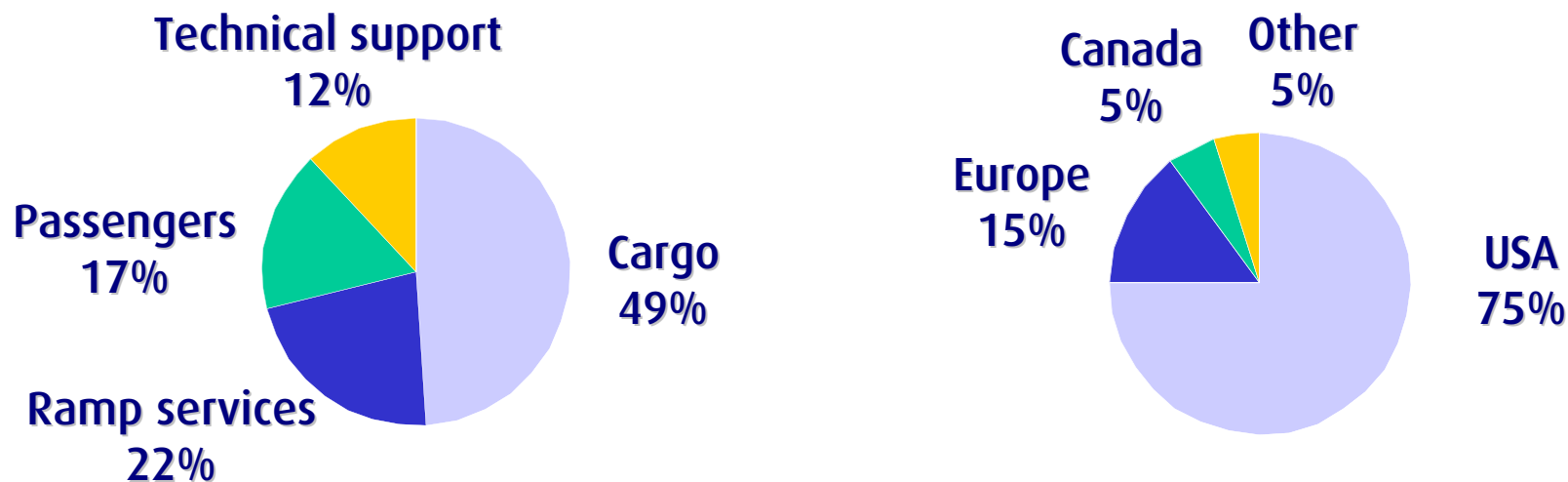
- VINCI has been an operator in the airport sector for 6 years
  - partnerships with ADP and CPH
  - 26 airport concessions (Mexico, Cambodia, Beijing, Liege)
  - a significant position in airport services: SEN
- The airport sector offers genuine opportunities
  - substantial long-term growth prospects
  - on-going reshuffle in the sector
  - recurrent and varied revenue streams (concessions, services)
  - synergies with other group businesses



**VINCI's ambition : become one of the leading global players, combining operator and service provider know-how**

# Acquisition of WFS

- WFS, US number one and one of the top three in airport services in the world
- serving more than 300 customers (airlines, freight carriers, airports)
- present in over 100 airports around the world



2001 sales: approx. 400 million euros



# Conclusion

- **Sound fundamentals**
- **A clear and unchanged strategy**
- **Potential for improving performance in all lines of business**
- **The ability to sustain good results over time**
- **Predictability very appreciable at this point in time**

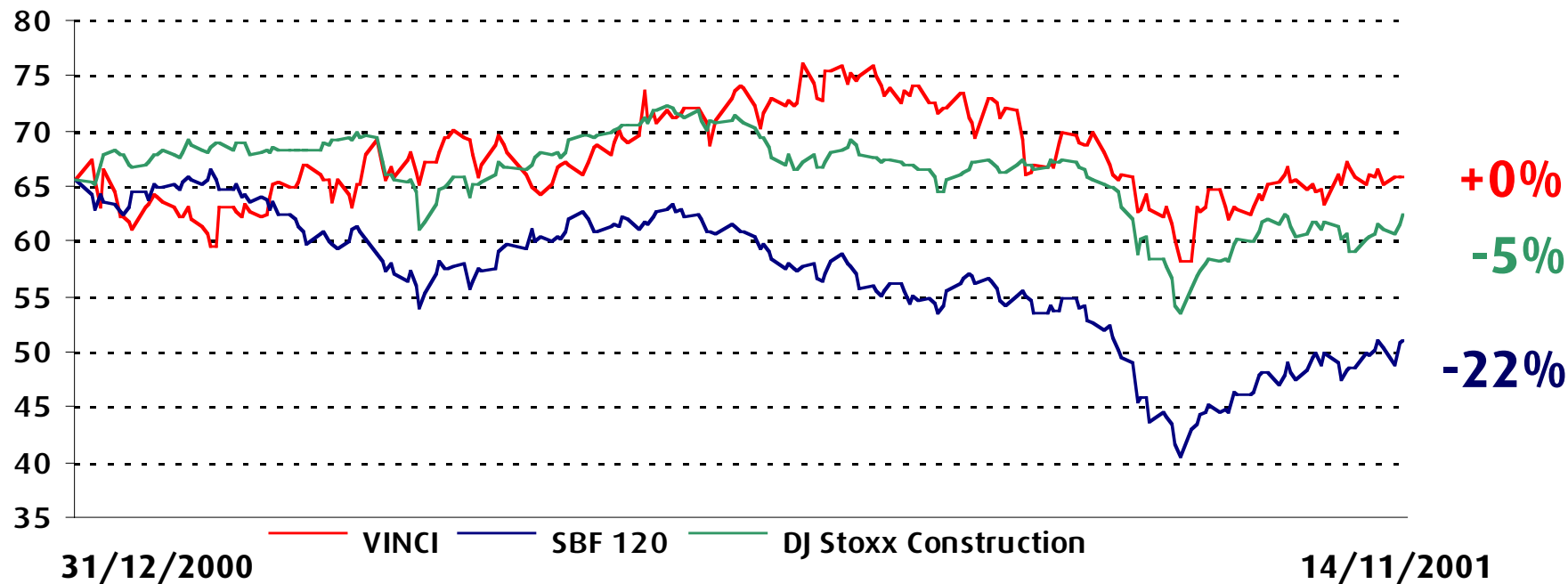
# Exhibits





# VINCI share has proved resilient on a disaster-struck market

## VINCI has outperformed the indexes



- Largest market cap in the sector in Europe (5.3 billion euros as of 14/11/2001)
- Sharp improvement in liquidity : average daily trading volumes of 20 million euros
- Included in the Euronext 100 index

# Net sales to 30 September 2001

## Growth in concessions and roads Selectivity in all business lines

in millions of euros	30.09.2000 pro forma	30.09.2001	Var.	Var. like with like
Concessions	969	1,030	+6.4%	+5.7%
Energy-Information	2,220	2,191	(1.3%)	+0.5%
Roads	3,891	4,121	+5.9%	+5.6%
Construction	5,011	5,055	+0.9%	+0.3%
Miscellaneous	263	210		
<b>Total</b>	<b>12,354</b>	<b>12,607</b>	<b>+2.0%</b>	<b>+2.5%</b>

# Statement of income for the first half 2001

in millions of euros	1st half 2000 pro forma	2000	1st half 2001
Net sales	7,963	17,331	8,239
Gross operating surplus	519	1,460	608
<i>as % of net sales</i>	6.5%	8.4%	7.4%
<b>Operating income</b>	<b>335</b>	<b>966</b>	<b>415</b>
<i>as % of net sales</i>	4.2%	5.6%	5.0%
Net financial income	(86)	(177)	(90)
Exceptional income	87	(82)	(2)
Tax	(83)	(109)	(94)
Goodwill	(24)	(95)	(30)
Equity companies	4	5	4
Minority interest	(30)	(85)	(33)
<b>Net income excl. ETPM gain</b>	<b>130</b>	<b>330</b>	<b>170</b>
ETPM disposal gain	73	73	-
<b>Net income</b>	<b>203</b>	<b>423</b>	<b>170</b>

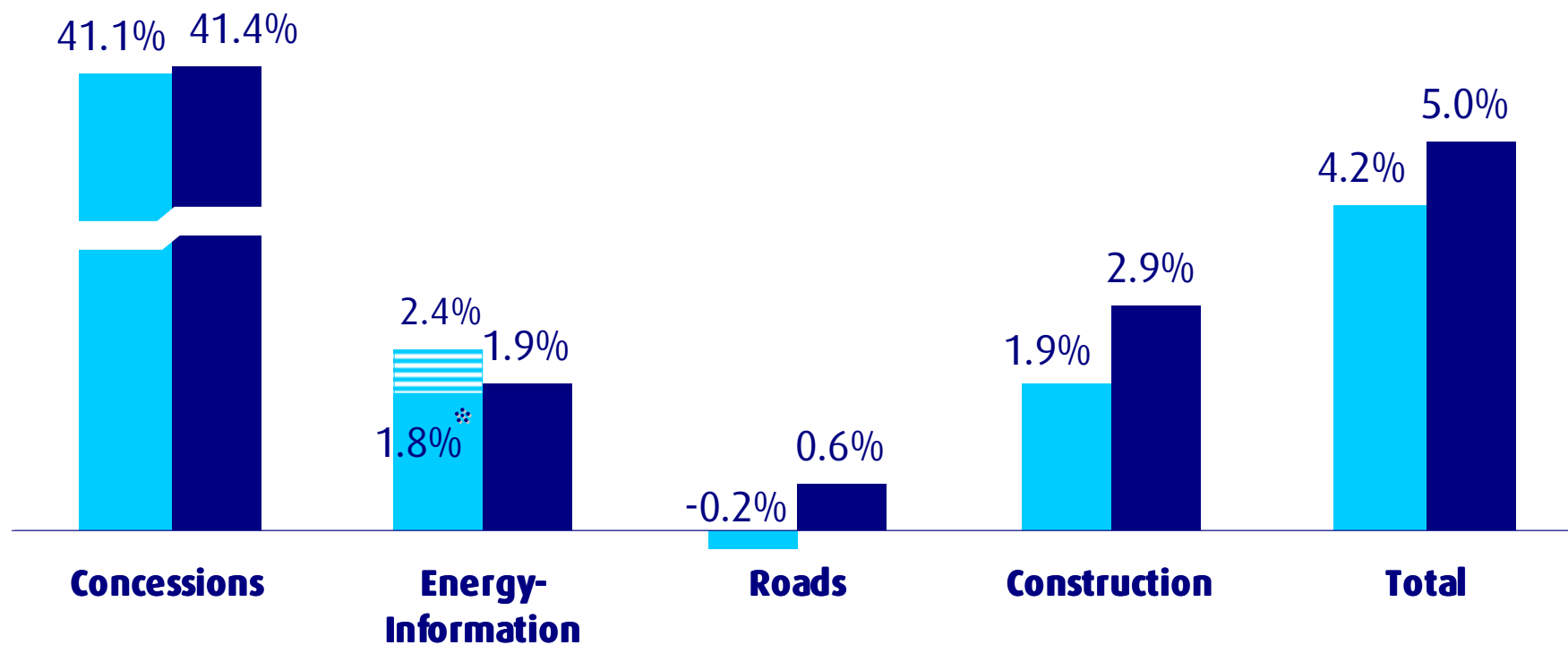
# Operating income up in all business lines in the first half 2001

in millions of euros	1 <sup>st</sup> half 2000 pro forma	1 <sup>st</sup> half 2000 <i>restated</i>	1 <sup>st</sup> half 2001	Change
Concessions	250	250	273	+ 9%
Energy-Information	35	26 <sup>*</sup>	29	+11% <sup>*</sup>
Roads	(5)	(5)	15	↗↗
Construction	65	65	101	+56%
Miscellaneous	(10)	(10)	(3)	
<b>Total</b>	<b>335</b>	<b>326</b>	<b>415</b>	<b>+27%</b> restated <b>+24%</b> disclosed

\* Operating income corrected for change in consolidation scope and non-recurring items

# Further improvement in operating margin in the first half 2001

## Operating margin (operating income / net sales)



\* corrected for change in consolidation scope and non-recurring items

■ 1st half 2000 ■ 1st half 2001

# An unrivalled portfolio of concessions

			Residual duration (years)	% ownership
<b>MOTORWAYS</b>				
Cofiroute	Motorways (873 km)	France	29	65%
Cofiroute	A86 west (17 km tunnels )	France	77	65%
Fredericton-Moncton	200 km	Canada	32	12%
Chillan-Collipulli	160 km	Chile	20	81%
Bangkok Expressway	20 km	Thailand	20	5%
<b>BRIDGES &amp; TUNNELS</b>				
Rion-Antirion	Peloponnese to mainland bridge	Greece	38	53%
Confederation	Prince Edward Island to mainland bridge	Canada	31	50%
Tagus	Two Tagus river crossings in Lisbon	Portugal	29	25%
Prado-Carénage	Tunnel in Marseilles	France	24	29%
Severn	Two Severn river crossings	UK	13	35%
<b>STADIUM</b>				
Stade de France	80,000 seating capacity	France	24	66%

# An unrivalled portfolio of concessions

			Residual duration (years)	% ownership
<b>CAR PARKS</b>				
VINCI Park	725,000 spaces	France & abroad	~30	99%
<b>AIRPORTS</b>				
Central & Northern Mexico	13 airports - 10 millions PAX/year	Mexico	49	37% (1)
Southern Mexico	9 airports - 11 millions PAX/year	Mexico	48	25% (1)
Cambodia	2 airports - 1 million PAX/an	Cambodia	19	70%
Beijing	22 million PAX/year	China	49	10% (2)
Liege	0.2 million PAX/year	Belgium	39	25% (2)
WFS	Airport services	USA	n.s.	100%
SEN	Airport services	France	n.s.	50%
<b>PRIVATE FINANCE INITIATIVE</b>				
Newport	9 km expressway	UK	40	50%
Dorset Police	Divisional HQ and 4 police stations	UK	30	100%
Cardiff	Bute Avenue development project	UK	25	50%
Stafford schools	2 schools	UK	25	50%

(1) ownership of "strategic partner" that holds a 15% stake in the airports

(2) stake owned by ADP Management (34% VINCI, 66% ADP)

