



2004 consolidated financial statements under IFRS standards

Presentation to financial analysts
25 May 2005

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- In compliance with European regulations applicable to listed companies, VINCI's consolidated financial statements will be drawn up in accordance with IFRS standards as of 1 January 2005.

When 2005 interim and annual financial statements are published under IFRS standards, comparative 2004 figures will be presented in conformity with these standards.

- VINCI's consolidated financial statements for fiscal year 2004 were restated under IFRS on the basis of the standards defined to date.
- Uncertainty persists with respect to some standards and interpretations that will have to be applied in the financial statements closed at 31 December 2005.

VINCI might thus be led to change certain options and methods currently used.

- In particular, the treatment of concession contracts under IFRS is being studied by the IFRIC, the body charged with interpreting new standards. Against this backdrop, VINCI has decided to leave unchanged, for the time being, the accounting rules drawn from French GAAP applicable in this field.



Key figures

<i>(in € millions)</i>	French GAAP	IFRS standards
Sales	19,520	19,520
Operating income Profit from operations	1,373	1,300
Net income (Group share)	731	732
Gross operating surplus Cash flow from operations	2,021	2,018 (*)
Operating cash flow (**)	1,510	1,368
Shareholders' equity (including minority interests)	3,744	3,615
Net debt	2,285	2,433

(*) *Before net financing cost and tax*

(**) *Cash flows from operations net of investments in operating assets (before growth investments)*



Reconciliation of net income under French GAAP / IFRS

Reconciliation of net income under French GAAP / IFRS



(in € millions)

	2004
Net income under French GAAP	731
Cessation of amortisation on goodwill on acquisition (IFRS 3)	47
Restatements of stock option plans 2002/2003/2004 (IFRS 2)	(20)
Restatement of Group savings scheme in the 1 st quarter of 2005 announced in 2004 (IFRS 2)	(16)
Restatement at amortised cost of Oceane 2007 and 2018 (IAS 39 / IAS 32)	(15)
Cessation of amortisation of actuarial gains and losses on post-employment obligations (IAS 19)	10
Restatement of reversals of provisions for major repairs will be deducted from shareholders' equity at 1/01/2004 (IAS 37)	(6)
Other restatements	(10)
Tax effect on restatements	8
Effect of minority interests on restatements	3
Total IFRS restatements	1
Net income under IFRS standards	732



Reconciliation of income statement under French GAAP / IFRS

Presentation of income statement under IFRS standards



Net sales	
Other revenue from ancillary activities	
Operating expenses	
Profit from operations	
Share-based payment (IFRS 2)	
Amortisation of goodwill on acquisition (*)	
Non-recurring items	
Operating income	
Net financing cost	
Other financial income and expenses	Reclassification under financial expenses of the cost of discounting pension commitments (previously under operating income)
Net financial income / (expense)	Capital gains and losses on securities
Income tax	
Group share in equity affiliates	
Net income (including minority interests)	No exceptional income
Minority interests	
Net income (Group share)	Cessation of amortisation of goodwill on acquisition

(*) Including goodwill amortisation allocated to intangible assets

2004 income statement: comparison under French GAAP / IFRS



(in € millions)

French GAAP

Sales	19,520
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Other revenue	665
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Operating expenses	(18,165)
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Net allocation to provisions	(32)
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Amortisation and depreciation charges	(617)
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Operating income	1,372
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Financing cost	(151)
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Other financial income and expenses	127
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Net financial expense	(24)
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Exceptional result	(53)
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Income tax	(388)
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Goodwill amortisation	(80)
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Share in equity affiliates	14
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Minority interests	(109)
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IFRS standards

Sales	19,520
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Other revenue from ancillary activities	255
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Operating expenses	(18,475)
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Profit from operations	1,300
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Share-based payment (IFRS 2)	(36)
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Goodwill amortisation	(46)
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Non-recurring items	(10)
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Operating income	1,208
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Net financing cost	(242)
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Other financial income and expenses	238
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Net financial expense	(3)
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Income tax	(380)
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Share in equity affiliates	14
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Net income (including minority interests)	838
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Minority interests	(107)
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Reconciliation of 2004 operating income under French GAAP with profit from operations under IFRS



(in € millions)

Operating income under French GAAP	1,373
<i>Restatements (1):</i>	
Cessation of reversals of provisions for major repairs	(6)
Cessation of amortisation of actuarial gains and losses (deducted from equity at opening)	10
Other	(10)
Total restatements	(6)
<i>Reclassifications (2):</i>	
Restructuring costs	(38)
Other exceptional income and expenses from operations (ex impairment charges)	(52)
Cost of discounting pension commitments(reclassified under net financial income / (expense))	24
Total reclassifications	(66)
Profit from operations under IFRS standards	1,300

(1) *Restatement: entries that have an effect on net income (counterparty: shareholders' equity)*

(2) *Reclassification: change in presentation within the income statement without any effect on net income*

Reconciliation of 2004 profit from operations with operating income under IFRS standards

(in € millions)

Profit from operations under IFRS standards	1,300
<i>Restatements:</i>	
Effect of share-based payment (IFRS 2): PEG and stock options	(36)
Total restatements	(36)
<i>Reclassifications:</i>	
Costs of closing companies or sites	(10)
Goodwill amortisation (*)	(33)
Depreciation of market shares held by WFS	(13)
Total reclassifications	(56)
Operating income under IFRS standards	1,208



The difference of €165 million between operating income (French GAAP) and operating income (under IFRS standards), including €122 million linked to reclassifications within the income statement (changes in presentation).

(*) Including goodwill allocated under intangible assets: (8)

Reconciliation of 2004 net financial expense under French GAAP / IFRS



(in € millions)

	Financing cost	Other financial income and expenses	Total
Net financial expense under French GAAP	(151)	127	(24)
<i>Restatements:</i>			
Effect of the amortised cost method on Océanes	(15)		(15)
Adjustment in capitalised interest expenses on liabilities linked to 'infrastructure concessions	6		6
Effect of the amortised cost method on interest expenses linked to infrastructure concessions	(3)		(3)
Other	(1)	(2)	(3)
Total restatements	(13)	(2)	(15)
<i>Reclassifications:</i>			
Capitalised interest expenses	(77)	77	0
Cost of discounting pension commitments		(24)	(24)
Exceptional expenses and income linked to financial assets		60	60
Total reclassifications	(77)	113	36
Net financial expense under IFRS standards	(241)	238	(3)



The improvement in net financial expense is entirely due to reclassifications within the income statement

Reconciliation of 2004 exceptional income under French GAAP / IFRS



(in € millions)

Exceptional income under French GAAP	(53)
Restructuring costs	(48)
Result from disposal of tangible and intangible assets	(10)
Other exceptional operating expenses and income	(23)
Net allocation to provisions	(19)
<i>Reclassifications in operational income and expenses under IFRS standards</i>	(100)
Depreciation of WFS market shares	(13)
<i>Reclassifications in profit from operations under IFRS standards</i>	(113)
Reprise of Toll Collect provision	36
Net capital gains or losses on disposals of securities	22
Other reclassifications in net financial income/(expense).	2
<i>Reclassifications under IFRS standards</i>	60
Total reclassifications	(53)



Discarding of the concept of exceptional income under IFRS standards (reclassified in operational income and net financial income/(expense)).

(in € millions)

Amortisation of goodwill on acquisition under French GAAP	(80)
Cessation of amortisation of goodwill on acquisition under IFRS	47
Amortisation of goodwill on acquisition maintained under IFRS (included in operational income)	(33)
<i>o/w net goodwill impairment following impairment tests</i>	<i>(25)</i>
<i>o/w goodwill amortisation allocated to concession contracts</i>	<i>(4)</i>
<i>o/w other allocated goodwill amortisation</i>	<i>(4)</i>



Reconciliation of consolidated cash flow statement under French GAAP / IFRS

Cash flow from operations before tax and financing cost
Change in WCR and current provisions
Tax paid
Net interest expense paid
Operating cash flows (I)
Net investments in operating assets
Free cash flow from operations (CF available for growth)
Growth investments in concessions
Net financial investments
Other cash flows linked to growth operations
Net cash flows linked to investment transactions (II)
Free cash flow after financing of growth
Increases and reductions in capital
Sums collected during the fiscal year from stock options
Dividends paid
Collection and repayment of loans
Change in cash management assets
Net cash flows linked to financing operations (III)
Effect of changes in foreign exchange rates (IV)
Net change in free cash flow (I)+(II)+(III)+(IV)

Cash flow from operations calculated by drawing on net income

Modified aggregates

Treasury shares booked in marketable securities under French GAAP

Cash investments excluding marketable securities

Cash flow from operations before tax and net financing cost	2,018
Change in WCR and current provisions	421
Tax paid	(385)
Net interest expense paid	(210)
Cash flows from operations (I)	1,844
Net investments in operating assets	(476)
Free cash flow from operations (CF available for growth)	1,368
Growth investments in concessions	(568)
Net financial investments	(241)
Other cash flows linked to growth operations	16
Net cash flows linked to investment transactions (II)	(1,269)
Free cash flow after financing of growth	575
Increases and reductions in capital	(231)
Sums collected during the fiscal year from stock options	95
Dividends paid	(343)
Collection and repayment of loans	213
Change in cash management assets(*)	(223)
Net cash flows linked to financing operations (III)	(489)
Effect of changes in foreign exchange rates (IV)	2
Net change in free cash flow (I)+(II)+(III)+(IV)	+88

(*) cash investments excluding marketable securities

Reconciliation of 2004 cash flow from operations under French GAAP / IFRS



Cash flow from operations under French GAAP	1,561
Financing cost under French GAAP	119
Current tax under French GAAP	416
Cash flow from operations before financing cost and tax	2,096
Reclassification of dividends received from non-consolidated subsidiaries	(42)
Effect of changes in current provisions	(35)
Other	(1)
Cash flow from operations under IFRS	2,018

Free cash flow before growth investments in concessions	1,510
Reclassification in financial investments of dividends received from non-consolidated subsidiaries(*)	(42)
Reclassification in change in cash net of changes in accrued interest not yet due on loans	(12)
Reclassification of capitalised interest expenses in growth investments in concessions	(77)
Other changes	(11)
Free operating cash flow under IFRS standards	1,368

(*) o/w ASF for €32 million



Reconciliation of shareholders' equity under French GAAP / IFRS

Reconciliation of shareholders' equity and 2004 income under French GAAP / IFRS



<i>(in € millions)</i>	Total shareholders' equity 1/01/2004	2004 income	Other changes in shareholders' equity	Minority interests	Total shareholders' equity 31/12/2004
French GAAP	3,488	731	(520)	45	3,744
IFRS restatements	(271)	1	142	(1)	(129)
IFRS standards	3,217	732	(378)	44	3,615

Analysis of IFRS restatements of shareholders' equity



<i>(in € millions)</i>	Restatement of shareholders' equity at 1/01/2004	Restatement of 2004 result	Restatement of other changes in shareholders' equity	Restatement of minority interests	Restatement of shareholders' equity at 31/12/2004
Treasury shares (IAS 32)	(182)	(1)	95		(88)
Actuarial gains and losses on post-employment obligations (IAS 19)	(132)	9			(123)
Restatement of intangible assets (IAS 38)	(31)	1			(30)
Discounting of provisions for liabilities	30	(3)			27
Financial instruments (IAS 39)	30	(18)	15	2	29
Cost of capitalised loans (IAS 23)	60	1	(3)		58
Employee benefits (IFRS 2)		(36)	36		-
Cessation of amortisation of goodwill on acquisition		47		(1)	46
Other restatements	(3)	(6)	1		(8)
Sub-total before tax effect	(228)	(6)	144	1	(89)
Tax effect	(43)	7	(2)	(2)	(40)
Total IFRS restatements	(271)	1	142	(1)	(129)



Reconciliation of net debt under French GAAP / IFRS

Net debt under IFRS standards



<i>(in € millions)</i>	1 January 2004	31 December 2004
<i>Gross debt:</i>		
Non-current debt	(5,754)	(5,987)
Current financial liabilities (incl. overdrafts)	(1,053)	(1,278)
<i>Sub-total</i>	<i>(6,807)</i>	<i>(7,265)</i>
<i>Cash assets:</i>		
Marketable securities	663	830
Financial cash management assets	3,506	3,688
“Collateralised” financial claims	39	45
<i>Sub-total</i>	<i>4,208</i>	<i>4,563</i>
<i>Fair value of derivatives:</i>		
Fair value of derivatives in assets	242	349
Fair value of derivatives in liabilities	(135)	(80)
<i>Sub-total</i>	<i>107</i>	<i>269</i>
Total net debt under IFRS standards	(2,492)	(2,433)

<i>(in € millions)</i>	01/01/2004	31/12/2004
Net debt under French GAAP	2,266	2,285
Treasury shares deducted from shareholders' equity	182	88
Current financial assets excluded from net debt	24	38
Other restatements	20	22
Net debt under IFRS standards	2,492	2,433

Proviso (reminder): These data may be changed according to the treatment under IFRS of concession contracts that has not been determined to date.



Reconciliation of balance sheet under French GAAP / IFRS

Reconciliation of balance sheet under French GAAP / IFRS - assets



<i>(in € millions)</i>	French GAAP 31/12/2004	IFRS reclassifications	IFRS restatements	IFRS standards 31/12/2004
Intangible assets	173	(73)	(18)	82
Amortisation of goodwill on acquisition	1,387	(649)	39	777
Concession tangible fixed assets	5,567	(563)	20	5,024
Property, plant & equipment and investment property	2,041		8	2,049
Shares in equity affiliates	846	705	7	1,558
Other non-current financial assets	327	(40)	1	288
Fair value of derivatives		165	184	349
Deferred charges	50		(50)	
Deferred tax	168		(1)	167
Total non-current assets				10,294
Inventories and work in progress	544		(1)	543
Trade and other operating receivables	7,554	(238)	(37)	7,280
Other current assets		157		157
Deferred tax assets		81		81
Current financial assets	318	(193)	5	130
Financial cash management assets and marketable securities	4,541	68	(92)	4,518
Total current assets				12,708
TOTAL ASSETS	23, 517	(580)	66	23,003

Reconciliation of balance sheet under French GAAP / IFRS - liabilities



<i>(in € millions)</i>	French GAAP31/12/2 004	IFRS reclassifications	IFRS restatements	IFRS standards 31/12/2004
Shareholders' equity) Group share)	3,148		(132)	3,016
Minority interests	596		3	599
Total shareholders' equity				3,615
Investment subsidies	580	(580)		
Pension commitments and employee benefits	586	(35)	127	678
Provisions for non-current liabilities	1,687	(1,403)	(119)	165
Debt	6,467	(583)	103	5,987
Fair value of derivatives - liabilities			80	80
Deferred tax and other non-current liabilities	179		5	184
Total non-current liabilities				7,094
Provisions for current liabilities		1,403	(20)	1,383
Trade and other current payables	9,596	(184)	2	9,414
Deferred tax		219		219
Current debt	677	583	18	1,278
Total current liabilities				12,294
TOTAL LIABILITIES	23,517	(580)	66	23,003



Concessions: state of progress

The IASB has not yet taken a decision about the accounting treatment of concession contracts under IFRS standards

- The IFRIC (*International Financial Reporting Interpretation Committee*) published 3 draft interpretations on 3 March 2005 :
 - D12: " Determining the accounting model "
 - D13: " The financial asset model "
 - D14: " The intangible asset model "
- Vinci is drafting its answer to IFRIC, with help from CAC, due by 3 June (end of the period opened for comments)
- Publication of definitive interpretations after consensus and validation by the IASB, scheduled for the 2nd half of 2005
- These interpretations would be applicable as of 1 January 2006 (possibility of early application at 1 January 2005)

- 3 conditions:
 - Restricted to public to private contracts
 - Operation as part of a public service
 - Assets controlled by concession granting body that:
 - Verifies and regulates services provided by the concessionaire
and
 - Recovers the assets at the end of the contract under attractive terms and conditions
- ➔ ***The concession granting body is deemed to own economically the concession assets.***
- Nature of assets and related accounting treatment conditional on the remuneration terms and conditions set for the concessionaire

- Choice between two accounting models determined by terms and conditions set for the concessionaire and not by an assessment of risks inherent to the concession contract:
 - The “intangible asset model”: if the concessionaire is directly paid by the users
 - Applicable to most of the infrastructure concessions in our portfolio (Cofiroute, Vinci Park, A19, Gefyra, etc.)
 - Hardly different from present accounting treatment
 - The “financial asset model”: if the concessionaire is directly paid by the concession granting body
 - Applicable aux PPP/PF contracts and infrastructure concessions for which receipts are paid by the concession granting body, e.g. availability schemes (Newport) or shadow toll (A Modell)
 - Significant change in accounting treatment:
 - Booking in the balance sheet of a financial receivable (vs. an intangible asset)
 - Sales booked are reduced to the share of the fee remunerating the operation of the concession asset
 - Remuneration of the receivable is taken into account in the result
 - Difference in profile of results (less detrimental at the beginning of the contract)

- Main points raised
 - IFRIC interpretations are welcome but most players would like an IFRS standard to be introduced eventually that would specifically cover concession contracts
 - Criteria used to choose model: taking into account the risk shouldered by the concessionaire (demand risk) rather than just remuneration terms and conditions
 - Coexistence of two accounting models is likely to result in divergences in the assessment of performances of concessionaires according to the characteristics of their contracts
 - Should definitive interpretations not be published within a reasonable delay, request for "temporary relief for 2004 and 2005", in order to avoid several successive changes in methods
- Against this backdrop, VINCI has left unchanged the accounting rules currently in force in terms of drafting its 2004 financial statements.

Reminder: concession-specific accounting treatment applied under French GAAP concern:

 - terms and conditions for the amortisation of concession fixed assets
 - provisions for renewal and major repairs
 - amortisation of renewable assets handed over free of charge at end of contract



Appendices

Breakdown of 2004 net income by business line



<i>(in € millions)</i>	French GAAP	IFRS standards
Concessions and services	214	233
Énergie	87	95
Roads	131	139
Construction	242	248
Property	15	17
TOTAL OPERATING COMPANIES	689	732
Holding companies	42	-
TOTAL	731	732

Breakdown of 2004 profit from operations by business line



<i>(in € millions)</i>	French GAAP	% sales	IFRS standards	% sales
Concessions and services	616	31.7%	580	29.8%
Energy	181	5.4%	164	4.9%
Roads	222	3.9%	218	3.8%
Construction	349	4.2%	323	3.9%
Property	25	5.8%	27	6.3%
TOTAL OPERATING ENTITIES	1 393	7.1%	1,312	6.7%
Holding companies	(20)	-	(12)	-
TOTAL	1,373	7.0%	1,300	6.7%



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