Half-year report 2004

VINCI

Contents

Review of operations for the first half of 2004

The VINCI Board of Directors, chaired by Antoine Zacharias, met on 7 September 2004 to approve the half year financial statements at 30 June 2004 and examine the outlook for the full year.

Growth of net sales in France and international markets

VINCI's net sales for the first half of 2004 amounted to €9.1 billion, up 6.8% on a like-for-like basis over the same period last year (€8.5 billion).

On an actual basis, growth in net sales between the periods was 6.7%. The positive effect of new acquisitions (+1.2%), essentially in the Energy, Roads and Construction business lines, offsets the negative impact of exchange rate (–0.7%) and consolidation scope changes (–0.6%).

The growth of the Group was led by activities **in France,** where net sales amounted to €5.7 billion, up 9.6% overall on a like-for-like basis and particularly in Construction (+12.0%) and Roads (+11.1%). After the strong increase (+13.6%) in the first quarter, which had benefited from favourable weather conditions, business activity remained firm in the second quarter (+8.4%). On an actual basis, net sales in France were up 10.7%.

In international business, net sales amounted to €3.4 billion, well up on a like-for-like basis (+2.4%). The growth shown by established businesses, particularly the dynamic performance of subsidiaries in Central and Eastern Europe, compensated for the forecast decline in major projects. On an actual basis, growth in net sales was 0.6% despite an unfavourable exchange rate context.

Net sales by business line

(in millions of euros)	1st half 2003	1st half 2004	Change on actual basis	Change on like-for-like basis
Concessions	910	937	+3.0%	+4.6%
Energy	1,493	1,596	+6.9%	+4.7%
Roads	2,329	2,531	+8.7%	+9.8%
Construction	3,759	3,981	+5.9%	+5.9%
Misc. and eliminations of inter-company transactions	24	41	nc	nc
Total	**8,515**	**9,086**	**+6.7%**	**+6.8%**

Sharp increase in earnings

Net income for the half year amounted to €252 million, up almost 29% on the same period of 2003 (€196 million). Earnings per share rose 26.7%, from €2.36 to €2.99.
This good performance reflects the increase (+27.6%) in operating income after net financial expense, which was €463 million (against €363 million for the first half of 2003). This resulted from the firm growth in operating income, and the improved level of financial expense.

Operating income rose 22% to €520 million (against €427 million for the first half of 2003), representing 5.7% of net sales (5.0% for the same period of 2003). All business lines improved their contribution and operating margin, but the major contributor was Construction, the operating income of which was €166 million compared with €113 million for the period ended 30 June 2003.

Operating income by business line

(in millions of euros)	1st half 2003	% of net sales	1st half 2004	% of net sales
Concessions	257	28.2%	273	29.2%
Energy	49	3.3%	51	3.2%
Roads	8	ns	20	0.8%
Construction	113	3.0%	166	4.2%
Misc. and eliminations of inter-company transactions	—	—	10	na
Total	**427**	**5.0%**	**520**	**5.7%**

Financial expense improved by €6 million (€57 million against €63 million in the first half of 2003). This improvement was due principally to the reduction in net interest charges which amounted to €75 million against €90 million at 30 June 2003. It included a credit of €35 million in respect of capitalised financial expenses, well up on the first six months of 2003 (+€16 million), following the change in the method of calculating capitalised financial expenses made by Cofiroute at 31 December 2003 to bring it into line with industry practice. The financial expense also incorporated the €32 million dividend received from ASF (€19 million at 30 June 2003) and an additional €34.5 impairment charge in respect of the shares in Toll Collect; this, however, had no impact on the pre-tax profit because of the reversal, as an exceptional item, of a provision for the same amount made in 2003 *(see Note A - Key events of the first half of 2004, p.10)*.

Exceptional items give rise to a positive €29 million, principally due to the reversal of the provision on Toll Collect mentioned above. It also includes an amount of €10 million for net exceptional restructuring costs (€17 million at 30 June 2003) and the impact of changes in provisions of an exceptional nature.

The tax charge was €173 million for first half 2004, representing an effective rate of 35.2% against 28% in the first half of 2003. This change arises in part from taking into account, in calculating the current tax charge, certain exceptional items such as the cancellation of deferred tax assets of TMS in the Energy division. These non-recurring elements aside, the effective tax rate for the six months is 31.4%.

Financial situation

These good figures produced a 23% increase in cash flow from operations to €607 million (€494 million in the same period in 2003). After taking into account investment in operating assets of €180 million (slightly up year-on-year) and a negative change in working capital requirement (€311 million) that was less pronounced than in the first half of 2003 (€456 million), free cash flow from operations amounted to €117 million (compared with a requirement of €122 million), representing an improvement of €239 million between the periods.

This turnaround was in part applied in making the planned increase in growth investments in concessions (€304 million against €203 million), which reflected the increase in investments by Cofiroute on new sections of the A86, A28 and A85 motorways and also the completion of work on the Rion-Antirion bridge.

Net financial investments and other financial operations amounted to a total of €371 million in the first six months of 2004, significantly up on the same period in the previous year (€201 million).
This increase is principally attributable to the acquisition for €236 million of treasury stock, cancelled – or in the course of cancellation – in order to eliminate the dilution effect due to the creation of shares as a result of subscriptions made under the Group savings scheme and of stock options exercised. Net of capital increases, this utilised €112 million of funds in the first half of 2004 against an inflow of €26 million in the first six months of 2003. In that earlier period, there had been no share buy-backs.

Overall, cash consumption in the first half, partly due to seasonal business activities, amounted to almost €600 million, taking VINCI's net debt (before treasury stock) from €2.4 billion at the end of December 2003 to €3 billion at 30 June 2004 (of which €3.3 billion related to Concessions). By reference to the position at 30 June 2003, net debt improved by some €200 million.

Consolidated fixed assets at the end of June amounted to €10 billion. This is essentially accounted for by the assets of the concessions business line excluding ASF (almost 60%) and the investment in ASF (€1.2 billion), the value of which at 30 June 2004 was €1.5 billion (€32.64 per share).

In aggregate, the capital employed by the Group was €8.2 billion at 30 June 2004, an increase of €0.6 billion compared with the end of 2003. This was caused by the combined effect of investments in Concessions (mainly Cofiroute and VINCI Park) and a seasonal variation in working capital requirement over the six months. The Concessions business line represents in total more than 85% of the capital employed by the Group and 90% of employee numbers.

At the same time, Group shareholders' equity at the end of June (including minority interest of €568 million) was €3.5 billion.

Provisions for liabilities went down from €1.62 billion at 31 December 2003 to €1.60 billion at 30 June 2004, a net reduction of €22 million over the six months (being a net reversal of €55 million, offset by the impact of changes in consolidation scope of €33 million).

Parent company financial statements

The net income of the parent company for the first six months of 2004 was €143 million against €1,866 million at 30 June 2003. The first six months 2003 included a capital gain of €1,821 million arising on the contribution to VINCI Concessions of shares in Cofiroute held by VINCI.

The shareholders' equity of the parent company was €5.18 billion at 30 June 2004, against €5.15 billion at 31 December 2003. Apart from the net income for the year and the payment of the dividend (€189 million), it takes into account the capital increases arising on subscriptions to the Group savings scheme (€84 million) and stock options exercised (€41 million); and, in the opposite direction, capital reductions through the cancellation of 761,500 shares for a total of €53 million.

Preparation for the transition to International Financial Reporting Standards

Under European Regulation 1606/2002 published on 11 September 2002, VINCI will have to prepare its consolidated financial statements for periods commencing on or after 1 January 2005 in accordance with International Financial Reporting Standards (IFRSs). Consolidated financial statements will also be prepared under these standards for 2004, after a new opening balance sheet at 1 January 2004 has been drawn up.

■ State of progress

In this context, VINCI took the initiative of starting preparation for the transition to the new accounting standards as early as 2002.

Having first determined the main points of divergence between VINCI's current accounting policies and the IFRSs and set up a dedicated organisation with a steering committee, VINCI entered the deployment phase. This includes, in particular, distributing to all subsidiaries application instructions on these standards, adapting information systems and training the various teams involved in preparing consolidated financial statements, in both holding company and business lines. This phase, which began at the end of 2003, continued during the first half of 2004. Preparatory work on drawing up the opening IFRS balance sheet at 1 January 2004 started at the beginning of the second quarter of 2004. VINCI is currently in the phase of analysing data and testing reliability. In the course of the summer, work began on preparing the IFRS consolidated statement of income and cash flow statement as at 30 June 2004.

■ Main IFRS elections and points of divergence identified

The main IFRS elections made and points of divergence identified were described in the VINCI Annual Report 2003 and have not changed.

They concern in particular:

– elections relating to business combinations, the measurement of fixed assets at fair value, the elimination of actuarial gains and losses relating to defined benefit plans and the elimination of translation differences on foreign subsidiaries at the date of transition;

– points of divergences relating to the application from 1 January 2005 of IAS 32 and IAS 39 on financial instruments, goodwill on acquisition that will no longer be amortised under IFRS, the measurement at fair value in accordance with IFRS 2 of share subscription or purchase options granted to VINCI Group employees and company officers after 7 November 2002 and of benefits granted to employees under Group savings schemes, and the discounting of provisions for liabilities.

VINCI has made certain assumptions that could still be altered depending on changes to certain standards being studied or revisions by IASB. The same applies to the accounting standards applicable to concession arrangements; work on their interpretation is currently in progress at IFRIC (International Financial Reporting Interpretation Committee). For these reasons, VINCI does not consider it appropriate at this stage to communicate any quantitative information on the transition to IFRSs.

Outlook for the full year 2004

VINCI's order backlog at 30 June 2004 reached a record high of €13.8 billion, up 15% over 12 months. This represents almost 10 months of average business activity (about 13 months for the Construction business line). Replenishment of the backlog continues to be achieved with good terms and conditions, enabling VINCI to move confidently into the final months of 2004 and 2005.

The chairman, Antoine Zacharias, indicated that full-year net sales could reach €19 billion, representing growth in the order of 6%, that operating income could increase at a higher rate than net sales and that net income could show a further significant improvement.

Key figures

(in millions of euros)	**1st half 2004**	**1st half 2003**	**2003**
Consolidated net sales	**9,085.6**	**8,514.5**	**18,110.8**
Of which net sales outside France	3,403.7	3,382.8	7,111.9
% of net sales	*37.5%*	*39.7%*	*39.3%*
Gross operating surplus	785.5	686.1	1,777.9
% of net sales	*8.6%*	*8.1%*	*9.8%*
Operating income	520.4	426.5	1,166.0
% of net sales	*5.7%*	*5.0%*	*6.4%*
Operating income after net financial income/(expense)	**463.5**	**363.1**	**1,042.0**
Net income	**251.7**	**195.6**	**541.4**
Earnings per share (in euros)	2.97	2.36	6.49
Dividend per share, excluding tax credit (in euros)	—	—	2.36
Shareholders' equity	2,909.8	2,650.7	2,936.9
Provisions for liabilities	1,597.2	1,552.7	1,619.4
Net financial (debt)/surplus (excluding treasury stock)	(2,991.3)	(3,176.2)	(2,447.5)
Net financial (debt)/surplus (including treasury stock)	(2,834.6)	(2,993.9)	(2,265.8)
Cash flow from operations	**606.5**	**494.4**	**1,376.7**
Net investments in operating assets	(179.8)	(160.8)	(429.4)
Investment in concessions	(304.0)	(203.0)	(525.8)
Net financial investments (excluding treasury stock)	(46.8)	(67.9)	(132.9)
Number of employees	**126,371**	**126,387**	**127,513**

Consolidated statement of income

(in millions of euros)	Notes	1st half 2004	1st half 2003	2003
Net sales	*1-2-3*	**9,085.6**	**8,514.5**	**18,110.8**
Other revenue		365.3	429.4	765.2
Operating income		**9,450.9**	**8,943.9**	**18,875.9**
Operating expense	*4*	(8,665.4)	(8,257.8)	(17,098.0)
Gross operating surplus	*2-3*	**785.5**	**686.1**	**1,777.9**
Amortisation, depreciation and provisions	*4*	(265.1)	(259.5)	(611.9)
Operating income	*2-3*	**520.4**	**426.5**	**1,166.0**
Financial income/(expense)		(9.1)	(45.9)	(72.9)
Depreciation and provisions		(47.8)	(17.5)	(51.1)
Net financial income/(expense)	*5*	**(56.9)**	**(63.4)**	**(124.0)**
Operating income after net financial expense		**463.5**	**363.1**	**1,042.0**
Exceptional items		(28.9)	(23.5)	(15.8)
Depreciation and provisions		57.8	55.8	29.3
Net exceptional income/(expense)	*6*	**29.0**	**32.3**	**13.5**
Income tax	*7*	(173.3)	(110.9)	(234.0)
Amortisation of goodwill	*9*	(25.4)	(45.8)	(184.3)
Net income of consolidated entities		**293.8**	**238.8**	**637.3**
Share in net earnings of companies accounted for by the equity method	*13*	2.7	(0.3)	8.7
Minority interest	*18*	(44.8)	(42.9)	(104.5)
Net income		**251.7**	**195.6**	**541.4**
Earnings per share (in euros)	*8*	2.97	2.36	6.49
Diluted earnings per share (in euros)	*8*	2.69	2.20	5.93

Consolidated balance sheet

Assets

(in millions of euros)	Notes	30 June 2004	30 June 2003	31 Dec. 2003
Intangible assets other than goodwill		178.1	171.6	176.9
Goodwill	*9*	717.9	869.8	719.7
Concession fixed assets	*2-3-10*	5,319.8	4,840.5	5,023.6
Tangible assets	*2-3-11*	1,930.3	1,854.0	1,938.5
Financial assets				
Investments in subsidiaries and affiliates	*12*	*1,464.5*	*1,368.0*	*1,458.0*
Investments accounted for by the equity method	*13*	*83.5*	*99.0*	*101.3*
Other financial assets		*133.4*	*121.8*	*120.8*
		1,681.4	**1,588.8**	**1,680.2**
Deferred charges		47.6	48.4	48.3
Total fixed assets		**9,875.1**	**9,373.1**	**9,587.2**
Inventories and work in progress	*14*	537.0	505.0	473.7
Trade and other operating receivables	*14*	7,887.4	7,810.5	7,150.6
Financial receivables	*15-21*	242.6	258.5	283.5
Marketable securities	*16-21*	3,636.7	2,507.3	3,569.0
Cash	*21*	651.8	1,550.7	658.2
Total current assets		**12,955.5**	**12,631.9**	**12,135.0**
Deferred tax		108.8	150.8	121.2
Total assets		**22,939.4**	**22,155.7**	**21,843.4**

Equity and liabilities

(in millions of euros)	Notes	30 June 2004	30 June 2003	31 Dec. 2003
Shareholders' equity				
Capital stock		*859.5*	*835.2*	*838.0*
Consolidated reserves		*1,871.3*	*1,676.9*	*1,644.0*
Currency translation reserves		*(72.7)*	*(57.0)*	*(86.4)*
Net income for the year		*251.7*	*195.6*	*541.4*
		2,909.8	**2,650.7**	**2,936.9**
Minority interest	*18*	568.5	525.5	551.3
Investment subsidies	*19*	548.2	494.6	512.2
Provisions for employee benefits		558.0	497.4	543.2
Provisions for liabilities	*2-3-20*	1,597.2	1,552.7	1,619.4
Debt				
Subordinated debt, bonds and debentures	*21*	*4,807.2*	*4,899.8*	*4,781.7*
Other long-term debt	*21*	*1,583.4*	*1,217.5*	*1,390.6*
Short-term debt (less than 1 year)	*21*	*975.2*	*1,193.0*	*604.2*
		7,365.8	**7,310.4**	**6,776.5**
Other long-term liabilities		86.4	55.6	63.2
Trade and other operating payables	*14*	9,174.3	8,912.4	8,725.3
Deferred tax		131.1	156.5	115.5
Total equity and liabilities		**22,939.4**	**22,155.7**	**21,843.4**

Consolidated cash flow statement

(in millions of euros)	Notes	30 June 2004	30 June 2003	31 Dec. 2003
Operating activities				
Gross operating surplus	*2-3*	785.5	686.1	1,777.9
Financial and exceptional transactions		(21.0)	(83.3)	(167.0)
Tax for the year		(158.0)	(108.4)	(234.2)
Cash flow from operations	*2-3*	**606.5**	**494.4**	**1,376.7**
Net investments in operating assets				
Investments in operating assets	*2-3*	(216.1)	(203.6)	(526.1)
Disposals of operating assets		36.3	42.7	96.7
		(179.8)	**(160.8)**	**(429.4)**
Cash flow from operations after net investments in operating assets	*2-3*	**426.7**	**333.6**	**947.3**
Change in working capital requirement	*2-3-14*	(310.0)	(455.8)	113.0
Free cash flow *before investments in concessions*	*2-3*	**116.8**	**(122.3)**	**1,060.3**
Investments in concessions *net of subsidies*	2-3	(304.0)	(203.0)	(525.8)
Free cash flow *after investments in concessions* (I)		**(187.2)**	**(325.3)**	**534.5**
Net financial investments				
Acquisition of financial investments *(excluding treasury stock)*	*2-3*	(85.9)	(86.6)	(222.2)
Proceeds from disposal of non-operating securities and property		39.1	18.8	89.3
		(46.8)	**(67.9)**	**(132.9)**
Net change in other financial fixed assets		(17.9)	0.8	4.7
(II)		**(64.7)**	**(67.1)**	**(128.2)**
Financing activities				
VINCI stock issues		125.4	26.1	53.1
Reductions in VINCI capital stock		(236.6)	—	(34.8)
Minority interest in capital increases of subsidiaries		0.1	0.1	0.2
Dividends paid by VINCI		(189.4)	(142.0)	(142.0)
Dividends paid to minority interest in subsidiaries		(16.2)	(21.7)	(57.6)
Dividends received from companies accounted for by the equity method		2.0	3.7	4.0
Other long-term liabilities		9.2	(0.1)	5.2
(III)		**(305.5)**	**(133.9)**	**(171.9)**
Cash flows for the period (I + II + III)		(557.4)	(526.2)	234.4
Net financial (debt)/surplus at 1 January *(excluding treasury stock)*		(2,447.5)	(2,680.6)	(2,680.6)
Impact of exchange rates, scope of consolidation and other		13.6	30.7	(1.3)
Net financial (debt)/surplus at 30 June/31 December *(excluding treasury stock)*		**(2,991.3)**	**(3,176.2)**	**(2,447.5)**

Changes in consolidated shareholders' equity

(in millions of euros)	Notes	Capital stock	Reserves	Currency translation reserves	Net income	Total
At 31 December 2002		**828.7**	**1,322.2**	**(31.2)**	**477.8**	**2,597.4**
Reduction of capital through cancellation of shares		(4.2)	(22.7)	—	—	**(26.9)**
Capital increases		13.4	39.7	—	—	**53.1**
Treasury stock taken as a reduction of shareholders' equity		—	(8.0)	—	—	**(8.0)**
Allocation of net income and dividend payment		—	335.8	—	(477.8)	**(142.0)**
Change in method		—	(23.0)	(0.5)	—	**(23.6)**
Currency differences		—	—	(54.7)	—	**(54.7)**
Net income for the year after minority interest		—	—		541.4	**541.4**
At 31 December 2003		**838.0**	**1,644.0**	**(86.4)**	**541.4**	**2,936.9**
Reduction of capital through cancellation of shares	*17*	(7.6)	(45.6)	—	—	**(53.2)**
Capital increases	*17*	29.2	96.2	—	—	**125.4**
Treasury stock taken as a reduction of shareholders' equity	*16*	—	(183.4)	—	—	**(183.4)**
Allocation of net income and dividend payment		—	352.0	—	(541.4)	**(189.4)**
Miscellaneous		—	8.0	0.0	—	**8.1**
Currency differences		—	—	13.7	—	**13.7**
Net income for the year after minority interest		—	—	—	251.7	**251.7**
At 30 June 2004		**859.5**	**1,871.3**	**(72.7)**	**251.7**	**2,909.8**

The goodwill resulting from the takeover of GTM, following the share offer and subsequent merger, corresponding to the difference between the VINCI capital increases (€2,172.8 million) and GTM's consolidated shareholders' equity on 1 July 2000 (€966.7 million) has not been recognised, in accordance with Article 215 of Regulation 99-02.

Goodwill allocated to shareholders' equity in 1997 on the contribution by Générale des Eaux of GTIE to Santerne represents an annual theoretical amortisation of €5.2 million.

Notes to the consolidated financial statements

A. Key events of the first half of 2004

■ Signature by the French government and Cofiroute of supplementary agreement 11 to the intercity concession contract and the 2004-2008 master plan

On 4 May 2004, the Ministry for Infrastructure and Transport and Cofiroute signed a supplementary agreement to Cofiroute's intercity concession contract, specifying the cost and timetable for construction by Cofiroute of new motorway sections.The agreement also lays out the operating conditions in respect of the motorway network managed by Cofiroute and defines the scale of tariffs applicable to revenue until 2030.
The 2004-2008 master plan sets the conditions governing the construction of the sections to be built as well as the additional investment Cofiroute is required to make on its network.The contract also determines, by reference to inflation, the price increases for the five years it covers.

■ Supplementary agreement to the operating contract of the Toll Collect consortium

The Toll Collect consortium, in which Cofiroute has a 10% interest, holds a contract to develop and operate a system of automated collection of tolls from heavy goods vehicles on the German motorway network.
A supplementary agreement to this operating contract was signed with the German government in April 2004.This provides for the toll service to be introduced on 1 January 2005 with reduced functionality, and for the full service to be launched on 1 January 2006.
The project was refinanced by the granting of a €1.2 billion bank credit guaranteed by Deutsche Telekom and DaimlerChrysler, the other partners with Cofiroute.When this finance was put in place in April 2004, Cofiroute obtained release from the guarantees it had given to the banks for €69.4 million.
In exchange, Cofiroute subscribed, for a total of €34.5 million, to its share of the capital increases carried out by Toll Collect during the first six months.
Having regard to these factors, at 30 June 2004 the company reversed the €34.5 million provision for liabilities made in 2003 in respect of the guarantees given and made an equivalent provision in respect of the Toll Collect shares subscribed as part of the capital increases.
Lastly, in August, a supplementary agreement to the consortium contract was entered into by Cofiroute and its partners confirming that the company's commitment for this project is limited to €70 million. It should not, therefore, have any impact on VINCI's financial situation.

■ Sale of interest in TBI

In March 2004, VINCI sold 0.8% of TBI, the British airport operator in which it had acquired a 14.9% interest in August 2001. At €4.5 million (£3 million), the amount of the transaction was close to the value of the shares recorded in the Group's financial statements and has no significant impact on the half year's net income.
The balance of the holding, 14.1% of TBI's capital, was sold during July 2004 for approximately €75 million (£50.4 million). Overall, these transactions will make a small positive impact on the consolidated result for the year.

■ Sale of interest in ITA, the Mexican airport management company

In April 2004, VINCI sold its 24.5% interest in ITA (Inversiones y Técnicas Aeroportuarias) to a Mexican investor. This company holds 15% of the concession company which operates nine airports in the South East of Mexico, including Cancun.

The sale proceeds amounted to €22.4 million ($28.2 million), giving rise to a pre-tax capital gain of €2.4 million in the consolidated financial statements.

■ Share buy-backs

VINCI's share buy-back programme seeks to offset the dilution effect of shares created when stock options are exercised and when shares are subscribed under the Group savings scheme. To that end, the company repurchases on the market a quantity of shares to be cancelled, the quantity being equivalent to the number of shares to be created. Moreover, VINCI has in the course of previous years acquired shares equivalent to the purchase options granted to certain members of Group management.
As part of this programme, VINCI repurchased in the first six months 3,026,000 additional shares at an average price of €78.17 per share. Taking account of the sale of 607,466 shares on the exercise of share options during the half year and of the cancellation of a total of 761,500 shares in March and May 2004, VINCI held 5,779,306 shares at 30 June 2004 (6.7% of the capital), of which 2,385,000 are to be cancelled, the balance of 3,394,306 shares being allocated to cover share purchase options still to be exercised at that date.

B. Seasonal nature of business activity

Activity for most of VINCI's business lines, but especially roadworks, is generally lower during the first half of the year than the second due to less favourable weather conditions.

The level of net sales and net income in the first half can not, therfore, be extrapolated over the whole year.

In addition, the seasonal nature of VINCI's business leads to the utilisation of operating cash resources during the first six months. This is because of the low level of receipts during this period and the pattern of operating cash inflow, most of which arises in the second six months.

No adjustment has been made in the six months financial statements to reflect the impact of seasonal factors.

Revenue received and expenses borne in the course of ordinary business operations by the Group on a seasonal, cyclical or occasional basis are accounted for in accordance with identical rules to those applied at the year end. They are neither brought forward nor deferred at the closing date of the interim financial statements.

Expenses and revenue invoiced on an annual basis (e.g. patent and licence fees) are accounted for on the basis of an estimated annual amount spread pro rata over the period concerned.

Liabilities arising during the six months, including those which are expected to be settled in the second half, are provided for at the end of the period. In particular, in the case of loss-making contracts, the end-of-contract losses foreseen during the half year are provided for in full at 30 June.

C. Accounting policies and valuation methods

■ General principles

VINCI's consolidated financial statements are prepared in accordance with the recommendations of the French National Accounting Council (CNC) of March 1999 on interim financial statements and follow the same accounting rules and methods as those applied in the annual financial statements, described in the last Annual Report.

The French Accounting Regulation Committee (CRC) adopted Regulation 2002-10 on amortisation, depreciation and impairment of assets. This new Regulation will be applicable for financial years commencing on or after 1 January 2005, but earlier adoption is permitted for financial years commencing on or after 1 January 2002. VINCI has not elected for early adoption of this new Regulation in its financial statements at 31 December 2003 and 30 June 2004 as its impact is still being assessed.

■ Comparability of half year periods: change in methods of calculating intermediate interest charges and special concession amortisation

As indicated in the 2003 Annual Report, at the end of the accounting period Cofiroute changed its methods of calculating intermediate interest charges relating to assets under construction and special concession amortisation in order to bring them into line with industry practice. The positive impact of these changes on the consolidated net income for the first half of 2004 amounts to €5.8 million on operating income, €11.5 million on net financial expense and approximately €8 million on consolidated net income.

■ Assessment of the tax charge

The tax charge for the first six months is determined by applying to the pre-tax profit the estimated average tax rate for the whole of the Group for 2004. If necessary, this rate is adjusted for the tax impact of any exceptional matters in the period.

■ Retirement commitments

No actuarial calculation has been made in preparing the half year financial statements. The retirement charge is equal to half the net charge forecast for the full year 2004.

■ Consolidation scope

	30 June 2004			31 Dec. 2003		
	Total	France	Foreign	Total	France	Foreign
Full consolidation	**1,325**	911	414	**1,239**	832	407
Proportionate consolidation	**295**	141	154	**287**	137	150
Equity method	**41**	17	24	**38**	14	24
	1,661	**1,069**	**592**	**1,564**	**983**	**581**

During the first half of 2004, Eurovia made acquisitions and disposals of interests in coating companies, binding plants and quarries previously held jointly with certain associates. These transactions, undertaken with a view to securing a better control of its industrial assets, resulted in Eurovia consolidating 47 new entities.
The acquisition of the Aulafi Group by VINCI Energy led to the full consolidation of 12 new companies.

D. Information by business line

1. Net sales

1.1 Breakdown of net sales by business line

(in millions of euros)	1st half 2004	1st half 2003	Structure Actual	Structure Comparable*	Constant exchange rates	2003
Concessions and services	936.9	909.9	3.0%	4.6%	4.5%	1,895.0
Energy	1,596.1	1,493.2	6.9%	4.7%	6.9%	3,115.0
Roads	2,531.1	2,328.7	8.7%	9.8%	9.6%	5,338.0
Construction	3,980.9	3,758.7	5.9%	5.9%	6.5%	7,715.6
Property and eliminations	40.6	24.0	—	—	—	47.2
	9,085.6	**8,514.5**	**6.7%**	**6.8%**	**7.4%**	**18,110.8**

* *At constant consolidation and exchange rates.*

1.2. Breakdown of net sales by geographical area

(in millions of euros)	1st half 2004	%	1st half 2003	%	2003	%
France	**5,681.9**	**63%**	**5,131.7**	**60%**	**10,998.9**	**61%**
Germany	721.5	8%	658.2	8%	1,457.3	8%
UK	736.3	8%	746.5	9%	1,447.9	8%
Benelux	449.5	5%	397.5	5%	803.0	4%
Spain	147.5	2%	165.9	2%	336.0	2%
Other European Union*	468.1	5%	523.6	6%	1,162.2	6%
Other European countries	68.9	1%	66.8	1%	154.7	1%
Europe excluding France**	**2,591.8**	**28%**	**2,558.5**	**30%**	**5,361.1**	**29%**
North America	414.2	5%	420.0	5%	934.7	5%
Rest of the world	397.7	4%	404.3	5%	816.1	5%
Total	**9,085.6**	**100%**	**8,514.5**	**100%**	**18,110.8**	**100%**

* *Including countries joining in 2004.*

** *Including the euro zone for €1,383 million at 30 June 2004, €1,322 million at 30 June 2003 and €2,768 million at 31 December 2003.*

2. Other information by business line

First half 2004

(in millions of euros)	Concessions and services	Energy	Roads	Construction	Property, holding cos. & eliminations	Total
Statement of income						
Net sales	936.9	1,596.1	2,531.1	3,980.9	40.6	**9,085.6**
Gross operating surplus	368.2	88.4	93.3	227.3	8.3	**785.5**
as a percentage of net sales	*39.3%*	*5.5%*	*3.7%*	*5.7%*	*ns*	***8.6%***
Operating income	273.4	51.2	19.5	166.3	10.0	**520.4**
as a percentage of net sales	*29.2%*	*3.2%*	*0.8%*	*4.2%*	*ns*	***5.7%***
Net income	109.1	21.8	10.2	112.0	(1.4)	**251.7**
as a percentage of net sales	*11.6%*	*1.4%*	*0.4%*	*2.8%*	*ns*	***2.8%***
Cash flow statement						
Cash flow from operations	260.4	70.2	76.0	193.8	6.1	**606.5**
Investments						
Operating	*15.7*	*27.7*	*58.0*	*105.1*	*9.6*	***216.1***
Concession	*304.1*	—	—	—	*0.0*	***304.1***
Financial	*42.8*	*18.5*	*6.4*	*18.1*	*0.0*	***85.9***
Cash flow from operations after net investments in operating assets (a)	246.1	46.7	31.5	106.0	(3.5)	**426.7**
Change in working capital requirement (b)	(31.1)	(88.8)	(195.0)	(6.2)	11.1	**(310.0)**
Free cash flow before concession investments (a-b)	215.0	(42.1)	(163.5)	99.8	7.6	**116.7**
Balance sheet						
Concession fixed assets	5,313.9	—	0.3	5.6	0.0	**5,319.8**
Net tangible fixed assets	260.0	237.9	614.2	738.7	79.4	**1,930.3**
Provisions for liabilities	110.5	204.9	270.7	756.9	254.3	**1,597.2**
Operating	*80.5*	*166.6*	*229.9*	*638.5*	*38.2*	***1,153.8***
Financial	*10.4*	*0.0*	*0.0*	*5.4*	*89.9*	***105.7***
Exceptional	*19.6*	*38.3*	*40.8*	*112.9*	*126.2*	***337.8***
Working capital requirement	(99.0)	(88.2)	29.7	(597.2)	4.7	**(749.9)**
Capital employed less investment subsidies received	7,005.4	285.4	766.1	(111.0)	271.7	**8,217.5**
Net debt (excluding treasury stock)	(3,260.1)	296.6	241.0	1,180.0	(1,448.8)	**(2,991.3)**
Number of employees	**18,533**	**26,837**	**35,450**	**45,114**	**437**	**126,371**

First half 2003

(in millions of euros)	**Concessions and services**	**Energy**	**Roads**	**Construction**	**Property, holding cos. & eliminations**	**Total**
Statement of income						
Net sales	909.9	1,493.2	2,328.7	3,758.7	23.9	**8,514.5**
Gross operating surplus	357.6	69.8	76.2	178.4	4.1	**686.1**
as a percentage of net sales	*39.3%*	*4.7%*	*3.3%*	*4.7%*	*ns*	***8.1%***
Operating income	256.7	49.4	8.3	112.8	(0.6)	**426.5**
as a percentage of net sales	*28.2%*	*3.3%*	*0.4%*	*3.0%*	*ns*	***5.0%***
Net income	89.0	22.6	0.4	76.1	7.6	**195.6**
as a percentage of net sales	*9.8%*	*1.5%*	*0.0%*	*2.0%*	*ns*	***2.3%***
Cash flow statement						
Cash flow from operations	242.4	58.0	59.8	136.7	(2.6)	**494.4**
Investments						
Operating	*18.1*	*31.4*	*51.0*	*97.8*	*5.2*	***203.6***
Concession	*203.1*	—	—	—	*0.0*	***203.1***
Financial	*72.6*	*1.0*	*6.3*	*6.2*	*0.6*	***86.6***
Cash flow from operations after net investments in operating assets (a)	224.9	33.8	25.7	54.4	(5.3)	**333.5**
Change in working capital requirement (b)	33.2	(158.1)	(152.3)	(182.5)	3.9	**(455.8)**
Free cash flow before concession investments (a-b)	258.1	(124.3)	(126.6)	(128.1)	(1.4)	**(122.3)**
Balance sheet						
Concession fixed assets	4,837.8	—	0.3	2.4	0.0	**4,840.5**
Net tangible fixed assets	278.4	233.5	580.1	704.4	57.6	**1,854.0**
Provisions for liabilities	115.1	185.0	253.6	737.0	262.0	**1,552.7**
Operating	*93.9*	*151.7*	*213.1*	*618.7*	*46.5*	***1,123.9***
Financial	*11.0*	*0.1*	*0.1*	*12.6*	*53.0*	***77.0***
Exceptional	*10.2*	*33.2*	*40.4*	*105.6*	*162.5*	***351.9***
Working capital requirement	(179.4)	(120.7)	150.2	(406.8)	(40.3)	**(596.9)**
Capital employed less investment subsidies received	6,470.1	237.4	887.2	45.9	202.5	**7,843.2**
Net debt (excluding treasury stock)	(2,981.3)	259.8	2.2	880.7	(1,337.5)	**(3,176.2)**
Number of employees	**20,061**	**25,949**	**34,002**	**46,053**	**322**	**126,387**

2003

(in millions of euros)	**Concessions and services**	**Energy**	**Roads**	**Construction**	**Property, holding cos. & eliminations**	**Total**
Statement of income						
Net sales	1,895.0	3,115.0	5,338.0	7,715.6	47.2	**18,110.8**
Gross operating surplus	782.5	195.7	363.7	449.1	(13.0)	**1,777.9**
as a percentage of net sales	*41.3%*	*6.3%*	*6.8%*	*5.8%*	*ns*	***9.8%***
Operating income	599.8	129.2	200.8	221.9	14.2	**1,166.0**
as a percentage of net sales	*31.7%*	*4.1%*	*3.8%*	*2.9%*	*ns*	***6.4%***
Net income	163.9	53.3	125.5	177.5	21.2	**541.4**
as a percentage of net sales	*8.7%*	*1.7%*	*2.4%*	*2.3%*	*ns*	***3.0%***
Cash flow statement						
Cash flow from operations	536.1	137.4	268.7	333.4	101.1	**1,376.7**
Investments						
Operating	*77.5*	*71.5*	*144.9*	*210.6*	*21.5*	***526.1***
Concession	*522.0*	—	—	*3.8*	*0.0*	***525.8***
Financial	*204.5*	*2.5*	*4.7*	*9.8*	*0.8*	***222.2***
Cash flow from operations after net investments in operating assets (a)	471.3	86.2	158.2	147.7	84.1	**947.3**
Change in working capital requirement (b)	69.2	(102.0)	183.9	10.7	(48.9)	**113.0**
Free cash flow before concession investments (a-b)	540.4	(15.9)	342.1	158.4	35.2	**1,060.3**
Balance sheet						
Concession fixed assets	5,017.3	—	0.4	5.9	0.0	**5,023.6**
Net tangible fixed assets	299.7	236.4	599.7	730.9	71.8	**1,938.5**
Provisions for liabilities	136.9	191.7	271.2	775.7	243.9	**1,619.4**
Operating	*79.1*	*156.4*	*223.8*	*647.8*	*39.8*	***1,147.0***
Financial	*10.0*	*0.1*	*0.7*	*6.8*	*78.2*	***95.7***
Exceptional	*47.8*	*35.3*	*46.7*	*121.1*	*125.9*	***376.7***
Working capital requirement	(137.5)	(184.7)	(168.9)	(616.0)	6.1	**(1,101.0)**
Capital employed less investment subsidies received	6,764.6	171.6	566.9	(174.6)	268.0	**7,596.5**
Net debt (excluding treasury stock)	(3,233.4)	359.6	476.5	1,136.3	(1,186.4)	**(2,447.5)**
Number of employees	**21,873**	**25,933**	**35,072**	**44,207**	**428**	**127,513**

3. Information relating specifically to the concessions and services business line

First half 2004

(in millions of euros)	Cofiroute*	VINCI Park	VINCI Infrastructures	VINCI Airports	VINCI Airports Services	VINCI Concessions holding co.	Total
Statement of income							
Net sales	402.8	243.6	47.5	11.1	231.8	0.0	**936.9**
Gross operating surplus	258.8	88.2	19.6	2.1	7.9	(8.5)	**368.2**
as a percentage of net sales	*64.3%*	*36.2%*	*41.3%*	*18.8%*	*3.4%*	*ns*	***39.3%***
Operating income	210.0	61.1	8.9	(0.1)	2.0	(8.5)	**273.4**
as a percentage of net sales	*52.1%*	*25.1%*	*18.8%*	*(0.8%)*	*0.9%*	*ns*	***29.2%***
Net income	68.1	27.9	1.0	(4.4)	(3.3)	19.8	***109.1***
as a percentage of net sales	*16.9%*	*11.5%*	*2.1%*	*(40.0%)*	*(1.4%)*	*ns*	***11.6%***
Cash flow statement							
Cash flow from operations	164.6	60.1	8.2	2.4	4.2	20.9	**260.4**
Investments							
Operating	*1.6*	*8.9*	*0.5*	*0.3*	*4.4*	*0.0*	***15.7***
Concession	*232.1*	*28.0*	*42.0*	*2.0*	*0.0*	*0.0*	***304.1***
Financial	*34.5*	*3.2*	*—*	*0.0*	*3.1*	*1.9*	***42.8***
Cash flow from operatfions after net investments in operating assets (a)	163.0	51.9	7.7	2.1	0.5	20.9	**246.1**
Change in working capital requirement (b)	(18.7)	(5.2)	6.2	(1.3)	(1.7)	(10.4)	**(31.1)**
Free cash flow before concession investment (a-b)	144.4	46.7	13.9	0.8	(1.2)	10.4	**215.0**
Balance sheet							
Concession fixed assets	3,171.0	840.9	1,263.4	38.3	0.4	0.0	**5,313.9**
Net tangible fixed assets	16.0	171.2	1.9	0.8	69.7	0.4	**260.0**
Provisions pour risques	45.9	17.3	10.8	8.4	25.0	3.2	**110.5**
Working capital requirement	(19.8)	(98.3)	(16.6)	1.2	34.0	0.6	**(99.0)**
Capital employed less investment subsidies received	3,088.2	1,356.2	810.6**	168.5	349.9	1,232.0	**7,005.4**
Net debt	(1,836.8)	(465.7)	(626.1)	(3.4)	(148.3)	(179.7)	**(3,260.1)**
Number of employees	**2,029**	**5,104**	**331**	**46**	**11,023**	**0**	**18,533**

** At 100%, except for net income (Group share: 65.34%).*

*** Including €389 million for the Rion-Antirion bridge and €197.8 million for the Chillán-Collipulli motorway, which entered service progressively in 2001 and 2002.*

First half 2003

(in millions of euros)	Cofiroute *	VINCI Park	VINCI Infrastructures	VINCI Airports	VINCI Airports Services	VINCI Concessions holding co.	Total
Statement of income							
Net sales	383.4	244.2	44.4	7.4	230.6	0.0	**909.9**
Gross operating surplus	255.0	84.7	15.7	1.0	6.8	(5.6)	**357.6**
as a percentage of net sales	*66.5%*	*34.7%*	*35.4%*	*14.0%*	*3.0%*	*ns*	***39.3%***
Operating income	197.8	56.8	8.2	(0.5)	0.1	(5.6)	**256.7**
as a percentage of net sales	*51.6%*	*23.2%*	*18.5%*	*(7.3%)*	*0.0%*	*ns*	***28.2%***
Net income	65.3	19.5	(1.5)	1.4	(7.9)	12.1	**89.0**
as a percentage of net sales	*17.0%*	*8.0%*	*(3.4%)*	*18.3%*	*(3.4%)*	*ns*	***9.8%***
Cash flow statement							
Cash flow from operations	163.6	59.0	3.4	2.0	2.3	12.1	**242.4**
Investments							
Operating	*1.3*	*10.9*	*0.4*	*0.7*	*4.7*	*0.1*	**18.1**
Concession	*124.2*	*4.6*	*72.8*	*1.4*	—	*0.0*	**203.1**
Financial	*12.0*	*2.4*	—	—	*(0.1)*	*58.3*	**72.6**
Cash flow from operations after net investments in operating assets (a)	162.5	48.8	2.9	1.3	(2.4)	11.8	**224.9**
Change in working capital requirement (b)	(0.2)	(7.7)	51.7	(6.3)	(10.2)	5.9	**33.2**
Free cash flow before concession investments (a-b)	162.3	41.1	54.7	(5.0)	(12.7)	17.7	**258.1**
Balance sheet							
Concession fixed assets	2,934.3	782.2	1,084.7	36.6	—	0.0	**4,837.8**
Net tangible fixed assets	17.2	208.1	2.7	0.8	49.2	0.4	278.4
Provisions for liabilities	65.6	25.5	8.8	1.2	14.0	0.0	**115.1**
Working capital requirement	(112.4)	(82.7)	(7.8)	0.4	29.2	(5.9)	**(179.4)**
Capital employed less investment subsidies received	2,756.7	1,378.2	691.6**	197.3	348.7	1,097.6	**6,470.1**
Net debt	(1,639.0)	(485.4)	(501.1)	(4.1)	(297.7)	(54.1)	**(2,981.3)**
Number of employees	**1,944**	**5,950**	**168**	**32**	**11,967**	**0**	**20,061**

** At 100%, except for net income (Group share: 65.34%).*

*** Including €287.3 million for the Rion-Antirion bridge and €197.3 million for the Chillán-Collipulli motorway, which entered service progressively in 2001 and 2002.*

2003

(in millions of euros)	Cofiroute*	VINCI Park	VINCI Infrastructures	VINCI Airports	VINCI Airports Services	VINCI Concessions holding co.	Total
Statement of income							
Net sales	837.3	490.7	80.6	15.3	471.0	0.0	**1,895.0**
Gross operating surplus	577.0	165.0	32.4	1.6	19.4	(12.9)	**782.5**
as a percentage of net sales	*68.9%*	*33.6%*	*40.1%*	*10.3%*	*4.1%*	*ns*	***41.3%***
Operating income	475.2	117.3	16.4	(1.7)	5.6	(12.9)	**599.8**
as a percentage of net sales	*56.7%*	*23.9%*	*20.3%*	*(10.9%)*	*1.2%*	*ns*	***31.7%***
Net income	150.9	46.9	5.3	4.3	(50.3)	6.8	**163.9**
as a percentage of net sales	*18.0%*	*9.6%*	*6.6%*	*28.0%*	*(10.7%)*	*ns*	***8.7%***
Cash flow statement							
Cash flow from operations	395.7	113.5	11.2	1.8	9.8	4.0	**536.1**
Investments							
Operating	*4.6*	*25.5*	*0.3*	*0.7*	*46.2*	*0.1*	**77.5**
Concession	*313.0*	*26.7*	*179.6*	*2.8*	*0.0*	*0.0*	**522.0**
Financial	*12.7*	*6.6*	*0.0*	*0.0*	*0.2*	*185.0*	**204.5**
Cash flow from operations after net investments in operating assets (a)	392.1	89.2	11.0	1.1	(26.2)	4.0	**471.3**
Change in working capital requirement (b)	3.4	13.0	56.4	(5.0)	(8.4)	9.8	**69.2**
Free cash flow before concession investments (a-b)	395.5	102.2	67.4	(3.8)	(34.6)	13.8	**540.4**
Balance sheet							
Concession fixed assets	2,995.9	789.4	1,198.6	33.0	0.3	0.0	**5,017.3**
Net tangible fixed assets	16.6	208.9	1.9	0.8	71.3	0.4	**299.7**
Provisions for liabilities	90.8	20.7	9.0	0.0	14.3	2.0	**136.9**
Working capital requirement	(38.2)	(101.6)	(10.3)	3.1	19.3	(9.8)	**(137.5)**
Capital employed less investment subsidies received	2,886.4**	1,347.8	787.6***	186.7	336.4	1,219.6	**6,764.6**
Net debt	(1,691.3)	(479.1)	(598.9)	(1.7)	(270.3)	(192.1)	**(3,233.4)**
Number of employees	**2,048**	**6,162**	**343**	**44**	**13,276**	**0**	**21,873**

** At 100%, except for net income (Group share: 65.34%).*

*** Including €713.1 million in respect of sections under construction (mainly tunnel VL1 on the A86 and new sections of the A85 and A28 motorways).*

**** Including €360.4 million for the Rion-Antirion bridge under construction and €211.5 million for the Chillán-Collipulli motorway, which entered service progressively in 2001 and 2002.*

E. Notes to the statement of income

4. Operating income

4.1. Breakdown of operating expenses by nature

(in millions of euros)	1st half 2004	1st half 2003	2003
Purchases consumed	2,340.3	2,119.0	4,556.6
Outside services	3,616.2	3,597.0	7,422.7
Wages, salaries and social benefit charges	2,512.0	2,360.4	4,737.9
Employee profit-sharing	27.4	21.3	48.1
Other expenses	169.4	160.1	332.7
	8,665.4	**8,257.8**	**17,098.0**

4.2. Amortisation, depreciation and provisions

(in millions of euros)	1st half 2004	1st half 2003	2003
Amortisation and depreciation			
Intangible assets other than goodwill	10.2	10.0	21.4
Concession fixed assets	87.0	83.8	161.3
Tangible fixed assets	197.3	194.6	419.9
Deferred expenses			
	294.5	**288.4**	**602.6**
Provision charges/(reversals)			
Asset impairment charges	(22.3)	(6.2)	(15.4)
Operating liabilities and charges	(7.1)	(22.6)	24.7
	(29.4)	**(28.8)**	**9.3**
Total amortisation, depreciation and provisions	**265.1**	**259.5**	**611.9**

5. Net financial income/(expense)

(in millions of euros)	1st half 2004	1st half 2003	2003
Net financial income/(expense) excluding capitalised interest *	(110.2)	(109.2)	(222.9)
Capitalised interest **	35.4	18.9	69.8
Net financial expenses	*(74.9)*	*(90.3)*	*(153.0)*
Dividends received ***	39.3	28.9	33.6
Financial amortisation. provisions and reversals ****	(32.4)	(2.5)	(24.3)
Foreign currency translation and other gains/(losses)	11.1	0.5	19.8
Total	**(56.9)**	**(63.4)**	**(124.0)**

Net financial expenses for the period arise mainly from Concessions, which accounted for €50.9 million at 30 June 2004 (of which €26.1 million relates to Cofiroute).

* *Including provision for the redemption premium on the Oceane bonds issued in 2001 and 2002 for €15.8 million at 30 June 2004 and at 30 June 2003 and €31.7 million at 31 December 2003.*

** *Including Cofiroute for €22.5 million at 30 June 2004, €10.6 million at 30 June 2003 (See Note C - Accounting policies and valuation methods) and €46.9 million at 31 December 2003.*

*** *Including ASF dividends for €31.9 million at 30 June 2004 and €19.1 million at 30 June 2003.*

**** *Including an impairment charge of €34.5 million against Toll Collect shares held by Cofiroute (See Note A - Key events of the first half of 2004).*

6. Net exceptional income/(expense)

(in millions of euros)	1st half 2004	1st hal 2003	2003
Net gains from asset disposals	6.5	13.5	64.5
Restructuring costs (net of provisions)	(10.5)	(17.0)	(48.1)
Other exceptional income and expenses (net of provisions)	32.8	35.8	2.9
	29.0	**32.3**	**13.5**

At 30 June 2004, net gains from asset disposals comprise principally a gain of €2.4 million arising on the sale of ITA shares *(see Note A - Key events of the first half of 2004)*.
The other exceptional income and expenses includes the reversal of a provision of €34.5 million linked to obtaining release from the guarantees given to financial institutions as part of the Toll Collect project *(see Note A - Key events of the first half of 2004)*.

7. Analysis of net tax expense

(in millions of euros)	1st half 2004	1st half 2003	2003
Current and deferred tax	(173.3)	(110.9)	(234.0)
Effective tax rate	35.2%	28.0%	22.2%

As explained in the Review of Operations, the tax charge for the period includes non-recurring elements. These aside, the effective tax rate at 30 June 2004 is 31.4%.

8. Earnings per share

Earnings per share is calculated on the basis of the weighted number of shares outstanding over the period, including treasury stock recorded under marketable securities. This number is adjusted for the average weighted number of shares held with a view to their being cancelled and taken as a reduction of consolidated shareholders' equity.

Diluted earnings per share is based on the weighted average number over the period of dilutive equivalent shares (including share subscription options and convertible bonds). In addition, net income is restated for financial savings, net of tax, that would result from the conversion of convertible bonds into shares.

Dilution resulting from the exercise of share subscription options is determined, in accordance with rules currently in force, according to the treasury stock method as defined by international standards.

The following tables compare earnings per share and diluted earnings per share:

First half 2004	Net income*	Number of shares	Earnings per share**
Earnings per share	**251.7**	**84,049,592**	**2.99**
Stock subscription options	—	3,310,244	—
Convertible bonds	15.5	11,308,334	—
Diluted earnings per share	**267.2**	**98,668,170**	**2.71**

** In millions of euros.*

*** In euros.*

First half 2003	Net income*	Number of shares	Earnings per share**
Earnings per share	**195.6**	**83,036,168**	**2.36**
Stock subscription options	—	1,566,398	—
Convertible bonds	15.5	11,308,334	—
Diluted earnings per share	**211.1**	**95,910,900**	**2.20**

** In millions of euros.*

*** In euros.*

First half 2003	Net income*	Number of shares	Earnings per share**
Earnings per share	**541.4**	**83,392,281**	**6.49**
Stock subscription options	—	1,763,413	—
Convertible bonds	31.3	11,308,334	—
Diluted earnings per share	**572.7**	**96,464,028**	**5.94**

** In millions of euros.*

*** In euros.*

Net earnings per share have grown 26.7% between the first half of 2003 and the first half of 2004. After dilution, the increase is 23.2%.

F. Notes to the balance sheet

9. Goodwill

Changes in the first half of 2004 were as follows:

(in millions of euros)	Gross book value	Amortisation	Net book value
At 31 December 2003	**1,489.0**	**(769.3)**	**719.7**
Goodwill acquired during the period *	17.4	—	17.4
Amortisation and provisions	—	(25.4)	(25.4)
Translation differences	12.8	(10.4)	2.4
Entities no longer consolidated	(7.0)	10.7	3.8
At 30 June 2004	**1,512.3**	**(794.4)**	**717.9**

** Mainly arising on the acquisition of the Aulafi Group.*

The main items of goodwill on acquisition at 30 June 2004 are as follows:

(in millions of euros)	30/06/04 Remaining amortisation	Gross book value	Amortisation	Net book value	31/12/03 Net book value
VINCI Park (formerly Sogeparc and Finec)	25.5 years	412.9	(77.0)	335.9	343.1
Entreprise Jean Lefebvre	9.5 years	74.4	(36.8)	37.5	39.3
Teerbau GmbH	7.5 years	82.8	(46.9)	35.9	38.7
Emil Lundgren AB	15.5 years	26.2	(5.9)	20.3	21.0
Norwest Holst	3.5 years	108.3	(89.1)	19.2	20.8
EFS (formerly SEN)	17.5 years	21.6	(3.2)	18.4	19.0
Lusoponte	25.5 years	14.2	(1.3)	12.9	13.2
VINCI Airports US (WFS/ACAC)	17.5 years	142.1	(131.4)	10.7	10.5
Aulafi and subsidiaries	19.75 years	10.8	(0.2)	10.7	—
Other goodwill under €10 million*	—	618.9	(402.5)	216.4	214.1
	—	**1,512.3**	**(794.4)**	**717.9**	**719.7**

** On the basis of the net value for individual entities for each of the two periods.*

10. Concession fixed assets

Concession fixed assets comprise both investments by VINCI under commitments in connection with concession contracts and the fixed value of assets under concession.

10.1. Movements in the period

(in millions of euros)	Gross book value	Amortisation	Net book value
At 31 December 2003	**7,020.4**	**(1,996.8)**	**5,023.6**
Changes in consolidation scope and other reclassifications	66.6	(17.3)	49.2
Acquisitions	350.2	—	350.2
Disposals and decreases	(22.4)	10.4	(12.0)
Amortisation, depreciation and provisions	—	(89.0)	(89.0)
Translation differences	(2.2)	(0.1)	(2.2)
At 30 June 2004	**7,412.6**	**(2,092.8)**	**5,319.8**

Investments during the period relate mainly to Cofiroute for €232.7 million (new sections under construction on the A85 and A28 motorways and tunnels on the A86 motorway), the Rion-Antirion bridge for €70.4 million and VINCI Park for €36.7 million.

10.2. Breakdown by activity

(in millions of euros)	30/06/04 Gross book value	Amortisation	Net book value	31/12/03 Net book value
VINCI Park	1,299.2	(458.3)	840.9	789.4
Cofiroute	4,724.8	(1,553.8)	3,171.0	2,995.9
Other concessions	1,388.6	(80.7)	1,307.9	1,238.3
	7,412.6	**(2,092.8)**	**5,319.8**	**5,023.6**

11. Tangible fixed assets

11.1. Movements in the period

(in millions of euros)	Gross book value	Depreciation	Net book value
At 31 December 2003	**4,603.7**	**(2,665.1)**	**1,938.5**
Changes in consolidation scope and other reclassifications	66.9	(77.1)	(10.2)
Acquisitions	224.0	—	224.0
Disposals	(140.7)	104.9	(35.8)
Depreciation and provisions	—	(197.7)	(197.7)
Translation differences	22.3	(11.0)	11.3
At 30 June 2004	**4,776.3**	**(2,846.0)**	**1,930.3**

11.2. Breakdown by type of asset

	30/06/04			31/12/03
(in millions of euros)	Gross book value	Depreciation	Net book value	Net book value
Land	270.0	(50.9)	219.1	235.3
Buildings	888.1	(357.8)	530.3	555.1
Plant and equipment	2,607.4	(1,783.8)	823.7	791.0
Fixtures and fittings, office equipment	946.8	(652.6)	294.1	300.7
Assets under construction	64.0	(0.9)	63.1	56.5
	4,776.3	**(2,846.0)**	**1,930.3**	**1,938.5**

12. Investments held as fixed assets

At 30 June 2004, investments in subsidiaries and affiliates broke down as follows:

	30/06/04			
(in millions of euros)	% held	Net book value	Stock market value	Share price
Shares in listed subsidiaries and affiliates (ASF)	20.0%	1,231.0	1,510.7	32.64 euros
Long-term investment securities (TBI)	14.1%	76.3	78.1	66.50 pence
Other shares, in unlisted subsidiaries and affiliates	—	157.2	—	—
Total	—	**1,464.5**	—	—

The 14.1% interest in the capital of TBI was sold during July 2004 for an amount of £50.4 million *(See Note A - Key events of the first half of 2004)*. This transaction will make a small positive impact on the annual consolidated statement of income.

13. Investments accounted for by the equity method

Movements in the first half of 2004:

(in millions of euros)	30/06/04	30/06/03	31/12/03
Value at the beginning of the period	**101.3**	**107.3**	**107.3**
Change in consolidation method	(2.7)		(1.1)
Increase in capital stock of equity accounted companies	0.0		0.3
Group share of net income for the period	2.7	(0.3)	8.7
of which concessions and services	*1.9*	*2.3*	*4.4*
Dividends paid	(2.0)	(3.7)	(4.0)
Changes in consolidation scope and translation differences	(15.8)	(4.3)	(9.7)
Value at the end of the period	**83.5**	**99.0**	**101.3**
of which concessions and services	*65.4*	*83.9*	*80.6*

Investments accounted for by the equity method at 30 June 2004 are mainly in infrastructure concession companies in which the Group exercises significant influence: bridges over the Severn River in the UK (Severn River Crossing), Mexican airports managed by the GACN Group (SETA), bridges over the Tagus in Portugal (Lusoponte), the Prado-Carénage tunnel in Marseilles (SMTPC) and ADP Management, which owns 10% of Beijing airport and 25% of Liège airport, in which the Group has a 34% holding.
The shares in ITA (airport concession in Southern Mexico) were sold during the half year *(see Note A - Key events of the first half of 2004)*.

14. Working capital requirement

				2004/2003 change due to	
(in millions of euros)	30/06/04	30/06/03	31/12/03	operation	other
Inventories and work in progress (net)	537.0	505.0	473.7	34.4	29.0
Trade and other operating receivables	8,306.9	8,235.9	7,579.6	500.7	226.6
Provisions against operating receivables	(419.5)	(425.5)	(429.0)	29.6	(20.1)
Inventories and operating receivables (I)	**8,424.4**	**8,315.4**	**7,624.3**	**564.7**	**235.4**
Operating payables (II)	**9,174.3**	**8,912.4**	**8,725.3**	**254.7**	**194.3**
Working capital requirement (I-II)	**(749.9)**	**(596.9)**	**(1,101.0)**	**310.0**	**41.1**

The deterioration in the working capital requirement over the first six months of the year results mainly from the weak level of receipts during the period (*see Note B - Seasonal nature of the business activity*). This weakening is, however, less marked than in the first six months of 2003 because of the more favourable weather conditions and the completion of several major property transactions in the first six months of 2004.

15. Short-term financial receivables

Short-term financial receivables include the current accounts of unconsolidated entities for an amount of €50 million at 30 June 2004.

16. Marketable securities

Changes in marketable securities are as follows:

(in millions of euros)	30/06/04	30/06/03	31/12/03
Treasury shares	156.7	182.2	181.6
Other marketable securities	3,480.0	2,325.1	3,387.4
	3,636.7	**2,507.3**	**3,569.0**

At 30 June 2004, treasury stock comprised 5,779,306 shares, representing 6.72% of the capital, of which 2,385,000 shares to be cancelled have been taken as a deduction from consolidated shareholders' equity. The balance of 3,394,306 shares, acquired at an average price of €46.17, is included in marketable securities. These shares, representing 3.94% of the capital, are all allocated to cover share purchase option plans granted to Group executives.

Other marketable securities consist primarily of negotiable debt instruments and cash instruments (mutual funds or SICAV). A certain number of mutual funds are brought together in 16 funds in which VINCI is currently the only investor (total amount invested approximately €1.3 billion at 30 June 2004). These funds are the subject of an AMF (French Financial Markets Authority) information note and may, if necessary, be opened to other investors. They comprise primarily cash financial instruments and bonds available on the market.

17. Change in shareholders' equity

Capital increases amounting to €125 million in the period correspond to the issue of shares under the Group savings scheme and the exercise of share subscription options.

As part of its policy to offset the dilution effect caused by these transactions *(see Note A - Key events of the first half of 2004)*, VINCI reduced the capital stock by cancelling shares in an amount of €53 million (761,500 shares) and taking as a reduction from shareholders' equity 2,385,000 shares to be cancelled for €183 million.
A further cancellation of 2,300,000 shares was decided by the Board of Directors on 7 September 2004.

18. Minority interest

During the period, movements in minority interest were as follows:

(in millions of euros)	30/06/04	30/06/03	31/12/03
Value at the beginning of the period	**551.3**	**551.9**	**551.9**
Changes in consolidation scope	(11.4)	(7.8)	(7.7)
Issues of new shares subscribed to by third parties	0.1	0.1	0.2
Minority interest in net income for the period	44.8	42.9	104.5
Dividends paid	(16.2)	(21.7)	(57.6)
Value at the end of the period	**568.5**	**525.5**	**551.3**

At 30 June 2004, minority interest in Cofiroute (representing 34.66% of the capital stock) amounted to €397 million (against €368 million at 31 December 2003) and in CFE (54.62%) to €87 million (against €90 million at 31 December 2003).

19. Investment subsidies

This item consists of investment subsidies for infrastructure concession contracts, including, at 30 June 2004, €367 million for the Rion-Antirion bridge in Greece, €127 million for Consortium Stade de France and €51 million for Cofiroute.
The increase in this period relates to an additional subsidy of €36 million received by Gefyra, the concession company for the Rion-Antirion bridge.

20. Provisions for liabilities

Movements for provisions for liabilities over the period were as follows:

(in millions of euros)	31/12/03	Charges	Used	Other reversals	Changes in consolidation scope and misc.	30/06/04
After-sales service	230.6	26.0	(18.9)	(5.9)	2.2	234.0
Losses on completion and construction project liabilities	346.6	158.4	(158.6)	(12.2)	(6.3)	327.9
Major repairs	136.7	16.5	(27.7)	(1.5)	2.5	126.6
Disputes	265.1	37.4	(22.2)	(13.5)	18.9	285.7
Other operating liabilities	167.9	30.1	(24.4)	(1.6)	7.5	179.5
Operating liabilities	**1,147.0**	**268.4**	**(251.7)**	**(34.7)**	**24.8**	**1,153.8**
Financial liabilities	**95.7**	**23.4**	**(15.6)**	**1.7**	**0.4**	**105.7**
Restructuring	61.0	6.8	(17.8)	(0.9)	(1.4)	47.6
Other exceptional liabilities	315.7	39.9	(70.8)	(3.7)	9.1	290.1
Exceptional liabilities	**376.7**	**46.6**	**(88.7)**	**(4.6)**	**7.7**	**337.8**
	1,619.4	**338.5**	**(355.9)**	**(37.6)**	**32.9**	**1,597.2**

Provisions for after-sales service cover the statutory commitments of VINCI businesses in respect of completed projects, in particular under ten-year warranties in the construction sector. They are estimated statistically on the basis of observations of expenses for previous years or individually on the basis of identified defects.

Provisions for completion losses on contracts and construction project liabilities are made mainly when end-of-contract projections, based on the most likely estimated outcome, point to a loss, and when work needs to be carried out on completed projects under completion warranties.

Provisions for major repairs relates principally to Cofiroute.

Provisions for disputes and other operating liabilities relate mainly to disputes with customers where the proceedings generally exceed the duration of the accounting period.

Provisions for exceptional liabilities are intended to cover liabilities of a non-recurring nature, in particular restructuring liabilities for €47.6 million at the end of June 2004 (including €21.2 million for Construction, €20.9 million for Energy and €5.4 million for Roads).

21. Net debt

VINCI's net debt, before the impact of treasury stock (VINCI shares accounted for in marketable securities - *see Note 16)*, was €2,991.3 million at 30 June 2004 against €3,176.2 million at 30 June 2003, a reduction over the 12 months of €184.9 million. Taking account of treasury stock, net debt was €2,834.6 million at 30 June 2004 against €2,993.9 million at 30 June 2003.

Analysis of net debt by nature:

(in millions of euros)	30/06/04	30/06/03	31/12/03
Subordinated debt with indefinite maturity	(7.9)	(13.1)	(10.1)
Bond issues	(4,807.2)	(4,899.8)	(4,781.7)
of which, convertible bond issues (Oceane)	*(1,017.8)*	*(1,017,8)*	*(1,017,8)*
Other long-term debt	(1,575.5)	(1,204.4)	(1,380.5)
I - Total long-term debt	**(6,390.6)**	**(6,117.3)**	**(6,172.3)**
Bank overdrafts and other short-term borrowings	(975.2)	(1,193.0)	(604.2)
II - Gross debt	**(7,365.8)**	**(7,310.3)**	**(6,776.5)**
Financial receivables	242.6	258.4	283.5
Marketable securities excluding treasury stock	3,480.0	2,325.1	3,387.4
Cash	651.8	1,550.7	658.2
III - Net financial debt	**(2,991.3)**	**(3,176.2)**	**(2,447.5)**
Treasury stock	156.7	182.2	181.6
IV - Net financial debt after treasury stock	**(2,834.6)**	**(2,993.9)**	**(2,265.8)**

22. Off balance sheet commitments and other commitments

Overall, VINCI's off balance sheet commitments have changed little since 31 December 2003.

G. Additional information

To the Company's knowledge, there is no exceptional event or litigation likely to affect substantially the business, financial performance, net assets or financial situation of the Group or the Company. Where necessary provisions have been taken that the Company considers sufficient in respect of the cases described below.

- On 23 May 2004, part of the roof shell of Terminal 2E at Charles de Gaulle-Roissy airport collapsed. This construction had been carried out for Aéroports de Paris which, in relation to this project, acted as owner, designer and building contractor. The construction work at Terminal 2E had been carried out in numerous different sections by a number of contractors. The superstructure had been constructed by a group of companies comprising several subsidiaries of VINCI. This accident is currently the subject of judicial and technical investigations, the object being to determine the causes of the collapse.

- Cofiroute has a 10% share in the Toll Collect consortium, of which Deutsche Telekom and DaimlerChrysler Services, among others, are also members. This consortium holds a contract to develop and operate a system for automated collection of tolls from heavy goods vehicles on the German motorway network. Development of this system is proving more complicated and is taking longer than expected, which has led the German Government to make various claims against the Consortium, in particular for payment of late delivery penalties. VINCI considers that, given the contractual arrangements applicable to relations both with the German Government and within the Consortium, this project will not have a material impact on VINCI's financial situation, as sufficient provisions have been taken in Cofiroute's accounts to cover any possible negative outcome.

- At the end of 1998, the Grenoble Administrative Court ordered VINCI to bear the consequences, jointly and severally with an Italian building contractor (now in liquidation), of the collapse of the roof of a building belonging to NERSA. EDF, implicated by VINCI, was also ordered to guarantee VINCI for 40% of the consequences of this event, which reduced VINCI's liability to €13.6 million in principal and interest. Given the circumstances of the case, VINCI lodged an appeal against this decision at the beginning of 1999. Proceedings are still under way at the Lyons Administrative Appeal Court. Meanwhile, actions and procedures undertaken with regard to insurers and financial institutions have enabled the financial consequences for VINCI of this case to be significantly reduced, through a settlement received of €13.3 million.

- In 1997, SNCF lodged multiple claims with the Paris Administrative Court against a large number of construction and civil engineering enterprises, of which several are VINCI Group companies, with a view to obtaining financial compensation for the prejudice it claims to have suffered between 1987 and 1990 during the award of tender for the construction of the TGV Nord and Rhône-Alpes lines (and their interconnections).
  This claim was the consequence of the finding by the competition authority against the enterprises concerned in 1995, which the Paris Court of Appeal upheld overall (making a second ruling after its 1997 decision was overturned). The Paris Administrative Court has assessed that the anti-competitive practices established by the competition authority enable SNCF to argue that its consent to the contracts entered into had been invalidated and ordered an expert opinion to measure the damage caused. In a judgment delivered on 22 April 2004, the Paris Court of Appeal confirmed this approach in the aggregate. For its part, VINCI considers that SNCF suffered no financial prejudice on the award of these tenders to its subsidiaries involved to the extent that the tenders concerned were negotiated in detail with SNCF, which is an extremely experienced and competent customer. VINCI does not expect this dispute to have a material effect on its financial situation.

- A dispute between VINCI and the US company Global Industries was taken to the Paris Commercial Court, regarding the consequences of the failure of the sale of ETPM by GTM to Global Industries, each party claiming compensation from the other for damages resulting from the breakdown of their discussions. On 19 November 2003, the Court ordered Global Industries to pay compensation to VINCI of US$25 million plus interest for the period from 25 November 1999 together with an amount covering any exchange loss arising from fluctuations in the euro/dollar exchange rate. Although this ruling has to be complied with pending any appeal, Global has not yet done so. Global has lodged an appeal against the ruling. VINCI does not expect this dispute to have a material effect on its financial situation.

- In a dispute between VINCI and Bouygues Bâtiment as co-shareholders of Consortium Stade de France (CSDF), Bouygues Bâtiment is claiming a right of first refusal for the acquisition – at their nominal value – of half of the shares in this company previously held by GTM and acquired by VINCI after the merger with GTM on 19 December 2000. In its ruling on 14 September 2002, the Paris Commercial Court found that Bouygues Bâtiment and VINCI should each hold an equal share of CSDF and appointed an expert to provide the information required to value the consortium's shares. The expert's report submitted at the end of December 2003 attributed a median value of €92 million to the shares as a whole, their nominal value being €29.7 million.
  As VINCI had lodged an appeal against this ruling, the Paris Appeal Court, which should give its ruling in the second half of 2004, will first have to rule on whether the claim made by Bouygues Bâtiment is well-founded. If this claim and that made by VINCI are rejected, CSDF's shareholder structure will remain unaltered. If this is not the case, VINCI could be required to sell 16.66% of CSDF to Bouygues Bâtiment for an amount to be decided by the Court. VINCI does not expect this dispute to have a material effect on its financial situation.

- Sogea Nord-Ouest, a subsidiary of Sogea Construction, was ordered on 10 October 2000 by the Lyons Commercial Court to pay €9 million to HIL, a principal, in respect of penalties for late delivery due to delays in delivering a hotel building because of a fire caused by a subcontractor. Sogea Nord-Ouest appealed against this ruling and on 15 January 2004 the Lyons Appeal Court reduced the sum due by Sogea Nord-Ouest to €3 million, a decision which is now final. Sogea Nord-Ouest has also sued the sub-contractors responsible and insurers.

- CBC has been brought before the Mexican courts in several cases. One of the shareholders of Prodipe Inc. and a Mexican state organisation allege that CBC did not fulfil the terms of its contract concerning a tourist site development in Baja California, the financing of which was guaranteed up to US $7.2 million by Coface, which was in turn counter-guaranteed by the Mexican state organisation in question.
  Given the current state of affairs, VINCI does not expect this dispute to have a material impact on its financial situation.

- CBC built a hotel in Bratislava (Slovakia) for Intertour, part of whose equity it held. This transaction was financed through promissory notes issued by Intertour and discounted on a non-recourse basis by CBC with a French bank, which had counter-guarantees from foreign financial institutions. Following the payment default by Intertour, these financial institutions have initiated various legal proceedings, including one before the Paris Commercial Court, in which CBC was called as guarantor of the principal amount of €41 million.
  CBC was also sued in December 2003 in the Paris Commercial Court by the same French bank, which is claiming €24 million on the basis of alleged responsibility in connection with the invalidity of the guarantees issued by the foreign financial institutions in the French bank's favour. Given the current state of affairs, VINCI does not expect this dispute to have a material impact on its financial situation.
- Lastly, several VINCI Group companies are being investigated under competition law, and certain employees of VINCI Group subsidiaries are subject, on a personal basis, to judicial enquiry procedures that aim to determine whether they have participated in practices restricting competition or made inappropriate use of corporate assets for the direct or indirect benefit of political figures or parties. VINCI does not expect these procedures to have a material impact on its financial situation in the event of an unfavourable outcome.

Main consolidated companies at 30 June 2004

	Consolidation method	VINCI Group holding (%)
1. Concessions and services		
VINCI Concessions SA	FC	100.00
VINCI Park	FC	100.00
Sogeparc France	FC	99.99
Sogeparc CGST	FC	100.00
Sepadef (Société d’exploitation des parcs de la Défense)	FC	100.00
VINCI Park Services Ltd (UK)	FC	100.00
VINCI Park Belgium (Belgium)	FC	100.00
VINCI Park España (Spain)	FC	100.00
Gestipark (Canada)	PC	50.00
Zeson Management Ltd (Hong Kong)	FC	100.00
Cofiroute	FC	65.34
Cofiroute Participations	FC	65.34
Cofiroute Corporation (USA)	FC	65.34
Cofiroute UK (UK)	FC	65.34
Toll Management Collect (UK)	FC	74.00
VINCI Infrastructures	FC	100.00
Stade de France	PC	66.67
SMTPC (Prado-Carénage Tunnel)	EM	31.34
Lusoponte (Bridges over the Tagus river, Portugal)	EM	30.85
Severn River Crossing (Bridges over the River Severn, UK)	EM	35.00
Strait Crossing Development Inc (Confederation Bridge, Canada)	PC	49.90
Gefyra (Rion-Antirion bridge, Greece)	FC	53.00
Autopista Del Bosque (Chillán-Collipulli motorway, Chile)	FC	82.95
Operadora Autopista Del Bosque (Chile)	FC	86.14
Morgan VINCI Ltd (Newport bypass, Wales, UK)	PC	50.00
VINCI Airports	FC	100.00
Société Concessionnaire de l’Aéroport de Pochentong - SCA (Cambodia)	PC	70.00
Servicios de Tecnología Aeroportuaria - SETA (Mexico)	EM	37.25
ADP Management	EM	34.00
VINCI Airports UK	FC	100.00
VINCI Airports Services	FC	100.00
VINCI Airports US (WFS)	FC	100.00
EFS (formerly SEN)	FC	100.00
SPA TRANS	FC	100.00

FC: full consolidation; PC: proportionate consolidation; EM: equity method

	Consolidation method	VINCI Group holding (%)

2. Energy

VINCI Energies	FC	100.00
SDEL Tertiaire	FC	100.00
Garczynski Traploir	FC	100.00
Santerne Exploitation	FC	100.00
VINCI Energies île-de-France	FC	100.00
Tunzini	FC	100.00
Tunzini Protection Incendie	FC	100.00
Fournié-Grospaud	FC	100.00
Graniou île-de-France	FC	100.00
Lefort Francheteau	FC	100.00
Saga Entreprises	FC	100.00
Phibor Entreprises	FC	100.00
TMS (Austria)	FC	100.00
VINCI Energies Deutschland and subsidiaries (Controlmatic, G+H Isolierung, Calanbau)	FC	100.00
Emil Lundgren (Sweden)	FC	100.00
Spark Iberica (Spain)	FC	80.00
VINCI Energies UK (UK)	FC	100.00

3. Roads

Eurovia	FC	100.00
Eurovia Champagne-Ardenne	FC	100.00
Eurovia Lorraine	FC	100.00
Eurovia Méditerranée	FC	100.00
Eurovia île-de-France	FC	100.00
Eurovia Bretagne	FC	100.00
EJL île-de-France	FC	100.00
Eurovia Alpes	FC	100.00
Eurovia Haute-Normandie	FC	100.00
Eurovia Basse-Normandie	FC	100.00
Eurovia Centre Loire	FC	100.00
Eurovia Atlantique	FC	100.00
Ringway Ltd (UK)	FC	95.99
Highway Services (UK)	FC	59.80
Hubbard (USA)	FC	100.00
Blythe (USA)	FC	100.00
SSZ (Czech Republic)	FC	92.06
Probisa Technologia y Construccion (Spain)	FC	91.25
Construction DJL (Canada)	FC	95.80
Bitumix (Chile)	FC	50.10
Boucher (Belgium)	FC	100.00
Cestne Stavby Kosice (Slovakia)	FC	96.65
Eurovia Polska Spolka Akcyjna (Poland)	FC	92.46
Eurovia Teerbau	FC	100.00
Eurovia VBU	FC	100.00
Eurovia Beton	FC	100.00

FC: full consolidation; PC: proportionate consolidation; EM: equity method

	Consolidation method	VINCI Group holding (%)

4. Construction

Sogea Construction	FC	100.00
SICRA	FC	100.00
Campenon Bernard Construction	FC	100.00
Bateg	FC	100.00
Sogea Nord-Ouest	FC	100.00
Campenon Bernard Méditerranée	FC	100.00
Sogea Nord	FC	100.00
EMCC	FC	100.00
Deschiron	FC	100.00
Énergilec	FC	100.00
VINCI Environnement	FC	100.00
GTM Construction	FC	100.00
GTM Génie Civil et Services	FC	100.00
GTM Bâtiment	FC	100.00
Dumez île-de-France	FC	100.00
Chantiers Modernes	FC	100.00
Les Travaux du Midi	FC	100.00
Lainé Delau	FC	100.00
GTM Terrassement	FC	100.00
Dumez Méditerranée	FC	100.00
Petit	FC	100.00
Dumez EPS	FC	100.00
Scao	PC	33.33
VINCI Construction Filiales Internationales		
Sogea-Satom	FC	100.00
Warbud (Poland)	FC	72.93
SBTPC (Reunion)	FC	100.00
Hídépítö (Hungary)	FC	97.69
SMP Construction (Czech Republic)	FC	87.54
First Czech Construction Company (Czech Republic)	FC	100.00
Dumez-GTM Calédonie	FC	100.00
Sobea Gabon (Gabon)	FC	90.00
Sogea Martinique	FC	100.00
VINCI Construction UK, Germany and USA		
VINCI plc (UK)	FC	100.00
Rosser & Russel (UK)	FC	100.00
Crispin & Borst (UK)	FC	100.00
VINCI Investment (UK)	FC	100.00
Brüggemann (Germany)	FC	100.00
SKE (Germany)	FC	100.00
SKE SSI (USA)	FC	100.00
VINCI Bautec (Germany)	FC	100.00

FC: full consolidation; PC: proportionate consolidation; EM: equity method

	Consolidation method	VINCI Group holding (%)
Compagnie d'Entreprises CFE (Belgium)	FC	45.38
CFE (branches: Bageci, MBG, CFE Brabant, CFE Immobilier)	FC	45.38
Dredging Environmental and Marine Engineering - DEME	PC	22.68
VINCI Construction Grands Projets	FC	100.00
Socaso	FC	100.00
Socatop	PC	66.67
Janin Atlas (Canada)	FC	100.00
Freyssinet	FC	100.00
Freyssinet France	FC	100.00
Terre Armée Internationale	FC	100.00
The Reinforced Earth Cy - RECO (USA)	FC	100.00
Ménard Soltraitement	FC	100.00
Freyssinet International et Cie	FC	100.00
Immer Property (Australia)	FC	70.00
Freyssinet Korea (Korea)	FC	90.00
Freyssinet Hong Kong (Hong Kong)	FC	100.00

5. Other operationnal enteties

Sorif (Property)	FC	100.00
Elige (Property)	FC	100.00

FC: full consolidation; PC: proportionate consolidation; EM: equity method.

Report of the Statutory Auditors on the limited review of the consolidated half-year financial statements

Six months ended 30 June 2004

In our capacity as Statutory Auditors, and in accordance with Article L 232-7 of the French Code of Commerce, we conducted:

- the limited review of the attached consolidated interim financial statements of VINCI for the six months ended 30 June 2004;
- the verification of the information given in the interim management report.

These consolidated interim financial statements are the responsibility of, and have been approved by, the Board of Directors. It is our responsibility, on the basis of our review, to present our opinion on these statements

We conducted our review in accordance with French professional standards, which require us to carry out procedures to obtain reasonable assurance that the consolidated interim financial statements are free from material misstatement. Such procedures principally consist of an analytical review and of making the enquiries we consider necessary of management and other persons. A review is substantially less in scope than an audit and therefore provides a lower level of assurance than an audit.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not present fairly, in all material respects and in accordance with accounting principles generally accepted in France, the financial position, the assets and liabilities and the results of the operations during the six months of the companies included in the consolidation at the end of the period.

We have checked, in accordance with French professional standards, the information contained in the six month management report, commenting on the consolidated interim financial statements which we have reviewed.

We have nothing to report with respect to the fairness of such information and its conformity with the financial statements.

Neuilly sur Seine and Paris, 14 October 2004
The Statutory Auditors

Deloitte Touche Tohmatsu	RSM Salustro Reydel
Thierry Benoit	Bernard Cattenoz Benoît Lebrun