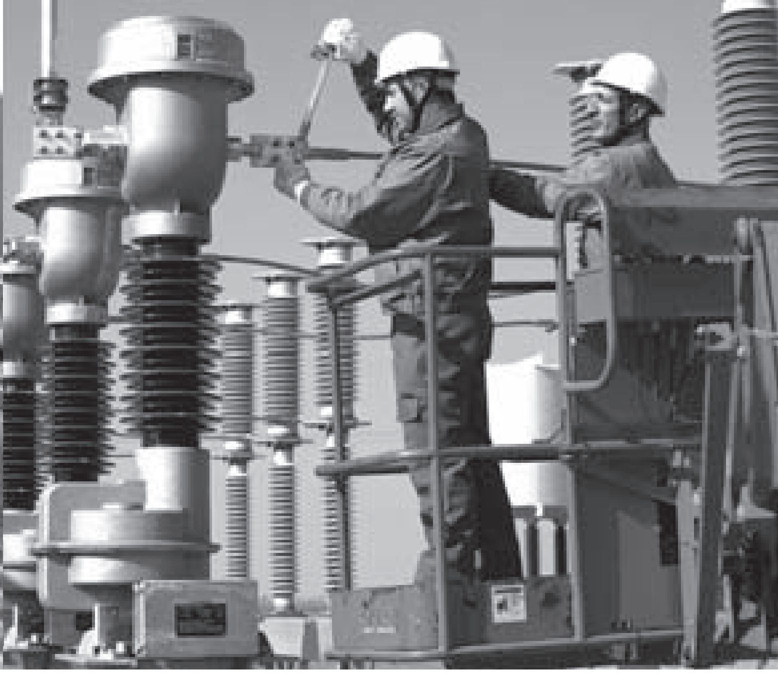
ANNUAL REPORT 2005

VINCI

VINCI CONCESSIONS



VINCI ENERGIES

VINCI MILESTONES

VINCI is heir to many hundreds of businesses whose names, since the 19th century, have been associated with the most ambitious construction projects in France and throughout the world.

1891. Creation of Grands Travaux de Marseille (GTM).

1899. Creation of Girolou by Alexandre Giros and Louis Loucheur. This company built electrical generating stations and networks. Its first concession was the Lille-Roubaix-Tourcoing tramway.

1908. Creation, as part of Girolou, of Société Générale d'Entreprises (SGE).

1908-1918. SGE experienced rapid growth until World War I and participated in the war effort and then in post-war reconstruction. It became renowned for major projects such as the building of dams and power stations.

1918-1946. SGE developed its activities mainly in electricity until the sector was nationalised in 1946 at which time it redeployed into building and civil engineering.

1966. Compagnie Générale d'Électricité acquired a controlling interest in SGE.

1970. SGE participated in the formation of Cofiroute, which financed, built and now operates the A10 (Paris to Orleans) and A11 (Paris to Le Mans) motorways.

1984. Compagnie de Saint-Gobain became SGE's majority shareholder.

1988. Saint-Gobain sold its interest in SGE to Compagnie Générale des Eaux, which contributed its construction and civil engineering subsidiaries Campenon Bernard and Freyssinet, as well as roadworks company Viafrance.

The 1990s. Several acquisitions gave SGE a European dimension.

1996. SGE was reorganised into four core businesses: concessions, energy, roads, and construction.

1997. Compagnie Générale des Eaux reduced its interest in SGE to 51%. SGE sold its household waste treatment and water distribution activities to Compagnie Générale des Eaux, and (in exchange) acquired electrical engineering companies GTIE and Santerne and construction company CBC.

1999. The Group made a successful friendly bid for Sogeparc, the leading French car park operator.

2000. Vivendi disposed of its holding in SGE, which changed its name to VINCI. VINCI made a friendly bid for GTM with a view to a merger and Suez contributed its majority shareholding. The merger of the two groups formed the world's leading group in concessions, construction and related services.

2002. VINCI entered the CAC 40 index of the 40 leading companies listed on the Paris market and acquired 17% of Autoroutes du Sud de la France (ASF).

2003-2004. VINCI increased its holding in ASF to 23%.

2005. The government selected VINCI to acquire ASF in the motorway company privatisation.

EUROVIA

VINCI CONSTRUCTION

KEY 2005 FIGURES OF THE NEW GROUP FOLLOWING INTEGRATION OF ASF[1]

Revenue

€24 billion

Net profit

€ 1.1 billion

(before ASF goodwill amortisation)

Net financial debt

€18.3 billion

(before VINCI capital increase and after VINCI hybrid bond issue (February 2006))

Operating profit from ordinary activities

€2.7 billion

(before ASF goodwill amortisation)

Cash flow from operations

€3.7 billion

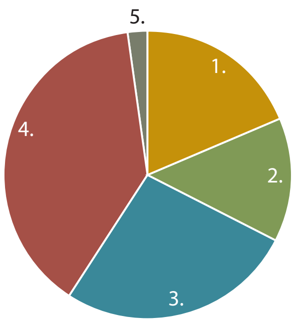
(before taxes and cost of financing)

Workforce

142,000

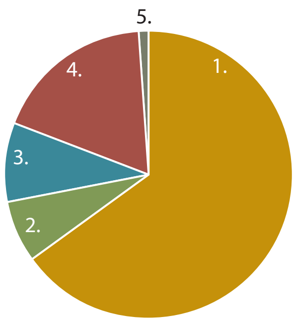
employees worldwide

Revenue by business line



1. Concessions and services	**19%**
2. Energy	**14%**
3. Roads	**26%**
4. Construction	**39%**
5. Property	**2%**
Total	**100%**

Operating profit from ordinary activities by business line



1. Concessions and services	**65%**
2. Energy	**7%**
3. Roads	**9%**
4. Construction	**18%**
5. Property	**1%**
Total	**100%**

1. – not audited.

CONTENTS

VINCI, the world's leading integrated concession-construction group

VINCI, the world's leading construction and related services group[1], reinforces its portfolio of concessions by acquiring Autoroutes du Sud de la France, Europe's second-largest motorway operator, to form the world's leading integrated concession-construction group[2] in 2006. In a move consistent with VINCI's historic development strategy of focusing on four major operating divisions, the acquisition balanced the share of concessions among the Group's business lines.

VINCI CONCESSIONS

VINCI Concessions draws on its expertise in project design, structuring, financing, turnkey construction and engineering to build transport infrastructure (motorways, engineering structures, car parks and airports) under public-private partnerships (PPPs), which the company then operates under long-term contracts. This dual competency also applies to major public facilities, such as the Stade de France.

VINCI ENERGIES

VINCI Energies is the market leader in France and a major player in Europe in energy and information technology services, providing the interface between equipment manufacturers and users. Operating in the energy infrastructure, manufacturing, service and telecommunications sectors where it develops solutions that are both local and global, VINCI Energies supports its customers at all stages of their projects (design, engineering, implementation, operation and maintenance).

EUROVIA

Eurovia, a world leader in roadworks and recycling, builds, renovates and maintains road and motorway infrastructure, carries out urban, industrial and retail development projects and is expanding into complementary environmental and service business lines. Vertically integrated, with 220 quarries, 520 production sites and 110 recycling units, Eurovia is also the leading French producer of aggregates and a leading European producer of roadworks materials.

VINCI CONSTRUCTION

VINCI Construction, market leader in France and a major player on the world construction market, brings together an outstanding combination of capabilities in building, civil engineering, hydraulic engineering, multi-technical maintenance and services. With strong roots in its local markets through its networks of subsidiaries in France, Europe and Africa, the company also holds a leading role in the world market for major design-build and specialised, technically sophisticated civil engineering projects.

Workforce

134,000

employees worldwide

Revenue

€21.5 billion

Market capitalisation

€15.1 billion

at 31 January 2006

Operating in over

80

countries

Net profit attributable to equity holders of the parent

€871 million

1. – *VINCI is ranked as the world's leading construction company by US publication* Engineering New Records, *quoted in the December 2005 issue of* Le Moniteur.
2. – *Source: internal study.*

Antoine Zacharias

Xavier Huillard

VINCI gains new momentum

A company like ours forges ahead by drawing strength from its roots. It shapes its future by cultivating its principles and maintaining a strategic course. Born over one hundred years ago, our group originated in highly complementary construction and concession business lines. Now, at the start of the 21st century, the same model inspires its strategy and drives its prospects for further growth.

2005 ended with an event marking the culmination of a project that had been under way for four years and that lends new impetus to our growth momentum: VINCI was selected as the company to carry out the complete privatisation of Autoroutes du Sud.

With this acquisition, which is being finalised in the first half of 2006, VINCI becomes the leading French motorway concessionaire, the European lead player in transport infrastructure concessions and the world's number one integrated concession-construction group. The merger restores the equilibrium among our four complementary business lines - concessions, energy, roads and construction. It considerably broadens our recurring and predictable results base. It consolidates our positions on European markets driven by the major infrastructure and public facility construction and renovation programmes now being carried out, increasingly under public-private partnerships, by local authorities. It paves the way for expansion in these business lines beyond the borders of our continent. All the ASF teams, and their management in particular, will be contributing their experience and their competencies to that effort.

These developments are made possible thanks to the constant improvement in our performance: once again, the year ended with highly satisfactory results. Our revenue grew by 10%, our operating profit from ordinary activities by 21% and our net profit by 19%. In a demonstration of investors' faith in our ability to sustain our growth over time, our stock market share price increased by 47% during the year, by nearly 120% over two years and by 870% over 10 years.

With the ASF acquisition, VINCI becomes the leading French motorway concessionaire, the European leader in transport infrastructure concessions and the world's leading integrated concession-construction group.

Long-term sustainability is also the focus of the approach we take to being a responsible group. As VINCI builds infrastructure and develops urban spaces, its operations touch upon major environmental issues. VINCI has a duty to offer its employees - 142,000 following the acquisition of ASF - a human resources plan on a par with its economic plan. It has a particular duty to pay close attention to changes in the societies in which it operates, with their diversity and their need for solidarity. The efforts we have made in these areas need to be further pursued and extended, especially in the field of equal opportunities. The VINCI Foundation will be taking up these new challenges, as will our companies with their endeavour to foster gender equality.

With a new chapter now opening up in our history, the Board of Directors in early January 2006 accepted my proposal to entrust the general management of VINCI to Xavier Huillard. I am certain that Xavier Huillard's abilities, demonstrated over the many years in which we have worked together within the Group, will enable him to lead VINCI to long-term success.

In my position as Chairman of the Board, I for my part will continue to contribute to the discussion of our Group's strategy, making my experience available in the expansion projects that are certain to come VINCI's way.

Antoine Zacharias
Chairman

THE GROUP IN 2005

Corporate management structures

BOARD OF DIRECTORS [1]

Chairman
Antoine Zacharias,
Chairman of VINCI.

Vice Chairman
Bernard Huvelin,
Adviser to the Chairman of VINCI.

Directors
Dominique Bazy,
Vice-Chairman of UBS Investment Bank.

François David,
Chairman of the Coface Group.

Quentin Davies,
Member of the House of Commons, United Kingdom.

Guy Dejouany,
Honorary President of Vivendi Universal.

Alain Dinin,
Chairman and CEO of Nexity.

Patrick Faure,
Chairman and CEO of Renault Sport and Chairman of the Board of Renault F1 Team Ltd.

Dominique Ferrero,
Vice-Chairman of Merrill Lynch Europe.

Xavier Huillard,
Chief Executive Officer of VINCI.

Serge Michel,
Chairman of Soficot.

Alain Minc,
Chairman and CEO of AM Conseil and Chairman of the Supervisory Board of Le Monde.

Yves-Thibault de Silguy,
Executive Vice-President of the Suez Group.

Willy Stricker,
Senior Adviser, Ixis-CIB.

Denis Vernoux,
Director representing employee shareholders.

2005 EXECUTIVE COMMITTEE

The Executive Committee is responsible for managing VINCI. It met 12 times in 2005.

Antoine Zacharias,
Chairman and CEO of VINCI.

Bernard Huvelin,
Adviser to the Chairman of VINCI.

Xavier Huillard,
Co-Chief Operating Officer of VINCI.

Roger Martin,
Co-Chief Operating Officer of VINCI, Chairman and CEO of Eurovia.

Pierre Coppey,
Vice-President, Corporate Communications, Human Resources and Synergies.

Christian Labeyrie,
Vice-President and Chief Financial Officer.

Philippe Ratynski,
Chairman of VINCI Construction.

2006 EXECUTIVE COMMITTEE

Xavier Huillard,
Chief Executive Officer of VINCI.

Roger Martin,
Senior Executive Vice-President of VINCI, Chairman and CEO of Eurovia.

Pierre Coppey,
Executive Vice-President of VINCI, Vice-President, Corporate Communications, Human Resources and Synergies.

Christian Labeyrie,
Executive Vice-President of VINCI, Vice-President and Chief Financial Officer.

Philippe Ratynski,
Executive Vice-President of VINCI.

David Azéma,
Senior Executive Vice-President of VINCI Concessions.

Richard Francioli,
Chairman of VINCI Construction.

Jean-Yves Le Brouster,
Chairman and Chief Executive Officer of VINCI Energies.

Jacques Tavernier,
Chief Executive Officer of VINCI Concessions.

MANAGEMENT AND CO-ORDINATION COMMITTEE

The Management and Co-ordination Committee brings together the members of the Executive Committee and senior executives of VINCI. Its remit is to ensure broad discussion of the company's strategy and development.

Renaud Bentegeat,
Managing Director of CFE.

Pierre Berger,
Chairman of VINCI Construction Grands Projets.

Jean-Marie Dayre,
Deputy Managing Director of VINCI Energies.

Bruno Dupety,
Chairman of Freyssinet.

Denis Grand,
Chairman and CEO of VINCI Park.

Robert Hosselet,
Chairman of GTM Construction.

Patrick Lebrun,
Deputy Managing Director of VINCI Energies, Chief Operating Officer of VINCI Assurances.

Jean-Louis Marchand,
Senior Executive Vice-President of Eurovia.

Jean-Pierre Marchand-Arpoumé,
Senior Manager of VINCI.

Yves Meigné,
Managing Director, International Division of VINCI Energies.

Jean-Luc Pommier,
Vice-President, Business Development of VINCI.

Daniel Roffet,
Executive Vice-President, International of Eurovia.

Jean Rossi,
Chairman of Sogea Construction.

John Stanion,
Chairman of VINCI PLC.

Henri Stouff,
Chairman and CEO of Cofiroute.

Philippe Touyarot,
Deputy Managing Director of VINCI Energies.

Guy Vacher,
Executive Vice-President, France, of Eurovia.

1. – at 9 January 2006

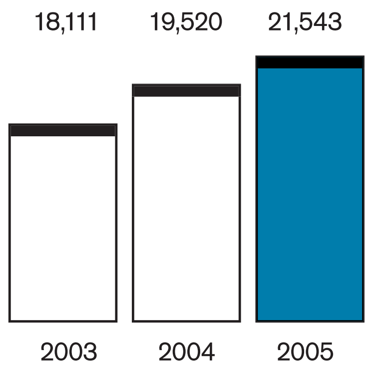
Top to bottom, left to right : Xavier Huillard, Antoine Zacharias[1], Roger Martin, Pierre Coppey, Christian Labeyrie, Philippe Ratynski, David Azéma[2], Richard Francioli[2], Jean-Yves Le Brouster[2], Jacques Tavernier[2].

1. – Until end 2005.
2. – From 2006.

All business lines contributed to the improvement in the Group's performance in 2005.

2005 Revenue [1]

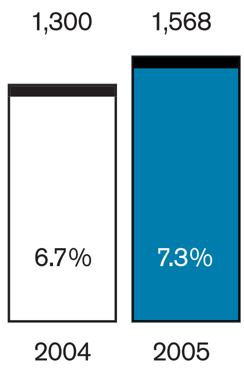
+10%



Business growth was driven by both France and the international market. It was mainly organic: at constant scope of consolidation and exchange rates, revenues increased by 9%. VINCI Construction and Eurovia recorded a very good year, with business activity up more than 12% (like-for-like) in each of these divisions.

2005 Operating profit from ordinary activities [2]

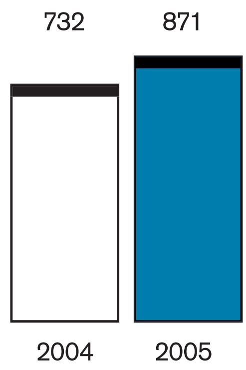
+21%



All Group business lines contributed to this further improvement in operating profitability. The increase at VINCI Construction (+43%) is particularly noteworthy.

2005 Net profit attributable to equity holders of the parent [1]

+19%

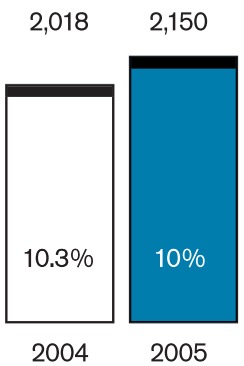


All business lines contributed to the strong gain in net profit. VINCI Concessions was the leading contributor to net profit attributable to equity holders of the parent company, ahead of VINCI Construction. VINCI Energies and Eurovia also improved their contributions.

1. – *In € millions.*
2. – *In € millions and as a percentage of revenue.*

2005 cash flow from operations*[(2)]

+7%

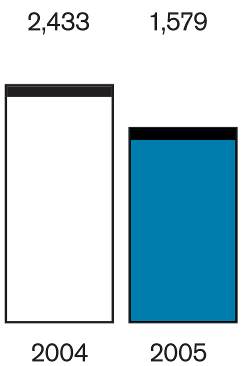


Cash flows from operations increased by 7%. This improvement is primarily attributable to VINCI Construction and VINCI Concessions, which together account for 70% of the total.

Net financial debt[(1)]

- 854

€ million

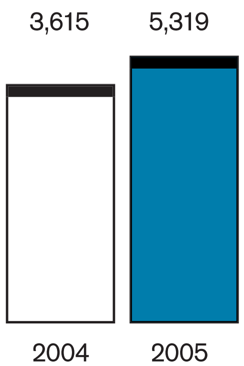


Net financial debt declined by €854 million despite the increase in the indebtedness of concessions as a result of the increase in Cofiroute investments. The other divisions show a net cash surplus of €2.8 billion, up by over €200 million. The holding companies reduced their debt by over €1.2 billion thanks to the conversion of Oceane bonds.

Equity including minority interest[(1)]

+1,704

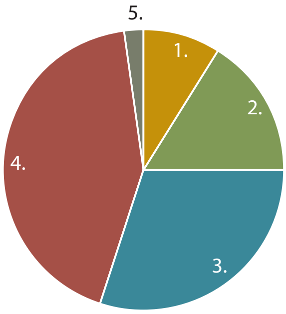
€ million



The Group's balance sheet was substantially strengthened, with equity increasing from €3.6 to €5.3 billion and the gearing (debt to equity) ratio standing at 30% (down from 67% in 2004).

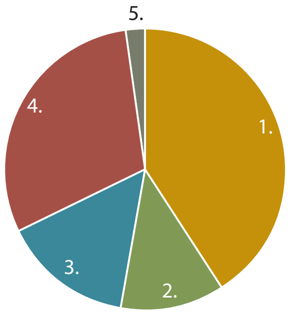
* Before taxes and cost of net financial debt.

Complementary business lines operating mainly in Europe



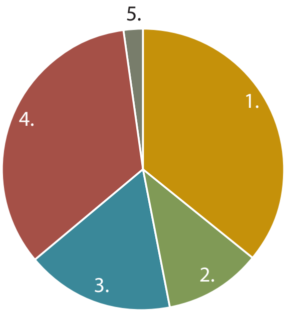
2005 REVENUE BY BUSINESS LINE

1. Concessions and services	9%
2. Energy	16%
3. Roads	30%
4. Construction	43%
5. Property	2%
Total	100%



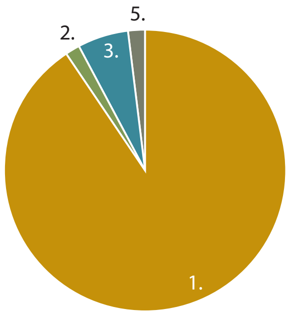
2005 OPERATING PROFIT FROM ORDINARY ACTIVITIES BY BUSINESS LINE

1. Concessions and services	41%
2. Energy	12%
3. Roads	15%
4. Construction	30%
5. Property	2%
Total	100%



2005 NET PROFIT BY BUSINESS LINE

1. Concessions and services	36%
2. Energy	11%
3. Roads	17%
4. Construction	34%
5. Property	2%
Total	100%

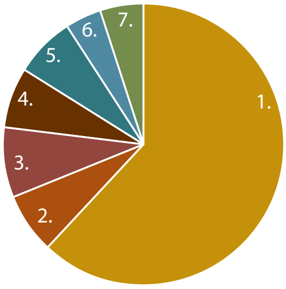


2005 CAPITAL EMPLOYED BY BUSINESS LINE

1. Concessions and services	96%
2. Energy	2%
3. Roads	6%
4. Construction	- 6%
5. Property	2%
Total	100%

VINCI has a balanced portfolio of business lines which are very complementary from a financial viewpoint:
– Concessions are capital intensive during the investment phase, but they generate recurring revenues and profits, offering good future visibility;
– Engineering business lines (construction, roads and energy), which are much less capital intensive, are cash flow generators and generally have short operating cycles.

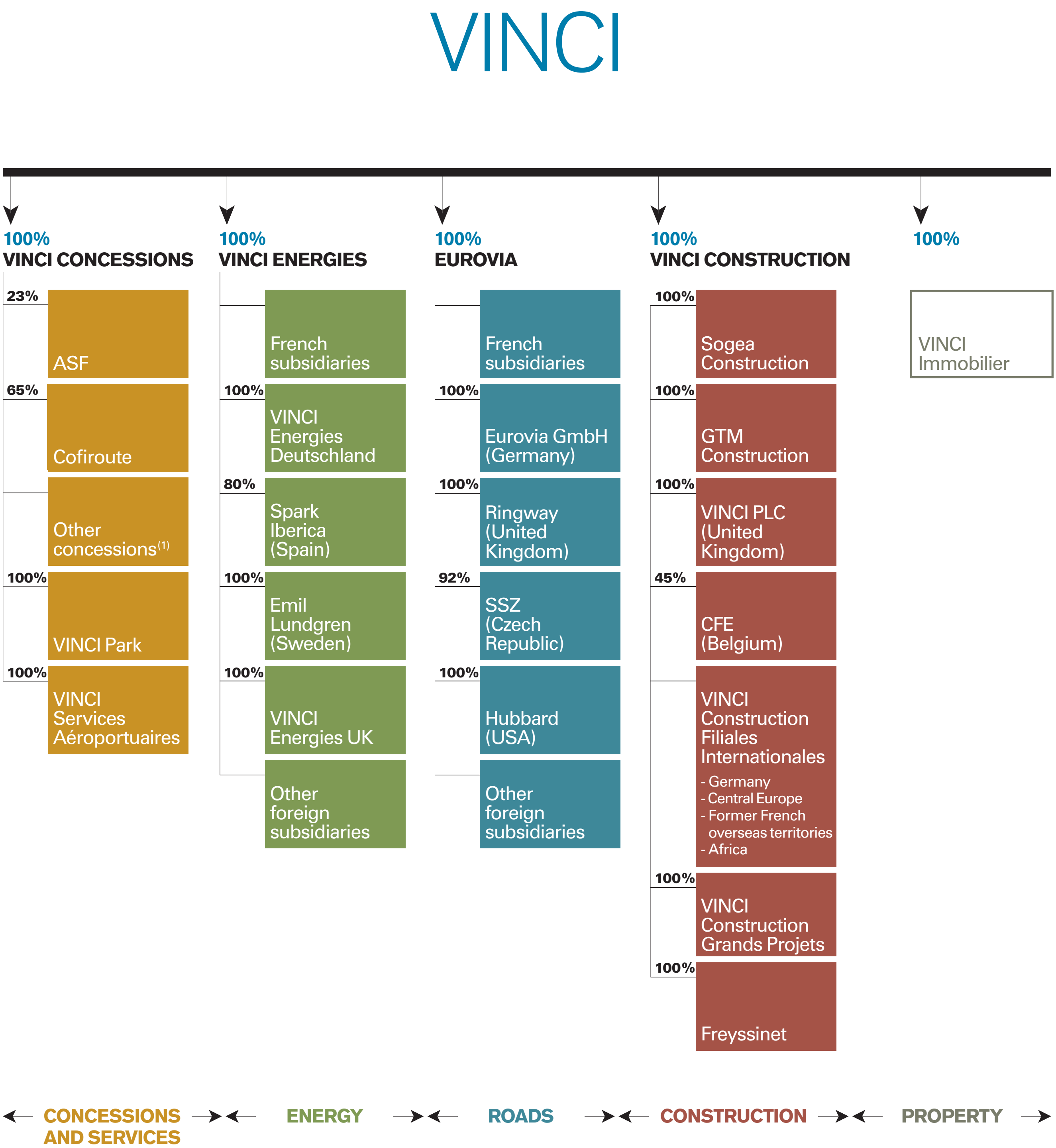
2005 REVENUE BY GEOGRAPHICAL AREA



1. France	62%
2. Germany	7%
3. United Kingdom	8%
4. Central and Eastern Europe	7%
5. Rest of Europe	7%
6. North America	4%
7. Rest of the world	5%
Total	100%

VINCI generates over 90% of its revenue in Europe, with 62% of the total in France. The Group has significant operations in Germany and the UK, as well as in Central and Eastern Europe, which is a high growth area.

This geographical distribution reflects the decision by most VINCI business lines to maintain a strong local presence through entities firmly anchored in their own markets.



The simplified chart above shows the main companies owned directly or indirectly by VINCI at 31 December 2005 and the percentage of capital held.

1. – See list of concessions on Page 24.

A growth course set by the concession-construction model

VINCI's strategy is to ensure sustained growth of its business and its earnings. To achieve this it builds on its historic integrated concession-construction model, reinforced by the acquisition in 2006 of Autoroutes du Sud de la France.

Two fully complementary business lines

From the inception of the Group, VINCI's growth pattern has reflected the triple complementarity between its concession and construction business lines:

– first, business complementarity: While business cycles are measured in decades in concessions (70 years for the A86 West tunnels, 65 years for the A19 motorway), they are short (a few months) in electrical works and of intermediate length (several months to several years) in construction and roadworks.

– second, financial complementarity: Concessions generate recurring revenues and margins but are capital-intensive, while construction is much less capital intensive but generates smaller margins. Moreover, due to the characteristics of their operating cycles, construction sector activities generate a cash surplus that can be reinvested in business with longer cycles, such as concessions.

– last but not least, operational complementarity: The concession and construction business lines boost each other's business. The former contributes expertise in the financial and legal aspects of project development and then infrastructure operation. The latter builds on the Group's network of companies to facilitate upstream marketing research and partner searches and then builds and maintains the structures. Competencies and networks work together in synergy to build major projects and complex structures (motorways, bridges, tunnels, etc.) and carry out smaller scale projects such as public facilities (schools, hospitals, prisons and police buildings) under public-private partnerships.

The acquisition of Autoroutes du Sud de la France is fully consistent with this strategic model.

Integrating ASF and developing synergies

VINCI's immediate strategic priority is to integrate ASF. The new entity will have the critical mass needed to expand on French and European markets where public-private partnerships are increasingly replacing direct local authority financing. The ASF - VINCI Concessions combination should generate revenue synergies based on complementary networks and expertise and the development of common projects, especially in services. Cost synergies will notably be achieved through the exchange of best practices (purchasing, investments, etc.) and through the optimisation of financial costs thanks to more dynamic debt management.

Building more close-knit networks in all the Group's business lines

VINCI aims for expansion in all its business lines: concessions, energy, roads, and construction. Expansion will be concentrated in Europe, where the group accounts for only a small volume share of the construction market. The strong organic growth momentum of its subsidiaries will be supported by targeted acquisitions aimed at strengthening its networks and optimising its market coverage. Development will be particularly focused on the countries of Central and Eastern Europe, where the Group got a head start on its competitors by establishing a foothold on high-potential markets very early on, and on France, where very close-knit networks ensure optimum market penetration.

Finally, the ongoing policy combining strict risk control, a management style that generates profitability and synergies, and a quest for productivity gains will continue to bolster the intrinsic profitability of these business lines. This economic plan goes hand in hand with the concomitant pursuit of the Group's humanist goals, which focus on people and find expression in the Group's social responsibility, its equal opportunities programme, the activities of the VINCI Foundation for the Community and the Zero Occupational Accident goal that has already been achieved by half the Group's subsidiaries.

VINCI share price up 47% in 2005

In 2005, the Group's shareholders received regular information and new benefits through the Shareholders' Club and saw the VINCI share price continue to perform very well and rise 47% over the year. The majority (88%) of VINCI's shares are publicly held. The shareholder base is made up of 108,000 individual shareholders (12%), 50,000 employee shareholders (9%) and institutional shareholders, of which 25% are in France and 51% in Europe and the USA.

VINCI and its shareholders

In 2005, VINCI increased its dividend by 14%. As in 2004, an interim dividend of €0.70* was paid in December 2005. The VINCI Shareholder Relations Department continued to build a special relationship with shareholders, always ready to answer their questions by phone, letter or e-mail and organising occasions when they can meet and discover the Group and its activities. VINCI sends them a twice-yearly Shareholders' Letter to keep them regularly informed and publishes a shareholder's guide. VINCI has also set up a Shareholders' Club which is open to all its shareholders, providing a range of benefits. VINCI regularly carries out shareholder satisfaction surveys to become more acquainted with them and to better meet their needs.

A Shareholders' Club open to all

Holding just one share and applying to the Shareholder Relations Department suffices to become a member of the VINCI Shareholders' Club. Members are invited to information meetings in Paris and in the regions, to the Actionaria investment fair held in Paris in November and to visits to sites such as the Stade de France, Eurovia's R&D centre near Bordeaux, etc. They can also buy books published by the Group at a discount.

VINCI is also pleased to be able to give Club members a special card allowing entry to the Château de Versailles. This strictly personal card gives members, accompanied by a person of their choice, entry to the château, the gardens and the Hall of Mirrors, which is being comprehensively restored by VINCI under a skills-based sponsorship scheme.

** restated following the two-for-one share split on 13 May 2005.*

VINCI SHAREHOLDER RELATIONS DEPARTMENT

1, cours Ferdinand-de-Lesseps
92851 Rueil-Malmaison cedex - France

Individual shareholders	Institutional investors
actionnaires@vinci.com	investors@vinci.com
Tel: +33 1 47 16 31 82	Tel: +33 1 47 16 45 39
Fax: + 33 1 47 16 33 88	Fax: + 33 1 47 16 36 23

Top. Every year, the Shareholders Meeting is an opportunity for VINCI's executives to meet and talk to around a thousand shareholders.
Below left. VINCI takes part every year in the Actionaria investment fair, the largest of its type in Europe, which is attended by 35,000 individual investors.
Below right. Members of the Shareholders' Club can visit major infrastructure assets that VINCI operates under concessions, such as the Stade de France.

Institutional investors and financial analysts

In 2005, VINCI continued its past policy for communicating with the financial community. In addition to the usual meetings organised when interim and annual results were published, two special meetings were held, one to present the financial statements under IFRS and one to present the acquisition of ASF. VINCI also took part in a dozen theme events, in particular on motorway concessions and, for the first time, sustainable development. Lastly, the Financial Department increased its one-to-one meetings with investors, contacting some 150 fund managers or buy-side analysts in individual meetings or phone conferences.

In 2005, VINCI's senior management team took part in five road shows held in the main financial centres in Europe and the US. These events, in which senior management was fully involved for four weeks, provided an opportunity to present the Group, its strategy, its financial performance and growth prospects to institutional investors.

Lastly, in 2005 VINCI again organised sector-focused presentations for financial analysts. Following presentations of VINCI Park, Cofiroute, Eurovia and VINCI Construction in 2004, a presentation was made of VINCI Energies in 2005. This enabled some twenty sell-side analysts who regularly follow VINCI to learn more about VINCI Energies' often not well-known fields of business. This approach will be continued in 2006 as it helps the financial community to gain a better understanding of the value of the Group's various activities and therefore to reassess its restated net worth. In total, the management met more than 1,200 investors and analysts during the year, compared with some 900 in 2004 and 700 in 2003.

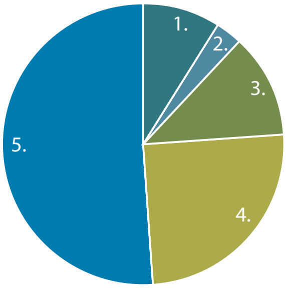
In 2005, more sell-side analysts covered the share with six new brokers, mainly in the English-speaking world, starting to cover it. VINCI's share is now followed by 24 brokers, of which less than half are French.

THE 2006 SHAREHOLDERS' CALENDAR

16 May	Shareholders Meeting
18 May	Dividend payment
3 August	First half revenue
5 September	First half earnings
2 November	Third quarter revenue

www.vinci.com: information in real-time

The VINCI website at www.vinci.com provides individual shareholders with the same information as the financial community and real-time access to the share price. Press releases, financial results, presentations and all the documentation on VINCI are put on line immediately in French, English and German.



88% OF SHARES PUBLICLY HELD

1. Employees	**9%**
2. Treasury stock	**3%**
3. Individual shareholders (1)	**12%**
4. French institutional shareholders (1)	**25%**
5. Foreign institutional shareholders (1)	**51%**
of which:	
USA	**21%**
UK	**17%**
Other European countries	**12%**
Total	**100%**

With 50,000 people holding 9% of the share capital, employees remain VINCI's leading shareholder group. The proportion of individual shareholders (12%) held steady as did that of institutional shareholders. At 31 December 2005, these held more than three-quarters of the company's shares with a balanced spread between France, Europe and the USA.

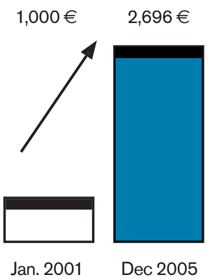
1. – Estimate.

VINCI RANKS 28TH BY CAPITALISATION IN THE CAC 40.

€15.1 billion
at 31 January 2006

At the end of January 2006, VINCI's market capitalisation amounted to €15.1 billion, ranking it 28th by capitalisation in the CAC 40.

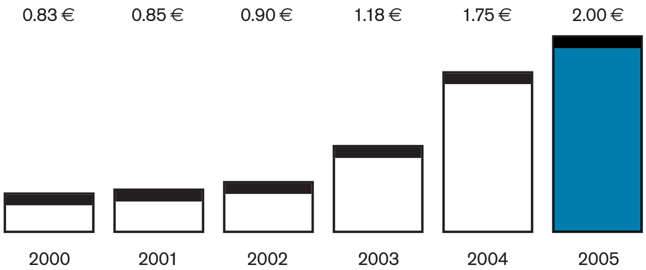
SHAREHOLDER RETURN ON INVESTMENT OVER FIVE YEARS



+22%
a year

Someone who invested €1,000 in VINCI shares on 1 January 2001 and reinvested all the dividends received (including tax credit until 31 December) in the purchase of further VINCI shares would have an investment of €2,696 at 31 December 2005. This represents an annual average return of 22%.

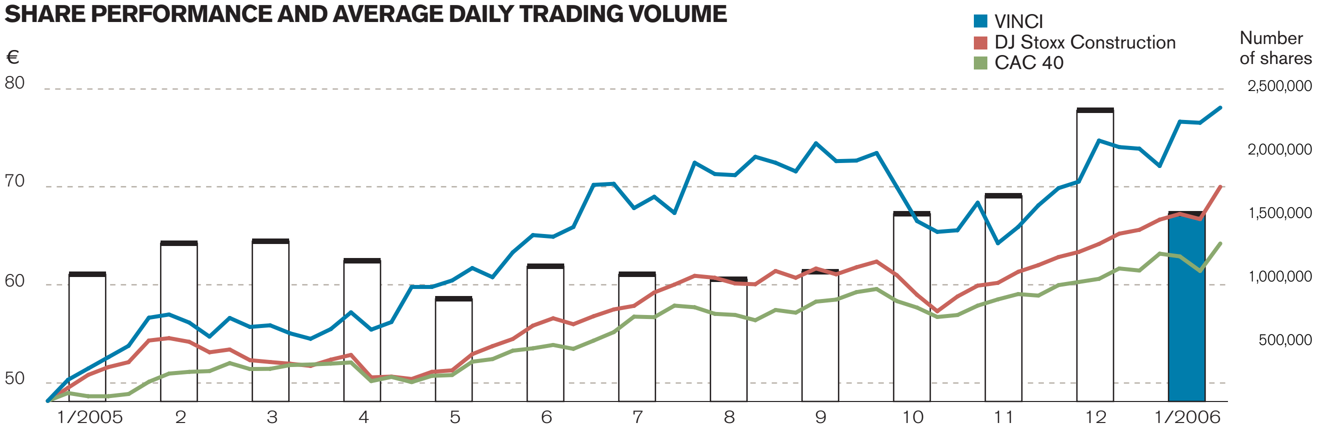
DIVIDEND(2) DOUBLED IN FIVE YEARS



The dividend paid by VINCI has more than doubled since 2000. The 2005 dividend proposed to the Shareholders Meeting is €2.00 per share. Taking account of the interim dividend of €0.70 paid on 20 December 2005, the final dividend to be paid on 18 May 2006 will therefore be €1.30 per share.

2. – adjusted for the two-for-one share split on 13 May 2005.

SHARE PERFORMANCE AND AVERAGE DAILY TRADING VOLUME



Between 1 January and 31 December 2005, VINCI's share price rose by 47% while the CAC 40 increased by 23% and the European construction index by 32%. On 27 February 2006, the share closed at an all time high of €78.50. In 2005, 1.3 million VINCI shares were traded on average daily, a 2% increase against the volume seen in 2004.

2005 Highlights

JANUARY ➤ As co-developer of the project with Nexity, VINCI launches the **Granite tower project** designed by architect Christian de Portzamparc in Paris-La Défense for the Société Générale. VINCI Construction is responsible for the structural work on the building and VINCI Energies for all technical works packages.
➤ VINCI Construction signs two contracts, one in Italy, the other in Mexico, to build **liquefied natural gas tanks.** In Chile, the Group is in charge of design, construction, financing and operation of the **Chiloé bridge,** which will be Latin America's longest (2,634 metres) suspension bridge.
➤ Eurovia acquires the British TE Beach company to become a major player on the London road construction and maintenance market.

FEBRUARY ➤ After a two-year studies phase, Tunzini (VINCI Energies) begins climate engineering and fluid distribution work at the **Laser Mégajoule** (LMJ) being built near Bordeaux for the French atomic energy authority (CEA). The laboratory is an essential part of the Simulation programme aimed at ensuring the long-term future of France's nuclear deterrent capability without resorting to nuclear tests. The Laser Mégajoule will be operational in 2010.

MARCH ➤ On 31 March, the government signs a concession contract with VINCI Concessions subsidiary Arcour covering design, construction, financing and operation of the 101 km **Artenay-Courtenay** section of the **A19 motorway** that will link the A10 with the A6 in 2009.
➤ VINCI Construction wins a €135 million contract for a **new office building at the European Investment Bank (EIB) headquarters** in Luxembourg.

APRIL ➤ In Germany, VINCI Construction signs a €47 million **public-private partnership** contract with the municipality of Bedburg, near Cologne, covering modernisation, maintenance and operation of approximately 15 schools for a period of 25 years.

MAY ➤ After matching the donations made by its employees to aid the populations of South-East Asia affected by the tsunami on 26 December 2004, **VINCI presented Médecins du Monde and Unicef with a cheque for €406,736.**
➤ The Shareholders Meeting approves the two-for-one split of the nominal value of the VINCI share and the concomitant doubling of the number of shares.
➤ Eurovia and Van Wellen (a subsidiary of CFE) join forces to create a construction materials storage, processing and trading facility in the **port of Antwerp,** Belgium. The site will supply the Northern European markets, which have a shortage of roadworks materials, in particular.

Bernard Val, Chairman of ASF, and Antoine Zacharias, Chairman of VINCI.

In two years, the number of apprentices welcomed in VINCI companies will increase by 20%.

JUNE ➤ In signing the Apprenticeship Charter, together with some one hundred other French companies, VINCI Chairman and CEO Antoine Zacharias made a commitment to increase the number of apprentices joining the Group's subsidiaries by 20% over a two-year period.
➤ Following an experimental phase, Eurovia applies its warm mix with Aspha-Min® process on the Champs-Elysées in Paris and on many other projects worldwide (the process substantially cuts energy consumption and pollutant emissions by reducing coating temperature by 30°C).

JULY ➤ Cofiroute achieves record sales of 1,700 Liber-t motorway remote toll payment passes per week. During the summer, the 100,000 active badge milestone was exceeded, marking a 33% increase in one year.

AUGUST ➤ VINCI Concessions acquires France Handling, the French leader in cargo handling services to airlines and freight forwarders. Expanding the WFS international network to some 60 cargo facilities, of which 27 are located in Europe, the move bolsters the company's leading position in the sector worldwide.

SEPTEMBER ➤ On 19 September, VINCI was included in the DJSI (Dow Jones Sustainability Index), which tracks the performance of the leading sustainability-driven companies worldwide.

OCTOBER ➤ VINCI Construction wins the €135 million contract to build the launch pad and ground infrastructure for the Soyuz project in French Guiana.
➤ VINCI Energies begins operations in Portugal with the acquisition of the Sotécnica company specialising in design, implementation and maintenance of technical facilities for industry, the service sector, airports and the energy infrastructure sector.

NOVEMBER ➤ As part of the Talents des Cités competition organised by the French Senate and Ministry of Employment, Social Cohesion and Housing, in which VINCI is a partner, the VINCI Foundation for the Community recognised a national award winner, Mamadou Beye, who created the Paris-area *Agence de Gestion de l'Intérim d'Insertion* job-creating temporary employment agency.

DECEMBER ➤ On 14 December, the French government announced its decision to sell its 50.4% interest in Autoroutes du Sud de la France to VINCI. With this acquisition, VINCI becomes the world's leading integrated transport infrastructure concession-construction group and the European leader in transport infrastructure concessions.
➤ On 19 December, VINCI and the Château de Versailles unveil the first phase of the restored Hall of Mirrors for the press and the public. Under an innovative skills-based sponsorship operation, VINCI is funding the entire €12 million restoration and making available to the project the expertise of its companies specialising in the restoration of historic buildings.
➤ VINCI Park wins the contract to manage 30,000 on-street parking spaces in Madrid, Spain.



Top to bottom:

The Granite Tower in La Défense, scheduled for handover in 2008. On the construction site, the structural works teams are building the underground levels.

In Chile, The Chiloé bridge (synthetic image) will be built by VINCI Construction.

At the end of December, the first phase of the restored Hall of Mirrors at the Château de Versailles was unveiled for the public.

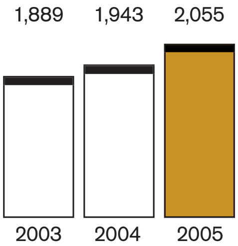

GTI

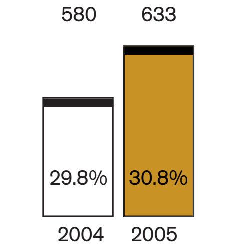
2005 BUSINESS REPORT

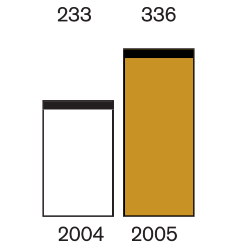
BUILDING AND MAKING A LONG-TERM SUCCESS OF MAJOR PUBLIC INFRASTRUCTURE PROJECTS

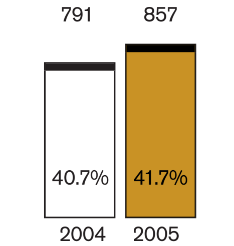
CONCESSIONS

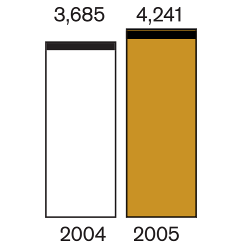
In € millions and as a percentage of revenue

REVENUE


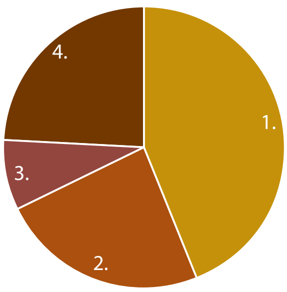
OPERATING PROFIT FROM ORDINARY ACTIVITIES


NET PROFIT


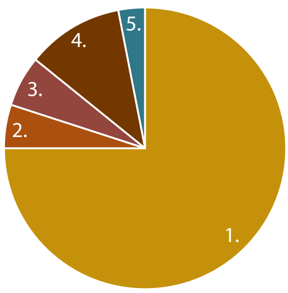
CASH FLOW FROM OPERATIONS*


NET FINANCIAL DEBT


* *Before tax and financing costs.*

REVENUE BY BUSINESS LINE


1. Cofiroute	**44%**
2. VINCI Park	**24%**
3. Other infrastructure	**8%**
4. Airport services	**24%**
Total	**100%**

REVENUE BY GEOGRAPHICAL AREA


1. France	**75%**
2. United Kingdom	**5%**
3. Rest of Europe	**6%**
4. North America	**11%**
5. Rest of the world	**3%**
Total	**100%**

VINCI'S CONCESSIONS

Structure	Description	Country	% held	Consolidation method[1]	Residual term (in years) from 31. Dec. 2005
Motorways	**Concession network**				
Cofiroute intercity network	1,091 km	France	65%	FC	25
ASF network	2,643 km	France	23%	EM	27
Escota network	459 km	France	23%	EM	21
A19 motorway[2]	101 km	France	100%	FC	65
Chillán-Collipulli motorway	160 km	Chile	83%	FC	about 18[3]
Newport Southern Distributor Road	10 km	United Kingdom	50%	PC	37
Fredericton-Moncton motorway	200 km	Canada	12%	NC	23
Bridges and tunnels					
Charilaos Trikoupis Bridge (Rion-Antirion)	Peloponnese-mainland	Greece	53%	FC	34
Tagus bridges	Two bridges in Lisbon	Portugal	31%[4]	EM	25
Severn Crossings	Two bridges over the Severn	United Kingdom	35%	EM	11
Confederation Bridge	Prince Edward Island-mainland	Canada	50%	PC	27
Prado-Carénage tunnel	Tunnel in Marseilles	France	32%	EM	20
A86 tunnels[2]	17.5 km	France	65%	FC	70 after opening[5]
Puymorens tunnel	5.5 km	France	23%	EM	32
Car parks	**Number of spaces**				
VINCI Park	790,000	France and Europe, Canada, Hong Kong	100%	FC	about 30[6]
Airports	**2005 traffic (passengers)**				
Cambodia (two airports)	2.1 million	Cambodia	70%	PC	15
Chambéry-Savoie airport	190,000	France	50%	PC	6
Grenoble-Isère airport	270,000	France	50%	PC	3
Stade de France	80,000 seats	France	67%	PC	19

1. – FC: full consolidation; PC: proportionate consolidation; EM: equity method; NC: not consolidated.
2. – Under construction.
3. –Variable term based on traffic.
4. – Including 3.48% transferred by Hagen as part of the share sale agreement of 16 October 2000 currently being finalised.
5. – From the date on which the tunnels go into service.
6. – Excluding service contracts and freehold car parks.

Europe's leading transport infrastructure concessionaire

Workforce

19,000

Number of countries with operations

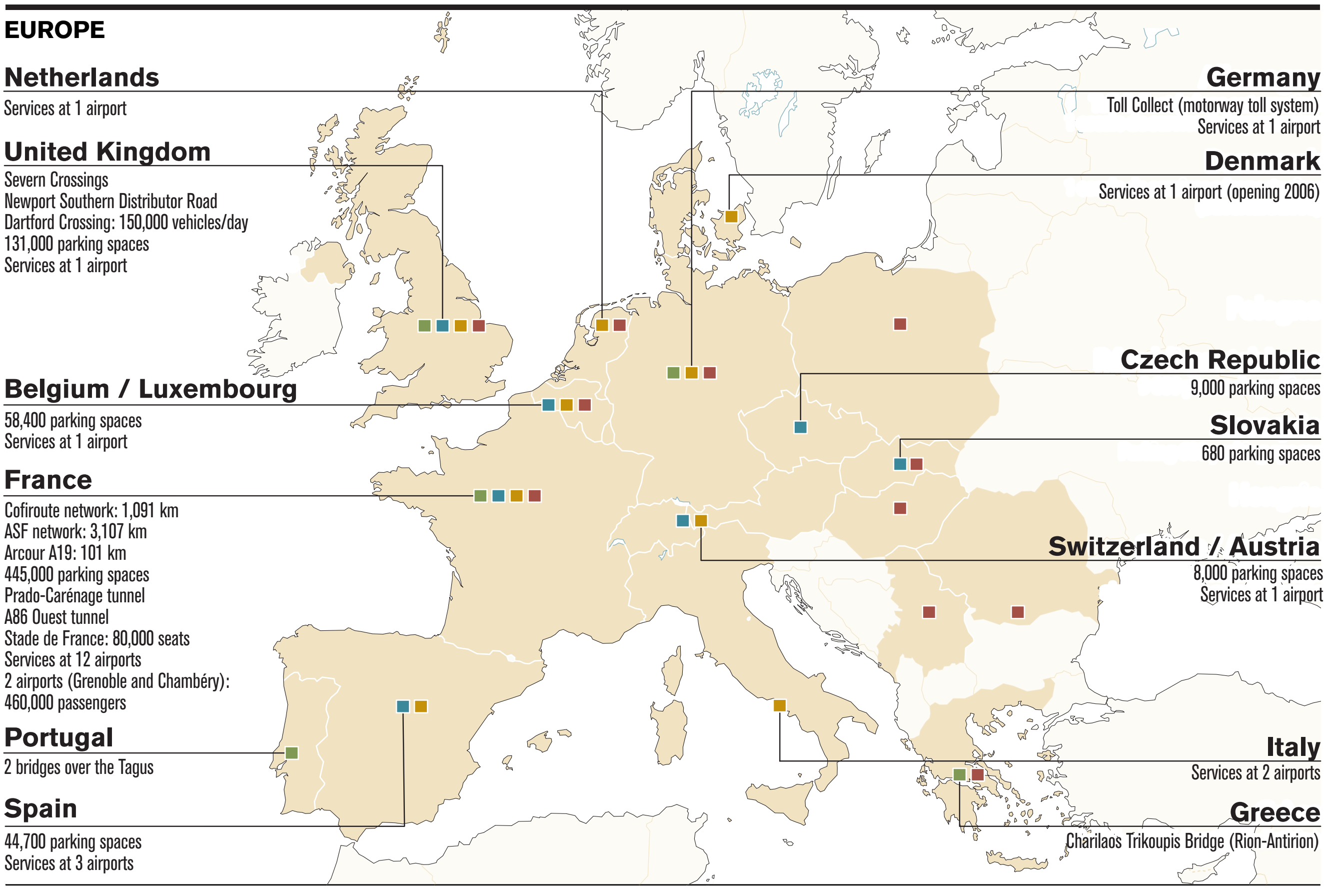
25

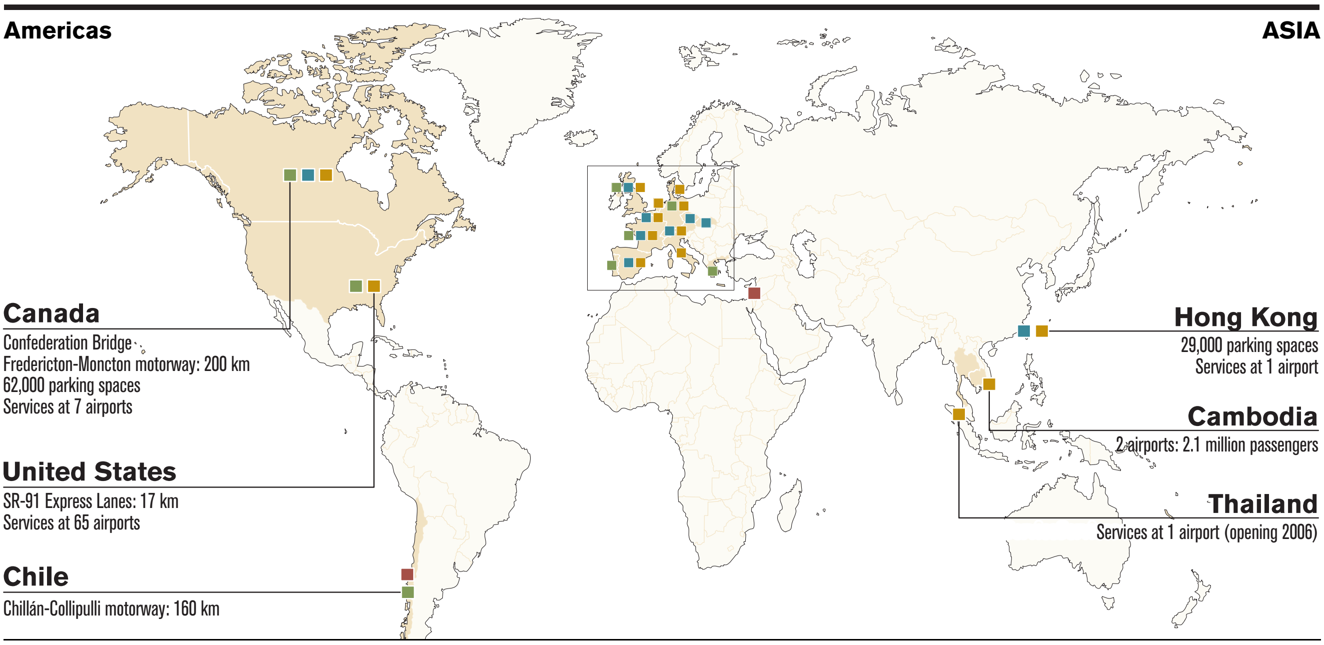
On 14 December 2005, the French government announced its decision to sell VINCI its holding in the capital of Autoroutes du Sud de la France (ASF). This marked a decisive step for the concessions division, which became Europe's leading concession operator with 4,687 km of motorway. So the acquisition of ASF is an excellent fit with the growth strategy applied by VINCI for over 100 years: combining concessions business focused on transport infrastructure (motorways, road structures, car parks and airports) with construction, and taking full advantage of the strong skills and networks synergies that exist between them. It comes at a time when there is a shortage of public funding to meet significant infrastructure needs, which is leading contracting authorities to have greater and greater recourse to public-private partnerships (PPPs) as a means of raising new sources of financing.

VINCI Concessions has the support of the VINCI network around the world, especially in Europe where the Group generates over 90% of its business. It is thus in a position to develop and implement the technical and financial solutions that meet local authorities' infrastructure needs. The company has a very strong base in France, with 4,316km of motorway under concession and 445,000 parking spaces managed, of which 293,000 under concession or freehold. It also has equity positions in several infrastructure operators, including Arcour, the concessionaire of the A19 between Artenay and Courtenay; the Prado-Carénage tunnel company in Marseilles; Openly, the operator of the northern ring road around Lyons; Seag and Seaca, the operators of Grenoble and Chambéry airports respectively; and the Stade de France sports stadium near Paris. Outside France, VINCI Concessions operates the bridges over the River Severn and the Newport Southern Distributor Road in the United Kingdom, the bridges over the River Tagus in Portugal, Charilaos Trikoupis Bridge (Rion-Antirion) in Greece, the Fredericton-Moncton motorway and Confederation Bridge in Canada, the Chillán-Collipulli motorway in Chile, airports in Cambodia and almost 345,000 parking spaces.

VINCI Concessions has been focusing for several years on developing an innovative commercial and services policy to meet its customers' needs. This policy is applied within long-term partnerships with public authorities. VINCI's financial strength and relationships of trust with the financial community ensure VINCI Concessions has the resources needed to develop new projects. The Group's financial strength, together with VINCI Concessions' expertise and the quality of its diversified portfolio, give the company a sound base on which to continue pursuing growth.

VINCI CONCESSIONS WORLDWIDE





- Road and motorway infrastructure
- Car parks
- Airports and airport services
- Infrastructure projects under study

Motorway infrastructure

Autoroutes du Sud de la France (ASF)

The acquisition of ASF is expected to be finalised during the first half of 2006. It will make VINCI Concessions the biggest French motorway concession company, with a network of 4,316 km, and Europe's leading transport infrastructure concessionaire. ASF holds the concessions for 3,107 km of motorway in France (2,648 km on the ASF network, including the Puymorens tunnel; 459 km on the Escota network), of which 3,026 km were in operation at the end of January 2006.

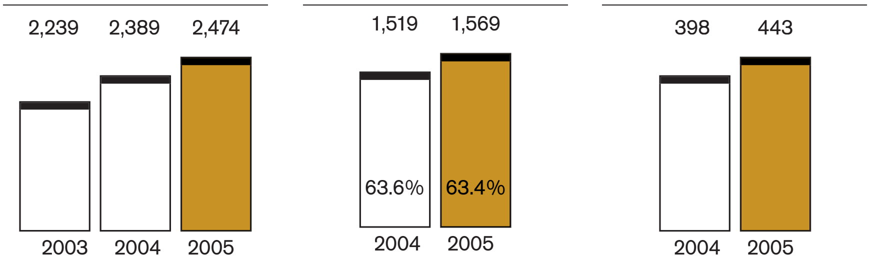
December 2005 saw the culmination of a plan initiated by VINCI four years ago: bringing together VINCI Concessions and Autoroutes du Sud de la France, the leading French motorway concessionaire. During the summer, VINCI submitted a proposal for ASF against the French government's call for bids for the remaining shares it held in three motorway companies, namely ASF, APRR and Sanef. On 14 December, the government announced its decision to sell its 50.4% interest in ASF to VINCI. Prior to the tender, VINCI already held a 23% interest in the company and had signed an industrial partnership agreement with it in 2004.

ACQUISITION TERMS AND CONDITIONS. The sale of the majority holding owned by the government is subject to the approval of the merger control authorities. Once approved, VINCI will launch a takeover bid for the remaining 26.6% of ASF's capital. This will take the form of a standing market offer to minority shareholders at the same price as that proposed to the government. Finalisation of the transaction is expected during the first half of 2006.

The acquisition of ASF will make VINCI Concessions the biggest French motorway concession company with a network of 4,316 km.

In € millions and as a percentage of revenue (data at 100%)

REVENUE | **CASH FLOW FROM OPERATIONS*** | **NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT**



* *Before tax and financing costs.*

Top. ASF and Escota operate a network of over 3,000 km in France.
Bottom left. ASF's network recorded 605 million transactions in 2005, generating revenue of €2,427 million.
Bottom right. The ASF network is monitored by 285 traffic officers (patrol, assistance and surveillance) and 790 CCTV cameras. It is also equipped with emergency telephones every 2 km.

Number of transactions

605 million

Within the new VINCI Concessions group, ASF and Escota will continue to work on their respective concession contracts, retaining full operating independence. The move opens up new horizons for their employees, in particular, in terms of the acquisition of know-how, domestic and international job mobility, and employee savings schemes.

2005 BUSINESS ACTIVITY. ASF recorded 1.1% growth in traffic (0.8% on a constant network basis) over the 12-month period, amounting to 32.6 million kilometres travelled. Toll revenue rose 3.6% to €2.43 billion, attributable mainly to price increases that came into force on 1 February, in line with the contracts with the government signed by ASF and Escota. The companies handled a total of 605 million transactions, of which 62.7% through automated lanes and electronic payment systems.

ASF continued to carry out roadworks aimed at completing the meshing of its network.

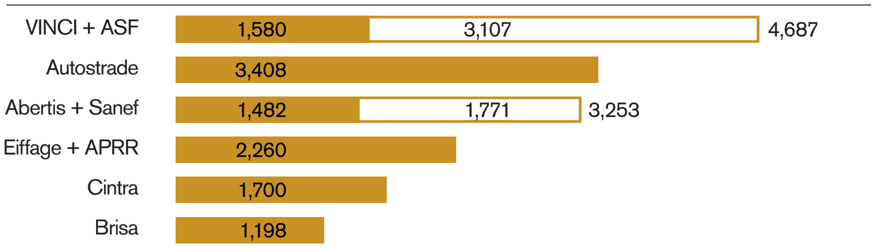
On 14 January 2005, the company opened the 20 km Les Essarts-La Roche sur Yon section on the A87, establishing the continuity of the motorway from Angers. Access to the west coast from La Roche sur Yon will be further facilitated when the city's southern bypass is completed. Work on the bypass started in autumn 2005, with the opening scheduled for the end of 2008.

On the A89, ASF completed two new sections, which were opened on 11 January 2006: Saint Julien Sancy-Combronde (52 km) and Terrasson-Brive Nord (10 km). This represented a new step towards continuous motorway between Bordeaux and Clermont Ferrand. Of the 340 km to be built between the two cities, 306 km are now open to traffic.

To finance its construction programme, ASF took out three loans totalling €550 million with the European Investment Bank (EIB) and Caisse Nationale des Autoroutes. In January 2006, 34 km were under construction and 47 km remained to be built under the terms of ASF's concession contract.

RECENT DEVELOPMENTS. Following a call for bids, the Lyons urban authority awarded ASF the contract to operate the city's north circular road under the terms of an outsourced public service contract, which includes major maintenance and improvement work. The eight-year contract started on 4 January 2006. ASF will operate the road and carry out infrastructure improvements through

MOTORWAY NETWORK OPERATED BY EUROPEAN CONCESSIONAIRES (IN KM)



Source: company press releases.

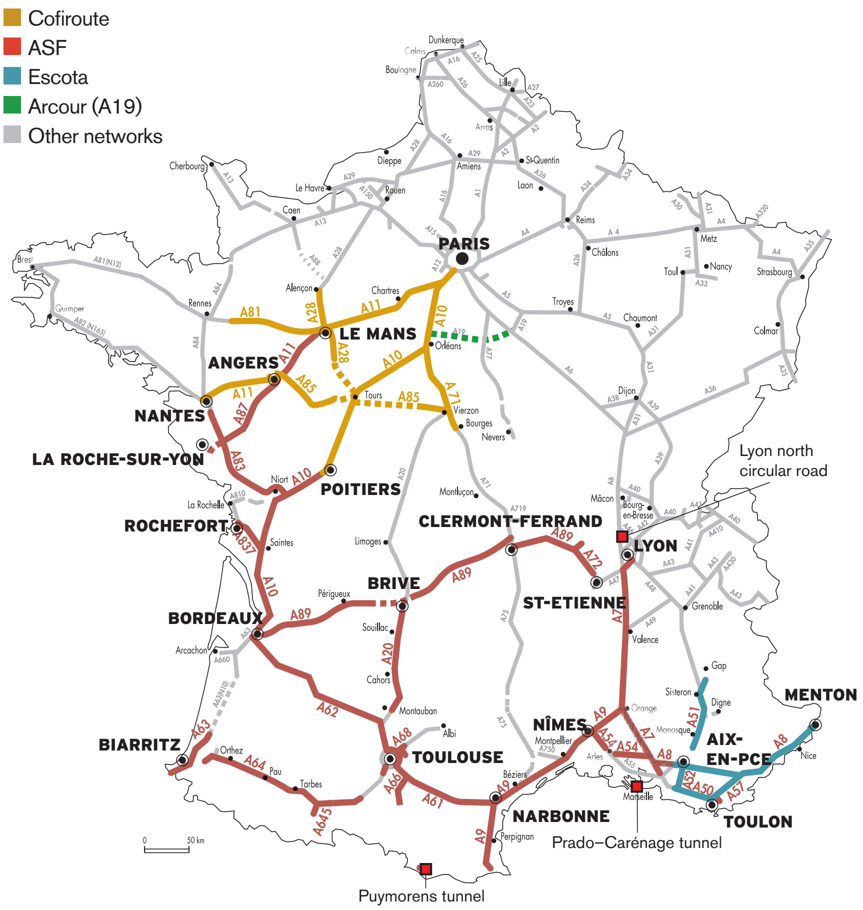
its wholly owned subsidiary, Openly. Remuneration will consist of a flat-rate component covering structural expenses, together with a variable component based on the degree to which operating performance targets are achieved. The new contract strengthens ASF's position in the local authorities market segment. It also strengthens the company's presence in the Lyons area, where it holds the concession for the A46 Sud motorway (eastern Lyons bypass).

Lastly, ASF has started work on a combined road and rail project between Perpignan and Luxembourg, which is scheduled to go into service in 2007.

In terms of business development, ASF teams have been tracking several international projects (Greece, Mexico, Austria and Hungary), but with no success to date. In France, ASF submitted a proposal for the A65 Langon-Pau and is prequalified for the A88. ASF's business development teams will be merged with those of VINCI Concessions in 2006.

ASF recently won the contract to operate the Lyons north circular road, strengthening the company's position in the local authorities market segment.

VINCI MOTORWAY CONCESSIONS IN FRANCE



Above. The A8 is operated by Escota (Société des Autoroutes Estérel, Côte d'Azur, Provence, Alpes), a subsidiary of ASF and concessionaire for 459 km of motorway in south-east France.

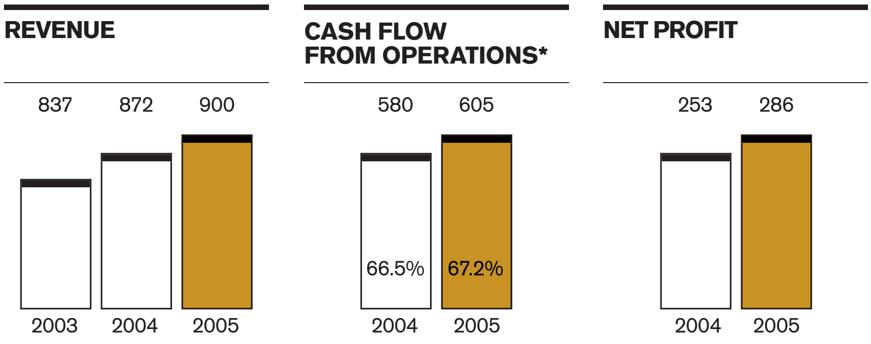
Cofiroute

Cofiroute operates a network of 985 km of motorway in western France, with a further 106 km currently under construction and scheduled for opening by 2008. The company handles 290,000 transactions a day. Cofiroute is also the concessionaire for the A86 Ouest, the tolled underground motorway near Paris. The first section is scheduled to go into service in 2007.

Cofiroute's toll revenue rose 3.1% to €875 million in 2005. The increase was due to the combined effect of 0.9% traffic growth and the adjustment of toll prices at the beginning of the year, in line with the new five-year master plan signed with the French government in 2004. The strengthening of the company's programme to control costs and improve operating performances led to a 4.3% increase in cash flow from operations, compared with a 3.2% increase in revenue.

Automation of transactions continued to increase, with 40% of payments made using the Liber-t electronic toll system or magnetic cards in 2005, against 32% in 2004. This, combined with the redeployment of employees to newly opened sections, led to continuous improvement in productivity, which will carry through into 2006 when 20 low-traffic toll stations will be fully automated. Cofiroute also introduced a new decentralised structure. Based on the empowerment of operations personnel, it aims to increase responsiveness and, thus, the quality of service to customers. A further significant step in this process was the signature of a company-wide agreement in July 2005 covering the reorganisation of operations management. The new structure places particular emphasis on enhancing the key role of the supervisors in charge of network safety.

In € millions and as a percentage of revenue (consolidated data at 100%)



* *Before tax and financing costs.*

ENCOURAGING SAFER DRIVING ➤

The speed and intervehicular distance measurement and information system tested by Cofiroute on the A10 motorway received the VINCI 2005 Innovation Award in the Services category. The system is designed to encourage safe driving, not enforce it. It displays "Too fast" and "Too close" messages, along with the vehicle licence plate number, when a motorist exceeds the speed limit or drives too close (less than two seconds) to the preceding vehicle. It is a simple system, and one that most motorists find persuasive. Cofiroute plans to install it at other points on the network, especially dangerous areas such as at accident black spots, roadworks and tunnels.

Top. The Allainville toll plaza on the A10 motorway was renovated and made more customer-friendly during the deployment of the new signage.

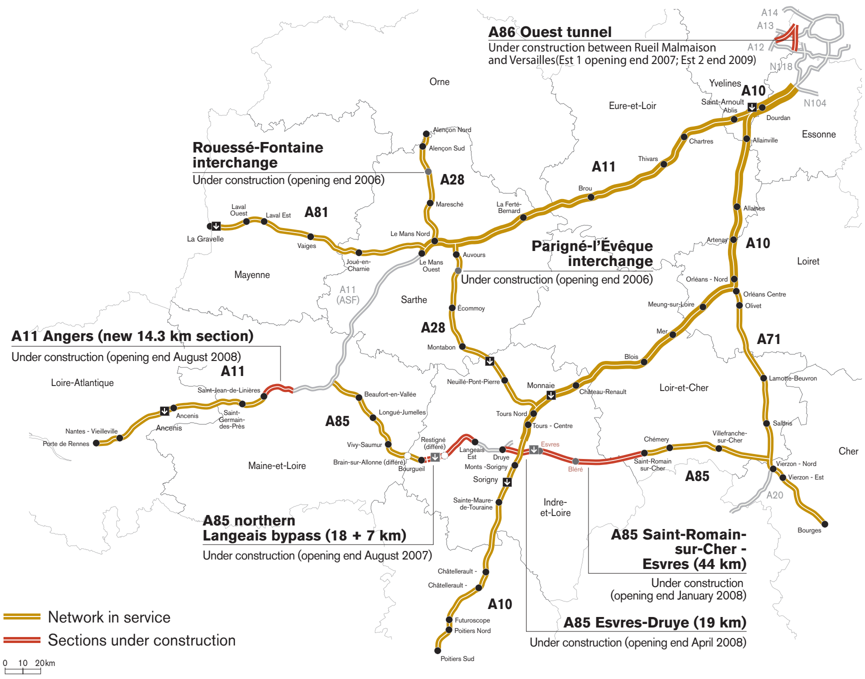
In view of its very substantial investment programme, Cofiroute increased its financing capability by €390 million during the year. Taking advantage of a particularly attractive rate (3.75%), the company launched a bond issue to raise €200 million as an addition to the 2001 issue that matures in 2016. It also obtained a loan of €190 million from the EIB to finance the construction of the A28 between Ecommoy and Tours. Between 2004 and 2008, Cofiroute will invest almost €1.4 billion in the construction of new sections on its intercity network and €1.2 billion in the construction of the A86 Ouest tunnel completing the ring road around Paris. This investment programme makes Cofiroute one of the biggest prime contractors in France.

INTERCITY NETWORK. Cofiroute's intercity network consisted of 985 km of motorway in operation at the end of 2005. The current construction programme will bring the network up to 1,091 km in August 2008, representing an increase of 11% over three years.

During 2005, Cofiroute completed the A28 Alençon-Le Mans-Tours, a total of 134 km, opening the final section between Ecommoy and Tours (57.5 km) in mid-December, more than four months ahead of schedule. This "regional development" motorway aims to boost the economic growth of the area it serves. In addition, the A28 is a key link in the planned Calais-Bayonne motorway route, which will facilitate the movement of people and goods between northern Europe and the Iberian peninsula without transiting via Paris.

Between 2004 and 2008, Cofiroute will invest almost €1.4 billion in the construction of new sections on its intercity network.

100 KM OF NETWORK TO BE COMPLETED BY 2008 (COFIROUTE NETWORK)



Top. The opening of the Ecommoy-Tours section on the A28 in December gives motorists 134 km of continuous motorway between Alençon and Tours.
Bottom. Visitors can find out all about the northern Angers bypass project on the A11 at the information centre erected on the construction site. In addition to giving the project schedule and traffic conditions, etc., it explains the measures taken in favour of the environment (wastewater treatment, protecting the botanical gardens, combating noise and dust, waste management and so on).

A86 : DISCREET DOWN TO THE FINEST DETAIL

The final link in the super ring road around Paris, the A86 Ouest is a 10 km tunnel that preserves the outstanding natural environment of the western Paris suburbs. In collaboration with one of France's most prestigious architects, Michel Regembal, the architectural line has been designed to blend into the surrounding countryside. The few external features, such as emergency access shafts and ventilation units, will be so discreet as to be virtually invisible.

Bottom. On the A85 between Vierzon and Tours, earthworks and construction work on the three viaducts over the River Cher continued on the 44 km Saint Romain-Esvres section, which will be opened to traffic in January 2008. Pictured here, the Ingrandes de Touraine viaduct.

Liber-t electronic toll system

35,000

new subscribers in 2005

On the A11, the northern Angers bypass went into full production. The 14.3 km suburban section, which includes a 1.7 km cut and cover tunnel and a 529 metre viaduct over the River Maine, will be opened to traffic in 2008. The information centre created on the site received over 12,000 visitors during the year.

On the A85, the earthworks and construction of three viaducts over the River Cher continued on the Saint Romain-Esvres section (44 km), which will be opened in January 2008. Earthworks on the Esvres-Druye section (19 km) were started after completion of the archaeological surveys. Virtually all the earthworks were completed on the northern Langeais bypass (25 km), as was the deck of the Roumer viaduct.

As part of its ongoing network improvement effort, Cofiroute completed the A10 widening programme with the opening of a third lane over a distance of 28 km north of Tours. The entire A10 between that city and the Saint Arnoult en Yvelines toll plaza is now dual three-lane motorway. In addition, in line with the terms of its master plan, Cofiroute installed a first series of 240 refuge areas giving mobility reduced motorists easier access to emergency telephones on the network.

During 2005, Cofiroute introduced new signage to build brand awareness and support its service policy. The company installed some 1,000 new signs, of which about 50 with variable messaging, at network entrance and exit points, rest areas and service stations. It also carried out a major campaign promoting Liber-t, the electronic toll system, during the summer. Alongside the campaign, the company introduced new facilities for accessing the system, including remote subscription within 48 hours and the cancellation of administration charges for customers managing their account via the Internet. As a result of these two measures, Cofiroute recorded strong growth in the number of subscribers: 35,000 new subscribers in 2005, representing a 51% increase over one year. The company also began development work for the deployment of an electronic toll system for heavy goods vehicles (HGVs), which is scheduled to go into service during 2006.

Lastly, Cofiroute launched a new safety and quality charter, displaying it at all contact points along the network and distributing it on postcards inviting customers to send in their comments and suggestions. The charter formalises the company's commitments in terms of information accuracy, customer care quality and journey time optimisation.

On the A86 Ouest, a first 4.5 km section between Rueil Malmaison and the A13 motorway will be opened to traffic in 2007.

A86 OUEST. Work on the A86 Ouest concession continued apace in 2005. On the 4.5 km section between Rueil Malmaison and the A13 motorway that will be opened in 2007, the civil engineering site took on a new dimension with the installation of the slabs inside the tunnel. In parallel, work continued on the Rueil Malmaison and Vaucresson-Le Chesnay interchanges. The final stage of the temporary deviation on the A13 at the Vaucresson-Le Chesnay interchange was completed one month ahead of schedule and infrastructure work will start in 2006.

The tunnel boring machine (200 metres long) used to dig the first section of the tunnel was dismantled and transported to Versailles. After reassembly, it started digging the second tunnel between Versailles and the A13 in July 2005. By the end of the year, it had bored almost 900 metres of the total 5,500 metres required. Work on the Pont Colbert interchange in Versailles was able to start after a temporary deviation had been installed on the A86 between Vélizy and Jouy en Josas.

INTERNATIONAL

In Germany, the automated toll system for HGVs developed by the Toll Collect joint-venture company (Cofiroute 10%; Deutsche Telekom 45%; Daimler Chrysler Services 45%) for Germany's Federal Ministry of Transport was brought into service on 1 January 2005. It collected a little over €2.8 billion for the German government during the year. The free-flow electronic toll system, which combines GPS (satellite-based global positioning system) and GSM (wireless telephony) technologies, covers 12,000 km of German motorway and will be operated by Toll Collect for the next 12 years. A new version of the on board unit software was introduced on 1 January 2006, enabling pricing and mapping data to be updated remotely.

In the United Kingdom, the Highways Agency extended the Dartford Crossing operating contract to 31 August 2007. The contract was originally won in a consortium with Ringway, the Group's in-country roads subsidiary. The crossing consists of two tunnels and a bridge over the River Thames between Dartford and Thurrock on the M25 London Orbital motorway.

In the United States, Cofiroute successfully installed a **dynamic toll system** on a 16 km section of urban motorway in Minnesota, and will operate it until 2010. In addition, the company's contract to operate the 91 Express Lanes in Los Angeles was extended for five years. Cofiroute has been operating this contract for the world's first fully automated motorway toll system since 1996.

The toll system of the future

In May 2005, Cofiroute launched a real-time variable price toll system on a 16 km section of I-394 in Minnesota to relieve traffic congestion on urban motorways. Car pooling vehicles travel free, everyone else pay a toll. The price, recalculated every three minutes based on traffic density, is displayed to inform motorists before they enter the tolled section.

Other motorway infrastructure

FRANCE

A19. The 65-year concession contract for the A19 Artenay-Courtenay motorway (101 km) was signed by VINCI Concessions through its subsidiary, Arcour, on 31 March 2005 and came into force the same year. Included among the government's 35 top priority transport infrastructure projects, the A19 will provide a link between the Atlantic coast and the south and east of France by interconnecting the A5, A6, A10 and A77 motorways. Arcour will be in charge of project management and financing, a consortium of four VINCI companies will design and build the motorway, and Cofiroute will operate it. The cost of the project, excluding financing, amounts to €618 million. During 2005, Arcour's teams focused on pre-project studies - including those on environmental and hydraulic aspects - and on the archaeological surveys of priority zones, which were completed at the beginning of 2006.

The concession company is working closely with public authorities and players in the local economy, and communicating the results of studies to nearby residents on a regular basis.

Top. More than 64 million transactions have been recorded over 10 years on the 91 Express Lanes, an urban motorway in Los Angeles, United States. The motorway has a fully automated electronic toll system with variable pricing.
Bottom left. Signature of the A19 concession contract on 31 March 2005. From left to right: Antoine Zacharias, chairman of VINCI; André Viau, Prefect of the Loiret *département*; Gilles de Robien, French Minister of Infrastructure, Transport, Regional Development, Tourism and the Sea.
Bottom right. The mandatory archaeological surveys preceding the construction of a motorway were carried out along the line of the A19 (Artenay-Courtenay) during the summer. They uncovered a variety of objects, including a small bronze owl from the Gallo-Roman era.

Top. Some 41,000 vehicles a day travel through the Prado-Carénage tunnel in Marseilles.

Charilaos Trikoupis Bridge

12,300
vehicles a day

Prado-Carénage tunnel, Marseilles. Traffic continued to grow in 2005, reaching a daily average of 41,000 vehicles. On 24 November, an amendment to the contract was signed to extend the concession to the new Louis Rège tunnel, which will be built by a consortium consisting of VINCI and Eiffage.

GREECE. The Charilaos Trikoupis Bridge (Rion-Antirion) was built by the Group over the Gulf of Corinth (see below). During 2005, its first full year of operation, average daily traffic amounted to 12,300 vehicles, the record being set at 30,000 on Sunday 21 August. Gefyra, the concession company majority-owned by VINCI Concessions, introduced an attractive pricing policy for local users (prepaid card with a sliding scale depending on travel frequency) and heavy goods vehicles, for which competition from the ferries remains significant. The reduced tariff for five-axle HGVs had an immediate positive impact on traffic.

UNITED KINGDOM. In Wales, 2005 was also the first full year of operation of the Newport Southern Distributor Road, where traffic grew steadily throughout the period. The concession contract, part of a private finance initiative, is being operated by VINCI Concessions with its partner, Morgan Est. The residual term of the contract is 37 years. Operation of the Severn Crossings between England and Wales, near Cardiff, also continued satisfactorily.

CHILE. VINCI, which is already operating the Chillán-Collipulli motorway, won the 30-year concession contract for the Chiloé bridge. The cost of construction is estimated at €400 million. Built in an extremely earthquake-prone area, the bridge will cross the Chacao Strait to link Chiloé Island to mainland Chile. With a total span of 2,634 metres, this will be the longest suspension bridge in South America and one of the biggest worldwide. Design studies are now under way.

◄ EXPRESS ROAD TO THE PELOPONNESE

Built by VINCI under the terms of a 35-year concession contract and operated since 12 August 2004, the Charilaos Trikoupis Bridge between Rion and Antirion in Greece brings the journey time from the continent to the Peloponnese down to five minutes instead of 45 minutes by ferry. During the year after its opening, the bridge was used mainly by cars (84%), followed by HGVs (9%), two-wheel vehicles (5%) and then coaches and buses (2%). An electronic toll system was installed in April 2005.

VINCI Park

VINCI Park is present in 12 countries, designing, building, financing and operating car parks and on-street parking spaces. Number one in Europe and world leader in car park concessions, the company operates 790,000 spaces. A benchmark in the outsourced operation of public car parks, VINCI Park is also a partner to promoters and investors wishing to outsource the management of their facilities.

Net profit

+13%

France

VINCI Park enjoyed the full benefit in 2005 of the raising of restrictions imposed on its expansion by the French competition commission at the time of the merger between VINCI and GTM. The company won several tenders for the outsourced management of public car parks, establishing itself in two new towns with more than 10,000 residents: Abbeville, with the construction of a car park with 230 spaces and the operation of 1,000 on-street spaces, and Cosne Cours sur Loire, with 490 spaces.

VINCI Park also increased the number of car parks it manages by winning two new concessions for car parks to be built, one in Asnières (300 spaces) and the other in Avignon (700 spaces). In addition, it strengthened its presence by renewing or obtaining concession contracts in Saint Denis (1,500 spaces), Beauvais (1,250 spaces), Limoges (550 spaces), Nîmes (890 spaces), Mulhouse (2,650 spaces), Charenton le Pont (2,710 spaces) and Neuilly sur Seine (260 spaces). Many medium-sized and small towns have recently decided in favour of the pay-to-park principle. They are expected to issue tenders for the outsourced management of public car parks during the coming months, such tenders representing new growth opportunities for VINCI Park.

Since 2004, VINCI Park has been developing a special service package for the hospital segment. Based on quality of service and attention to employee training – two of the key characteristics that differentiate VINCI Park's network – the hospital package was quick to gain significant commercial success in France (Nîmes, Metz, Suresnes and Rheims, for example), before attracting similar success in other countries in 2005, notably Canada and the United Kingdom.

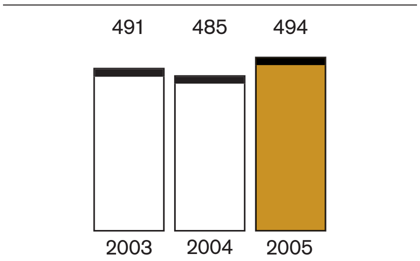
As part of its drive to diversify its portfolio, VINCI Park increased its freehold base by acquiring car parks in Strasbourg (230 spaces) and Saint Paul de Vence (480 spaces).

The company also continued its policy of developing services aimed at building customer loyalty and making car parks more attractive by focusing on customer care – as guaranteed by VINCI Park's charter – and the diversity of services associated with car parks. The initiatives launched in 2005 included the creation of Radio VINCI Park, which broadcasts classical music and information messages in car parks, experimenting with drop-off boxes for professional use

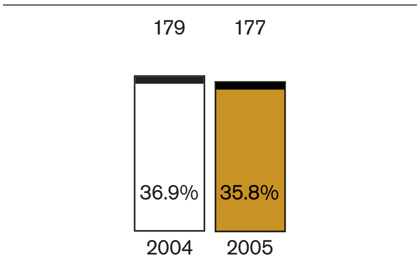
Above. Present in 12 countries, VINCI Park has built its image on quality and customer services (loan of bicycles and umbrellas, free breakdown repair kits, etc.)

In € millions and as a percentage of revenue

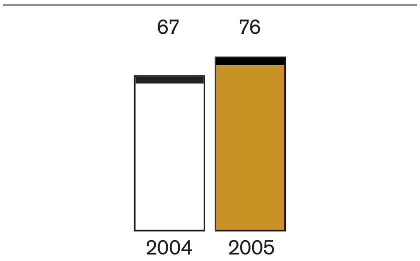
REVENUE



CASH FLOW FROM OPERATIONS*



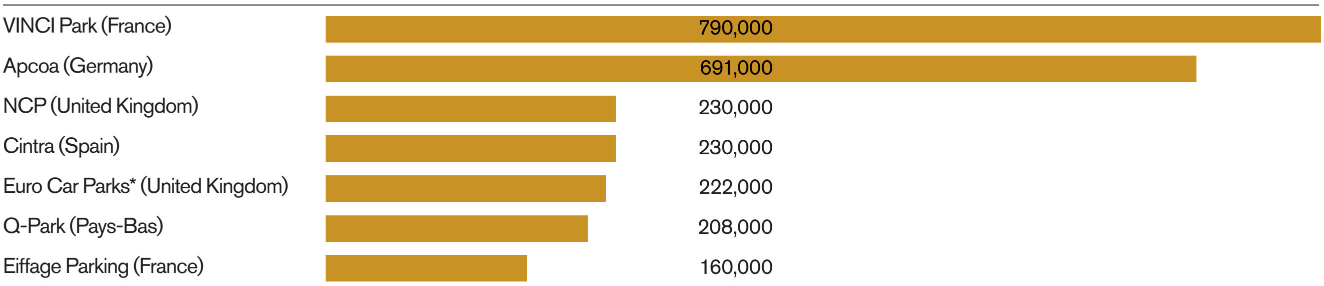
NET PROFIT



* *Before tax and financing costs.*

VINCI PARK, EUROPEAN LEADER IN CAR PARK OPERATION

Number of spaces managed



* *Spaces in car parks (number of on-street spaces not known).*

Source: company press releases, VINCI estimates.

and the loan of pushchairs. These new initiatives broaden the range of free services that have been proposed since 2001. In addition, 250 car parks were fitted with Wi-Fi access terminals, which have been in operation since February 2006. A substantial marketing and communication programme (such as posters, free gifts and the organisation of events for major brands) supports the company's service development policy.

VINCI Park broadened access to its services by extending to all its French car parks the possibility of paying by Total GR card (1.5 million transactions in 2005, representing revenue of €11 million). It also pilot tested the sale of Liber-t badges in 20 car parks in the Paris area, with a view to deploying this payment method to about 300 parks in 2006. In addition, the company launched a "business pack", designed to promote partnerships with shops, restaurants and cinemas located near their car parks, and tested a new mobile phone based access control system.

International

In line with its strategic refocus on Europe, VINCI Park sold its business interests in Chile (seven car parks) and added several long-term contracts to its European portfolio.

In Spain, VINCI Park was awarded its first contract to operate on-street parking (740 spaces) in Soria. This was followed very rapidly by a major contract tooperate 30,000 on-street spaces in Madrid. The contract will come into force in 2006. The company also won contracts to operate three new car parks in Barcelona and Soria (1,300 spaces). In the United Kingdom, VINCI Park strengthened its presence in the hospital segment by adding two new contracts: Broadgreen Hospital in Liverpool (1,100 spaces) under a PPP arrangement, and Glan Clwyd Hospital (1,550 spaces).

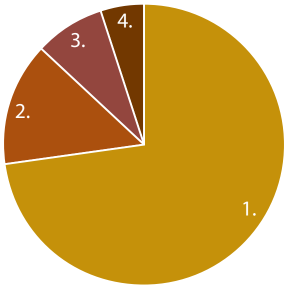
In Central and Eastern Europe, a priority growth area, VINCI Park secured long-term contracts in the Czech Republic (Europort car park at Prague airport, 500 spaces) and in Austria (Vienna, 415 spaces), as well as a contract to manage a new car park in Bratislava city centre in Slovakia (320 spaces). The company also penetrated the Romanian market by acquiring a majority interest in Unipark Sistem Bucarest. A first contract, signed at Vaslui, will come into force at the end of the first quarter of 2006.

In Canada, VINCI Park was awarded the management of three hospital car parks in Montreal. Through its subsidiary, Gestipark, the company also strengthened its position in that country with the takeover of Centre Parking, one of the majors in the Ottawa, Ontario car park market. Centre Parking operates over 6,000 spaces in 22 car parks. With this acquisition, VINCI Park operates over 130 car parks and 60,000 spaces in Canada.

FIRST VINCI PARK SCHOOL GRADUATES ➤

Created at the end of 2004, VINCI Park School trained its first class of operations managers in 2005: 13 diplomas were awarded on completion of this qualifying training programme provided to operations staff selected on the basis of their high potential. VINCI Park School, designed to be a car park business school, aims to accelerate the dissemination of skills within the company's network and contribute to the professionalisation of a business that previously had no specific training programmes.

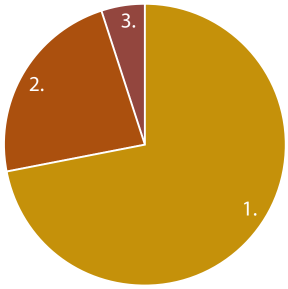
REVENUE BY GEOGRAPHICAL AREA



1.	France*	**73%**
2.	United Kingdom	**14%**
3.	Rest of Europe	**8%**
4.	Rest of the world	**5%**
	Total	**100%**

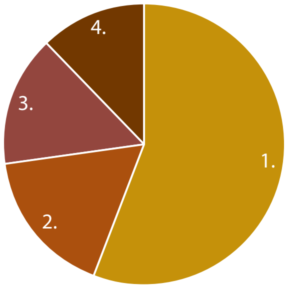
* of which Paris 27%.

REVENUE BY TYPE OF CONTRACT



1.	Concessions and long-term leases	**72%**
2.	Service provider	**23%**
3.	Freehold	**5%**
	Total	**100%**

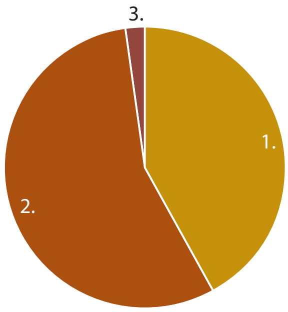
PARKING SPACES BY GEOGRAPHICAL AREA



1.	France*	**56%**
2.	United Kingdom	**17%**
3.	Rest of Europe	**15%**
4.	Rest of the world	**12%**
	Total	**100%**

* of which Paris 11%.

PARKING SPACES BY TYPE OF CONTRACT



1.	Concessions and long-term leases	**42%**
2.	Service provider	**56%**
3.	Freehold	**2%**
	Total	**100%**

Airport sector

VINCI Concessions is an airport operator under long-term concession contracts. With WFS, it is also the third biggest private airport services operator(1) and world leader in cargo handling (2).

Airport management

In Cambodia, Phnom Penh and Siem Reap airports - the latter serving the site of the Angkor Vat temples - reached the threshold of 1 million passengers for the first time. To meet the strong growth in traffic related to the dynamic tourist industry, a new terminal is being built at Siem Reap and is scheduled to be opened at the end of the first half of 2006.

In Mexico, VINCI Concessions completed its withdrawal from airport activities by selling its entire holding in Seta, the concession company for 13 airports in the centre and north of the country (the Group had sold its holding in ITA, the operator of nine airports in the south of the country, in 2004). In line with its decision not to remain a minority shareholder in an airport where it has no operator role, VINCI Concessions also sold its 3.4% holding in Beijing airport in China in 2005.

VINCI Concessions penetrated the high growth airport management market in 2004 by assuming responsibility for operating the Grenoble-Isère and Chambéry-Savoie airports in France in partnership with Keolis. In 2005, the company recorded 32% and 8% traffic growth respectively at these airports in 2005. This growth was boosted by the opening of new routes, notably towards the United Kingdom and Italy by low-cost airlines.

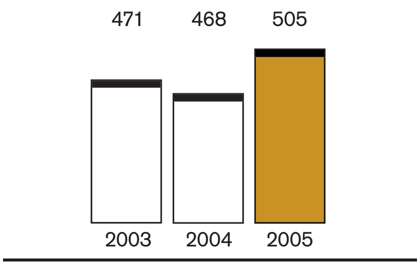
Airport services

Cargo handling recorded significant growth in 2005. The year was marked by the acquisition of France Handling, the leading French cargo operator for airlines and freight agents. Supported by an international network of almost 60 cargo handling centres, of which 27 in Europe, and by implementing efficient management and monitoring tools, as well as pre- and post-forwarding solutions between French and other European airports, WFS consolidated its position as market leader worldwide.

The ramp and baggage handling business was voluntarily reduced by terminating loss-making contracts in France and by closing several handling centres in North America.

In € millions

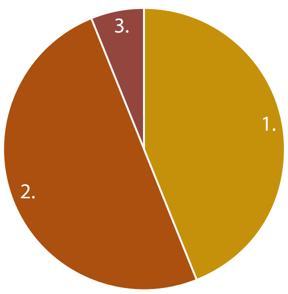
REVENUE



1. – Based on revenue (Source: internal study)
2. – Based on volume of freight handled (Source: internal study)

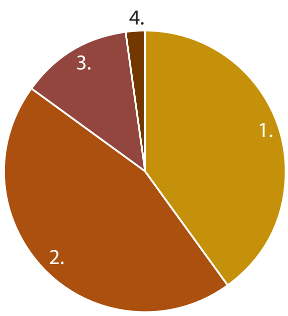
Above. VINCI Concessions has been managing Grenoble-Isère airport since 2004. The airport handled 270,000 passengers in 2005.

REVENUE BY BUSINESS LINE



1. Ramp and passenger	**44%**
2. Cargo	**50%**
3. Other services	**6%**
Total	**100%**

REVENUE BY GEOGRAPHICAL AREA



1. North America	**40%**
2. France	**45%**
3. Rest of Europe	**13%**
4. Rest of the world	**2%**
Total	**100%**

Integrate ASF and take full advantage of the growing PPP segment in Europe

The emphasis in 2006 will be on integrating ASF within VINCI's concessions division. The acquisition was the core component of the industrial project presented to the French government. It will give VINCI Concessions the capacity to establish itself more firmly as one of the leading partners to French and other public authorities, both for the design and financing of new infrastructure, and for its long-term operation.

The first synergies will be seen in 2006 when the two companies' business development teams are brought together. Working in conjunction with the Group's construction businesses, they will focus on Europe, where the public-private partnership market continues to grow.

In France, the Group's concession companies – including ASF, Escota, Cofiroute and VINCI Park – will coordinate their efforts to increase the number of innovative customer service initiatives and improve their overall performance.

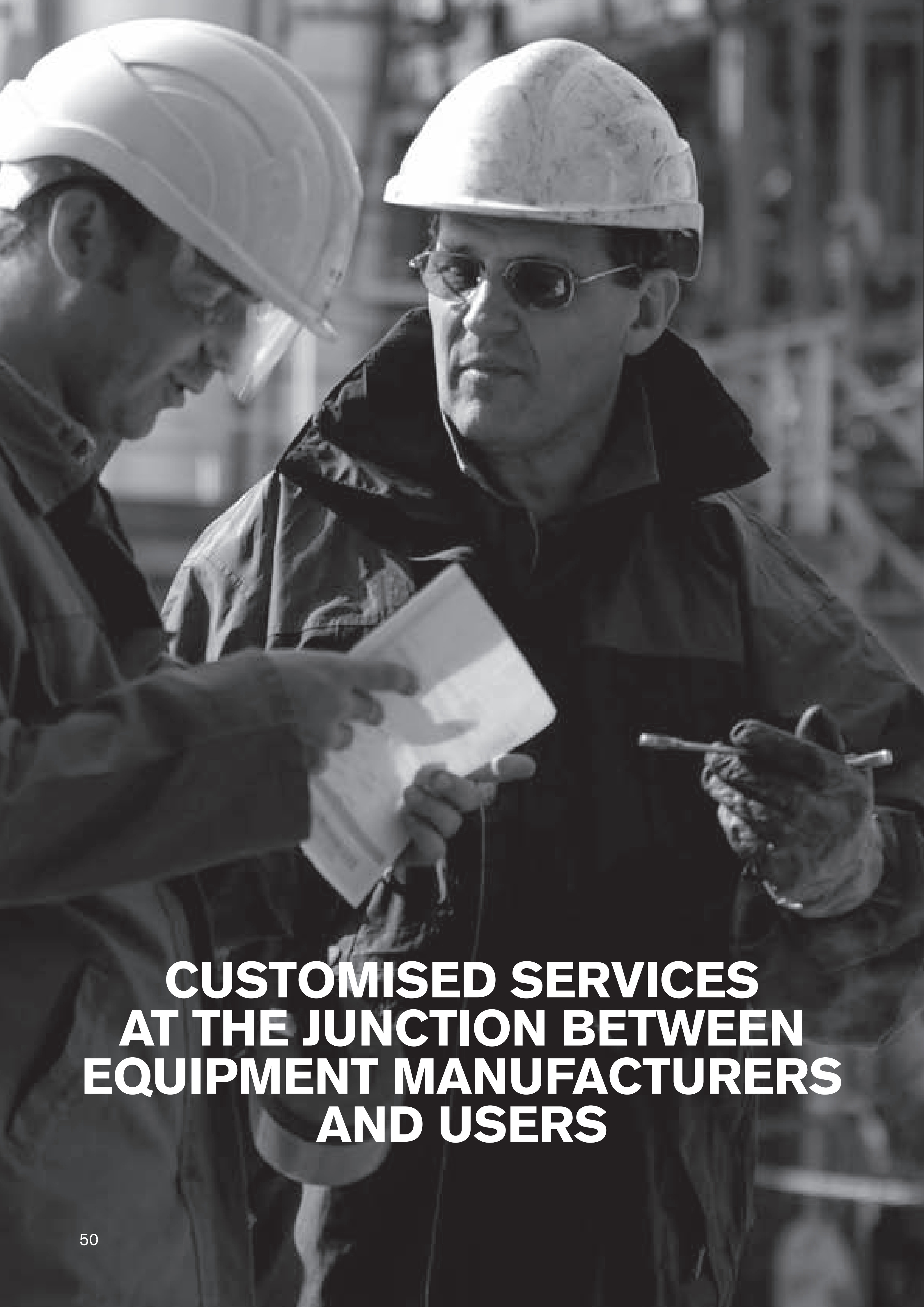
In accordance with that objective, VINCI Park will, in cooperation with Cofiroute, accept payment by Liber-t badge at 250 of its car parks in 2006. Similarly, the first secure parks for heavy goods vehicles, which ASF and VINCI Concessions have been studying jointly since mid-2004, should become operational in 2006.

With regard to existing concession contracts, one of the highlights for ASF in 2006 will be the incorporation within its consolidation scope of the Lyons-Balbigny section of the A89. For Cofiroute, the investment programme in new sections and the A86 Ouest will continue at a slightly higher level than in 2005 and teams will be formed to prepare for the opening of the A86 Ouest, a key event in 2007. Arcour will complete the administrative and archaeological phase of the A19 and start the first works on it at the end of 2006.

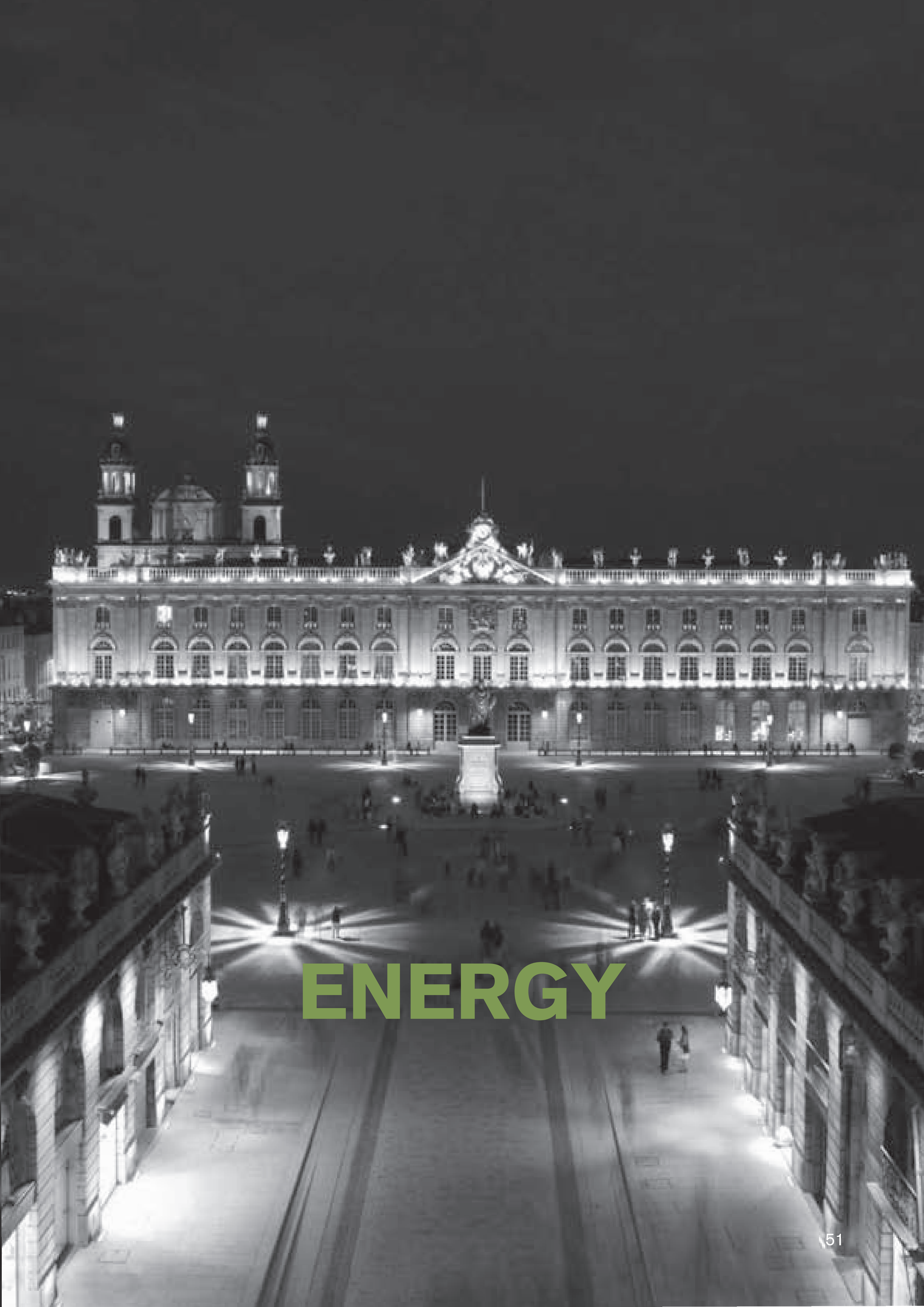
SCA (Société Concessionnaire des Aéroports du Cambodge) will continue the modernisation of Siem Reap airport near the Angkor site and should, under the terms of an amendment to the contract, extend its field of operation to the third international airport in Cambodia. More generally in the airport sector, VINCI Concessions will target its growth on France by taking full advantage of the experience acquired at Chambéry and Grenoble, as well as the customer references obtained outside France and in airport services.

In the car park sector, VINCI Park will seek growth opportunities in medium-sized towns, which are showing a gradual trend towards pay-to-park facilities. The company will also develop its service packages for hospitals and shopping centres. In international business, growth will continue, especially in Central and Eastern Europe. In France and elsewhere, VINCI Park will continue to develop new services, including "soft" mobility solutions such as self-service bicycles and joint strategies with public transport operators, as well as new payment methods such as multi-park offers and convergence with public transport tickets.

The first synergies will be seen in 2006 when the VINCI Concessions and ASF business development teams are brought together.

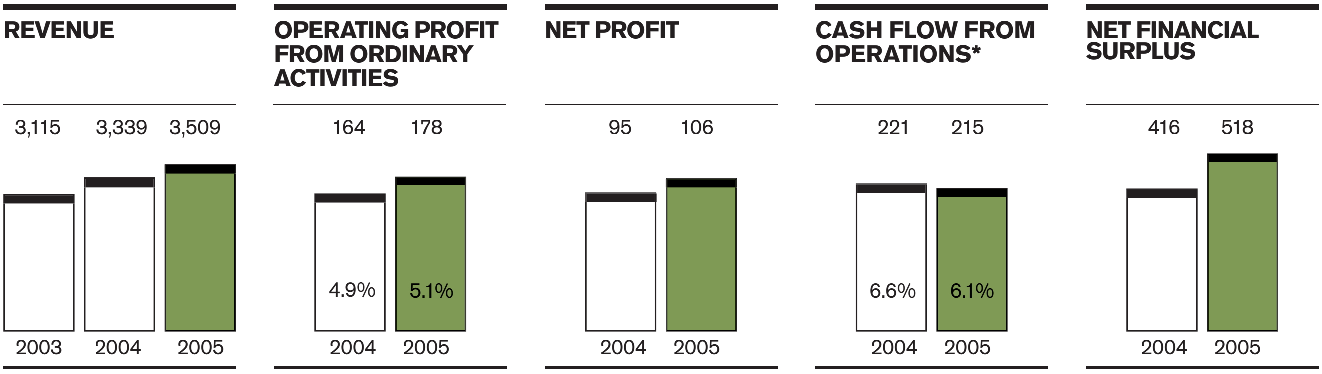


CUSTOMISED SERVICES AT THE JUNCTION BETWEEN EQUIPMENT MANUFACTURERS AND USERS



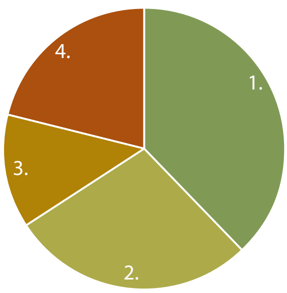
ENERGY

In € millions and as a percentage of revenue



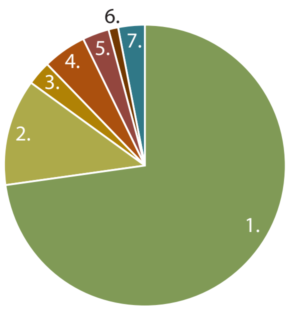
* *Before taxes and financing costs.*

REVENUE BY BUSINESS LINE



1. Industry	38%
2. Service sector	28%
3. Telecommunications	13%
4. Infrastructure	21%
Total	100%

REVENUE BY GEOGRAPHICAL AREA



1. France	73%
2. Germany	12%
3. Central and Eastern Europe	3%
4. Other European countries	4%
5. Netherlands	3%
6. Sweden	2%
7. Spain	3%
Total	100%

VINCI ENERGIES' COMPETITIVE POSITION IN ITS MAIN MARKETS

France: VINCI Energies is the biggest operator in terms of revenue. The other leading players in the electrical engineering sector are Cegelec, Amec Spie, Forclum (Eiffage), Ineo (Fabricom), ETDE (Bouygues) and Clemessy (Dalkia). In electrical engineering (accounting for over 40% of VINCI Energies' business activities in France), VINCI Energies has a market share of some 10%.

Germany: VINCI Energies is a major player in thermal engineering (insulation, fire protection, climate engineering), which accounts for two-thirds of its revenue. Its competitors in this segment are Reinhold & Mahla (Bilfinger Berger Group) and Thyssen Krupp in insulation and Minimax and Total Walter (Tyco) in fire protection.

Sources: Le Moniteur (30 Sept. 2005); internal studies.

A leader in energy and information technology services

Workforce

27,000

Number of business units

700

Number of projects in 2005

200,000

VINCI Energies

VINCI Energies is the market leader in France and a major player in Europe in electrical engineering and installation and more broadly in energy and information technology services. Providing the interface between equipment manufacturers and users, it meets the numerous and changing needs of its customers – industries, service companies, local authorities, energy and telecom operators.

VINCI Energies works at the different stages of projects – design and engineering, implementation, operation, maintenance – in four activity sectors:

> infrastructure: power supply networks (power transmission, transformation and distribution), urban lighting and urban development, transport infrastructure (lighting, power supply and information systems);

> industry: power distribution, monitoring and control, mechanical engineering, air treatment, fire protection, insulation and maintenance of industrial equipment;

> service sector: power supply networks, climate engineering, plumbing, fire detection and protection, building automation systems, safety, multi-technical and multi-service maintenance;

> telecommunications: infrastructure and voice-data-image company communications.

In all these areas, VINCI Energies provides customised, high added value, high service content offerings. They are implemented by 700 business units with strong roots on their markets, which are networked in Europe through brands (see opposite). Together with its management system based on a strong service culture and autonomous teams, this decentralised organisation enables the company to act as a systems integrator in developing solutions that are both local and global and that support customers in all aspects of their projects. VINCI Energies generates revenues through a great many recurring contracts, which incorporate a significant maintenance component and constitute its main business activity. With a workforce of 27,000 employees in some 20 countries, mainly in Europe, VINCI Energies generates nearly 30% of its revenue outside France.

6 BRAND NETWORKS

Actemium	Solutions for industry.
Axians	Voice-data-image company communications.
Citéos	Urban lighting.
Graniou	Telecommunications infrastructure.
Omexom	HV power transmission and transformation.
Opteor	Industrial and service sector maintenance.

Strong responsiveness on constantly changing markets

Against the backdrop of a slack economy, especially in manufacturing industry, across much of Europe, VINCI Energies recorded a significant increase in its business activity in many of the countries where it operates - especially in France, Northern Europe and Spain - while maintaining a high level of operating profitability (5% of revenue). This performance confirms the vitality of the VINCI Energies management model and the effectiveness of its development strategy combining organic growth and acquisitions in Europe.

In France, VINCI Energies business units recorded organic growth of 7%. It was driven, notably, by the booming telecommunications infrastructure market and by the high level of activity in the service sector. In industry, efforts to adapt offerings made it possible to achieve higher activity levels than originally forecast on a slack market.

In the Netherlands and the United Kingdom, where markets were relatively flat, business activity and earnings made considerable headway. In Sweden, the restructuring carried out in 2004 bore fruit as Emil Lundgren's return to profit was confirmed. In Spain, Spark Iberica generated revenue up 10% to nearly €90 million, while maintaining its operating profit contribution at a high level.

The spectacular turnaround of the German subsidiaries was confirmed in 2005, especially in the insulation business lines. A rigorously selective order-taking and earnings improvement policy resulted in a revenue contraction that was largely offset by acquisitions (Lagrange, NK Networks & Services); business activity in Germany as a whole generated pre-tax earnings of 4.5% of revenues, a level very close to the Group average.

In Central and Eastern Europe, VINCI Energies entities were brought together in a common management structure so as to introduce a coordinated approach to these new markets and their many opportunities for growth.

TMS, the Austrian business unit specialising in automated production systems for the automotive industry, was restructured in 2005. The Spanish and South African subsidiaries and the wire-guided trolley subsidiary were divested. Activity was discontinued in Brazil and cut back in Austria. The remaining business activities in Austria, Germany and the Czech Republic were divested in February 2006.

Elsewhere, VINCI Energies continued its external growth momentum. 16 companies with combined revenues of €160 million on an annualised

Revenue

+5.1%

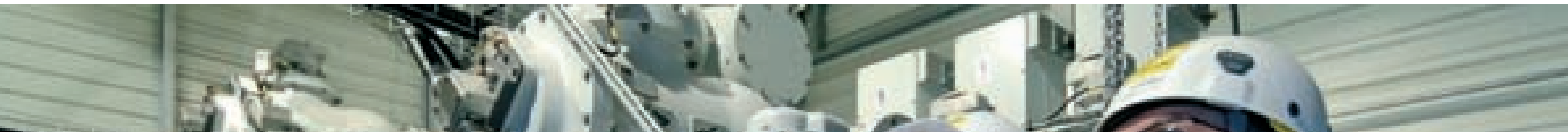
Operating profit from ordinary activities

+8.5%

Top. For the Munich airport, German VINCI Energies subsidiary G+H Isolierung installed the pipe insulation and fire protection coating at Terminal II, while NK Networks & Services worked on the IT networks.
Bottom. On the SS Pourquoi Pas?, the electrically-propelled oceanographic and hydrographic research ship belonging to Ifremer, VINCI Energies implemented the full range of electrical systems, including the digital monitoring and control system with interfaces to the electrical propulsion, lighting and communications systems.

SAFETY: EXEMPLARY RESULTS IN GERMANY

After winning the annual VINCI gold trophy for its occupational accident prevention results in 2004, VINCI Energies Deutschland ended 2005 with a frequency rate of 5.92 and a severity rate of 0.14. These results cover a workforce of 4,000 employees and are among the best obtained across VINCI as a whole. The Actemium business unit in Duisburg stood out in 2005, achieving 10 years without a work-related accident in its work for its customer DuPont. Training in safe driving was one of the many activities that supported employees' efforts to improve results.



Acquisitions

16

companies acquired

basis (of which €110 million outside France) joined the group in 2005. They included NK Networks & Services (company communication) and Lagrange (climate engineering) in Germany; Sotécnica (industry and service sector) in Portugal; and Darlavoix (energy infrastructure), Electrolor (energy infrastructure and service sector) and IDF Thermic (climate engineering and industrial refrigeration) in France.

Infrastructure

In France, the high voltage and very high voltage network activity (Omexom brand) rose by 20% to €137 million. Growth was spread across all market segments - lines, transformer stations and monitoring and control. The effort to diversify into manufacturing industry paid off with two major new transformer station contracts, one at the Normandy site of paper group UPM Kymmene (see below), the other for the Aubert & Duval steelworks near Clermont Ferrand, where a new 225 kV transformer station was installed to supplement the existing (63 kV) one.

In Spain, where the overall economic environment was excellent, activity at Spark Iberica, which has doubled in two years, remained brisk on a buoyant power system infrastructure market.

On local rural electrification markets, business activity picked up in the spring to offset a difficult start to the year due to inclement weather. In the regions concerned, VINCI Energies business units marshalled their forces to repair the damage caused by a storm on 17 December 2004.

The **urban lighting** and heritage illumination business activity (Citéos brand) continued to grow. New multi-year contracts won by the group during the year included the global lighting management contract, in a consortium, for the city of Marseilles, as well as two high-profile projects: the illumination of the Place Stanislas in Nancy and the Château Saint Sauveur le Vicomte in northern France, which won the 2005 Serce Philips Eclairage Lighting Competition Award.

Lighting in Marseilles

The city of Marseilles awarded a five-year contract to a consortium led by Citéos (VINCI Energies) to operate its public lighting and heritage illumination systems. The contract covers 69,000 lighting points and requires the establishment of a 25-person dedicated team and a high-performance operations support system.

VINCI Energies also consolidated its excellent position on the urban transport infrastructure market, taking part in the construction of tramway lines in Bordeaux, Grenoble, Lyons and Valenciennes – on which it often worked with VINCI Construction and Eurovia companies – and obtaining a new order for the tramway in Le Mans (the low voltage, audiovisual transmission and building management system works packages).

◂ SHIELDED TRANSFORMER STATION FOR THE PAPER INDUSTRY

Four Omexom business units (high-voltage power transmission and transformation) mounted, connected and tested a 225 kV ABB transformer station at the UPM Kymmene paper group's La Chapelle Darblay plant near Rouen. The "shielded" station is the first of this type to be installed in France. The €1.6 million contract consolidates Omexom's diversification into the private-sector market.

Despite a difficult economic environment, VINCI Energies business units operating in the industrial sector expanded their activity and increased their market share in 2005.

Industry

In 2005, VINCI Energies stepped up the implementation of its strategy aimed at structuring its service offering for industry in two major Europe-wide brands: Actemium in electrical engineering and installation and Opteor in maintenance. Combining strong local roots, which generate a large number of small recurring contracts, with a global systems integration approach, the strategy meets the dual market demand: industrial groups expect high-quality local service to maintain and optimise their existing sites and also seek multi-site solutions, particularly to support the creation of new production centres on their growing markets.

Applying the strategy - and building on their in-depth familiarity with industrial processes and the requirements of their customers in the areas of productivity, quality, traceability, environmental protection and accident prevention and safety - VINCI Energies business units also increased their market share in the industrial sector in 2005, against an economic backdrop which, while difficult, offered many opportunities.

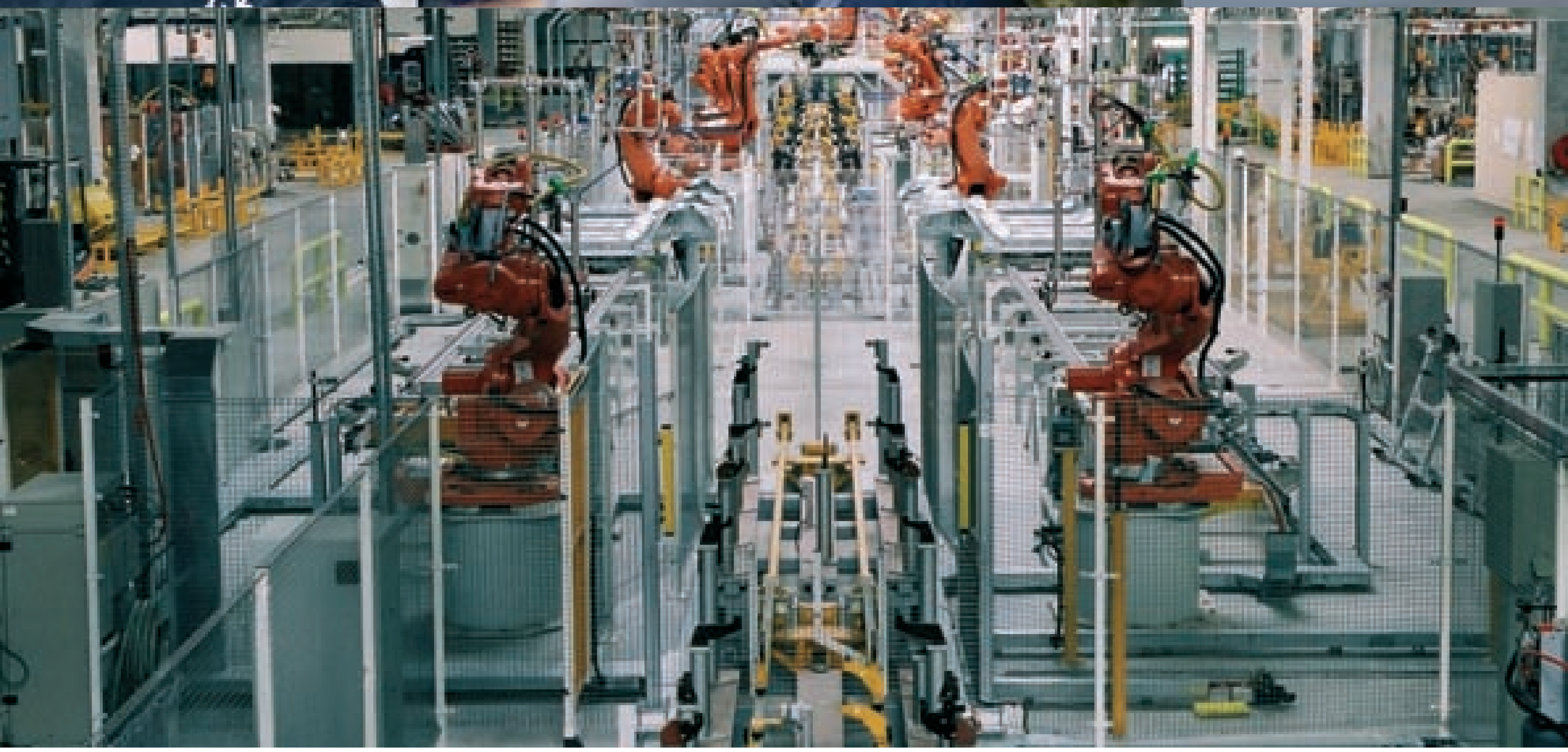
Activity was particularly brisk in the automotive sector. Group business units completed a large number of projects for French automakers, both at their historic sites and their international locations, such as the PSA plant in Trnava, Slovakia (see below). The petrochemical and natural gas industries also generated a substantial volume of business. In the environment sector, tightened regulatory constraints - especially those relating to fumes emitted by waste treatment plants - helped boost business activity.

Moreover, the development of cross-border cooperation across VINCI Energies' European networks was further boosted at the end of the year by major orders placed by food processing groups Masterfoods and Veltins as well as by Michelin for its Polish location.

In this context, business units operating under the Actemium brand generated revenue of €400 million in 2005, up 10% from the previous year. The increase was 30%, to €65 million, for the Opteor network business units.

ACTEMIUM: A PSA PEUGEOT-CITROEN PARTNER IN EUROPE ➤

The deployment of the Actemium brand (electrical engineering and PLCs) in Europe supports industries in their new location projects as well as in the modernisation of their existing sites. As a longstanding partner of Peugeot-Citroen in France, Actemium worked for two years on the automotive group's new site in Slovakia, which will be producing 55 vehicles an hour. The systems integration contract covered implementation of the parts conveyor system among the different shops as well as the design and installation of a floor production line comprising 40 robots. In other work for PSA Peugeot-Citroen, Actemium developed a new conveyor table without telescopic arms and equipped with a "friction wheel". The device won the Special Ingenuity Prize at the VINCI 2005 Innovation Awards and has been successfully installed at the PSA Peugeot-Citroen sites in Poissy, France and Trnava, Slovakia (opposite).



Top left. Design and implementation of the fire protection system for the high-rack freezer at the Saint Dizier production site built for Cogesal Miko (Unilever Group) in east-central France.
Top right. VINCI Energies operates at the Airbus sites in Toulouse, France and Hamburg, Germany. In France, Opteor handles multi-technical maintenance of buildings to be used in assembling the A380 aircraft (photo). In Germany, Calanbau equipped the finishing hall with the same device, using a foam-based fire protection system.

Top left. In the Paris region, VINCI Energies installed climate control, heating, ventilation, plumbing and fire protection system equipment in the Partitio office building, the headquarters of the Movement Leclerc.
Top right. Under a four-year contract, VINCI Energies is in charge of maintaining the climate control and refrigeration equipment at 520 Total service stations in northern France and the Paris region.

Service Sector

The service sector remained buoyant overall in 2005. Business activity continued to be brisk in the health care, logistics, banking and public housing sectors, while office buildings stabilised at an inventory level corresponding to normal market operation. Major projects for the year included the fitting out of the head office of the *Le Figaro* newspaper in Paris, the CBX tower in Paris-La Défense (electrical systems, climate engineering and plumbing), the headquarters of the Mouvement Leclerc (HEQ climate engineering) in Ivry sur Seine and the Grand Horizon building in Marseilles. As projects were completed, new orders came in for major projects such as the Granite and T1 towers in Paris-La Défense, **the Zénith concert halls in Nantes** and Limoges, the new S3 terminal at Paris CDG Airport, the hospital in Vesoul in eastern France and the Army hospital in Toulon. These offer good ongoing prospects for 2006. On many of these projects, VINCI Energies is working for VINCI Construction companies. On a market on which the number of general contracting tenders is growing, intra-group cooperation is a major source of business activity for VINCI Energies. The trend is expected to increase as public-private partnerships pick up steam.

VINCI Energies at the Zénith concert halls

Meanwhile, VINCI Energies is starting work on two Zénith concert halls being built in two different cities. In Nantes, it will be installing the low voltage equipment in the hall, which is set to open at the end of 2006; in Limoges, the project consists of equipping a ventilation-smoke extraction room with distribution ducts.

In the service sector, business activity is concentrated in the large number of smaller contracts in new and existing buildings that form the bedrock of VINCI Energies business units. The excellent relations developed over time with customers is particularly noticeable in building maintenance business activities. Revenue of the Opteor network, which operates in this sector, continued to grow in 2005 with major multi-site maintenance contracts placed by Total (520 service stations in the greater Paris region and in northern France), the Gecina property group and the Thiriet food processing group (electrical systems maintenance at 160 stores and warehouses).
A major recruitment effort was undertaken to keep pace with this growth.

In fire protection, the Protec Feu, TPI and LPI subsidiaries in France had a good year. In Germany, the integration of the recently-acquired GFA company proceeded smoothly; Calanbau, which had a difficult year because of very aggressive competition, faces a brighter outlook in 2006. Again in Germany, the turnaround at Nickel was confirmed in the wake of its repositioning on the buoyant facilities management market.

And finally, in its first year within the group, the Kastt company, which operates in climate engineering on the Czech market, had a satisfactory year.

◄ INTEGRATED EXPERTISE IN THE HOSPITAL SECTOR

VINCI Energies has complementary expertise enabling it to develop global solutions for the technical equipment of hospitals while meeting particularly stringent reliability requirements. As part of a consortium led by Sogea Construction (VINCI Construction), VINCI Energies is in charge of implementing all climate engineering and electrical system works packages at the Toulon Army hospital (under a €40 million contract). The group's business units are also taking part in the modernisation of the Mangot-Vulcin hospital in Martinque (€17 million) and the equipment at the new Vesoul hospital (climate control, smoke venting, plumbing, medical fluids, building automation systems). At the Rouen teaching hospital (opposite), VINCI Energies provided, among other things, the power supply and electrical equipment of the scanner and cardiac catheterisation rooms.

Telecommunications

In telecommunications infrastructure and under the Graniou brand, VINCI Energies recorded revenue growth of over 30% in 2005 to €225 million. Over the past two years this amounts to a 50% increase – mainly organic – in business activity.

Mobile operators are the main growth lever for this activity, particularly SFR and Orange in France, which are making massive investments in the rollout of their UMTS and Edge networks. To support SFR in the ramp-up of its third-generation infrastructure, Graniou changed 800 Siemens microwave bays in just six months.

Business also expanded among OEMs. In France, Nokia selected Graniou to implement measurements on the SFR Edge network by means of specially equipped vehicles. The brand was also made an approved supplier of Alcatel for all its microwave, radio equipment and ADSL installation and commissioning activities as well as for fixed-line equipment. In Sweden, Graniou concluded a framework agreement with Ericsson covering work on the networks of operators 3 and Sunab (Telia / Télé 2).

On the fixed-line telecommunications market, Graniou took advantage of the expansion of broadband networks to position itself nationally with Completel and complete the Cegetel Club Internet project.

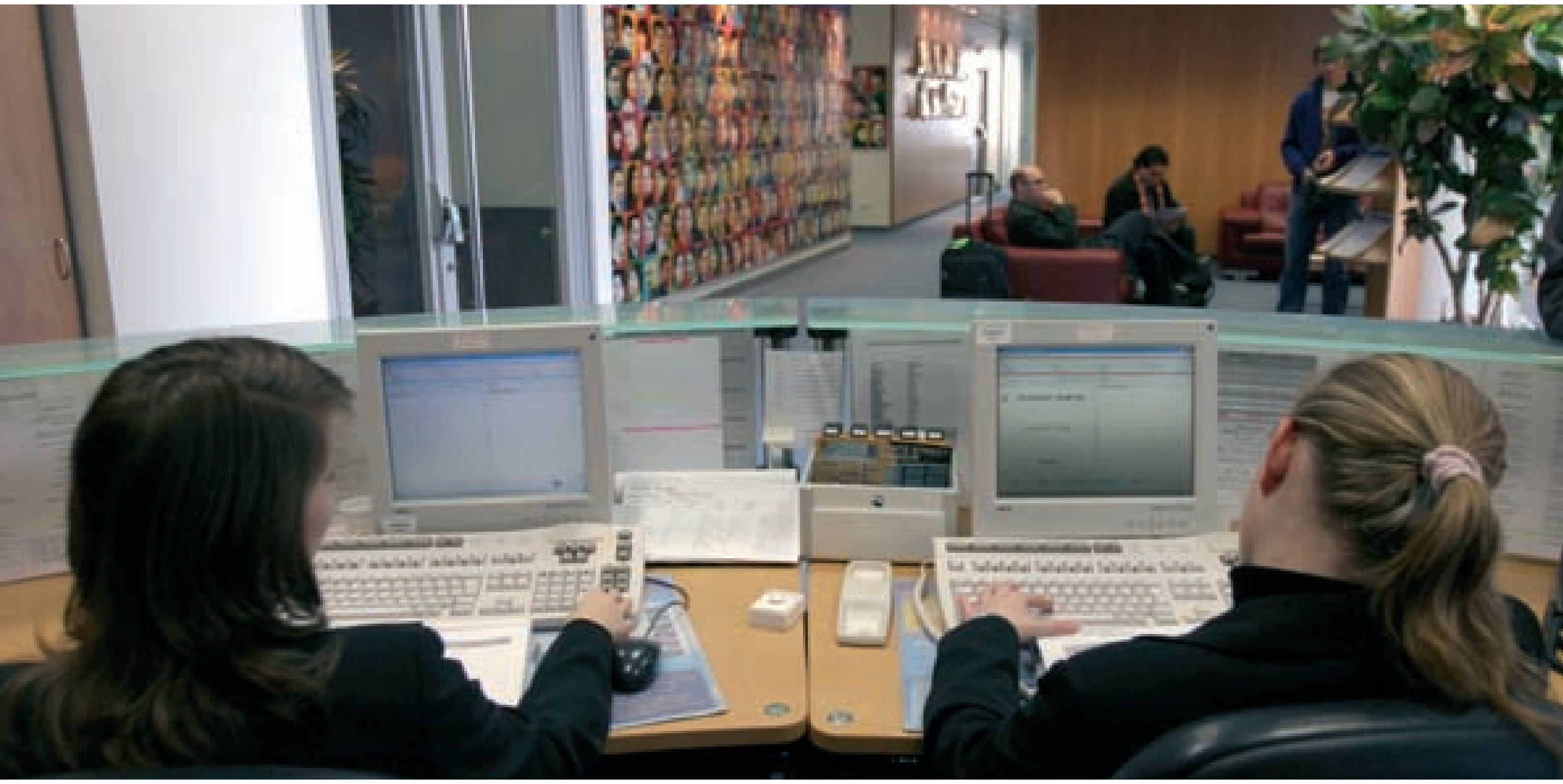
Boosting the expansion of Graniou at European level, business activity held steady in Belgium and Poland, where the Atem Polska company – acquired in 2004 – completed its first full year within the group.

Graniou brand revenue grew by over 30% in 2005, with 50% growth over the last two years.

In voice-data-image communications (Axians brand), VINCI Energies had to contend with a less clearly oriented market: the voice segment is difficult and changing rapidly, while data networks and audiovisual are doing better. The recent integration of the Netlink company in the Netherlands and of NK Networks & Services in Germany boosted revenue by 40% to €180 million, shifting the geographic focus of the Axians activity, one-third of which is now conducted outside France. The increase in operating profit also demonstrates Axians' ability to ride out fluctuations in the business cycle, especially in specialty business lines such as outsourced service provision.

GRANIOU SUPPORTS NORTEL ON THE INTERNATIONAL MARKET

The Graniou network (telecommunications infrastructure), with combined revenue of 225 million in 2005, currently operates in France, Belgium, Spain, Poland, Sweden and, from early 2006 onwards, in the United Kingdom, where the brand is being rolled out in synergy with the VINCI Construction teams. This internationalisation dovetails with the worldwide strategies of the major equipment manufacturers, now seeking partners able to provide the same quality of service across different countries. As a result, work for Nortel initiated in France was continued in Belgium (photo above) and in Spain; it could be extended to other European countries in coming months.



Bottom. For Axa Invest Management, Axians migrated the 2,000-subscriber telephone system and integrated a 50-person call centre at a remote site.

Accelerating rollout of local and global solutions in Europe

Driven by ongoing development in energy and information technologies, the markets on which VINCI Energies operates offer good long-term prospects. The demand for energy, transport and telecommunications infrastructure equipment remains strong in many European countries. Moreover, VINCI Energies operates on markets with strong replacement demand, providing recurring business activity, generated by rapid technological change and ongoing standardisation requirements. VINCI Energies will continue its growth while consolidating its market position as a services company, establishing a link between OEMs and operators on the one hand and users, who have an increasing need for advice, customised solutions and overall management of their requirements, on the other. Building on the strong roots its business units have established on their markets, on their high-quality offerings and on the responsiveness of its networked management system, VINCI Energies will continue its Europe-centred international development strategy, combining organic growth and acquisitions and accelerating the rollout of its brand networks.

In energy infrastructure, the effective liberalisation of the French market, the resumption of investments, the development of the wind power sector and new projects in the nuclear field hold out prospects for growth. VINCI Energies will also be taking advantage of the strong demand for transport infrastructure equipment. The urban lighting business line will continue to expand thanks to its offering, which combines creativity with global management and energy savings.

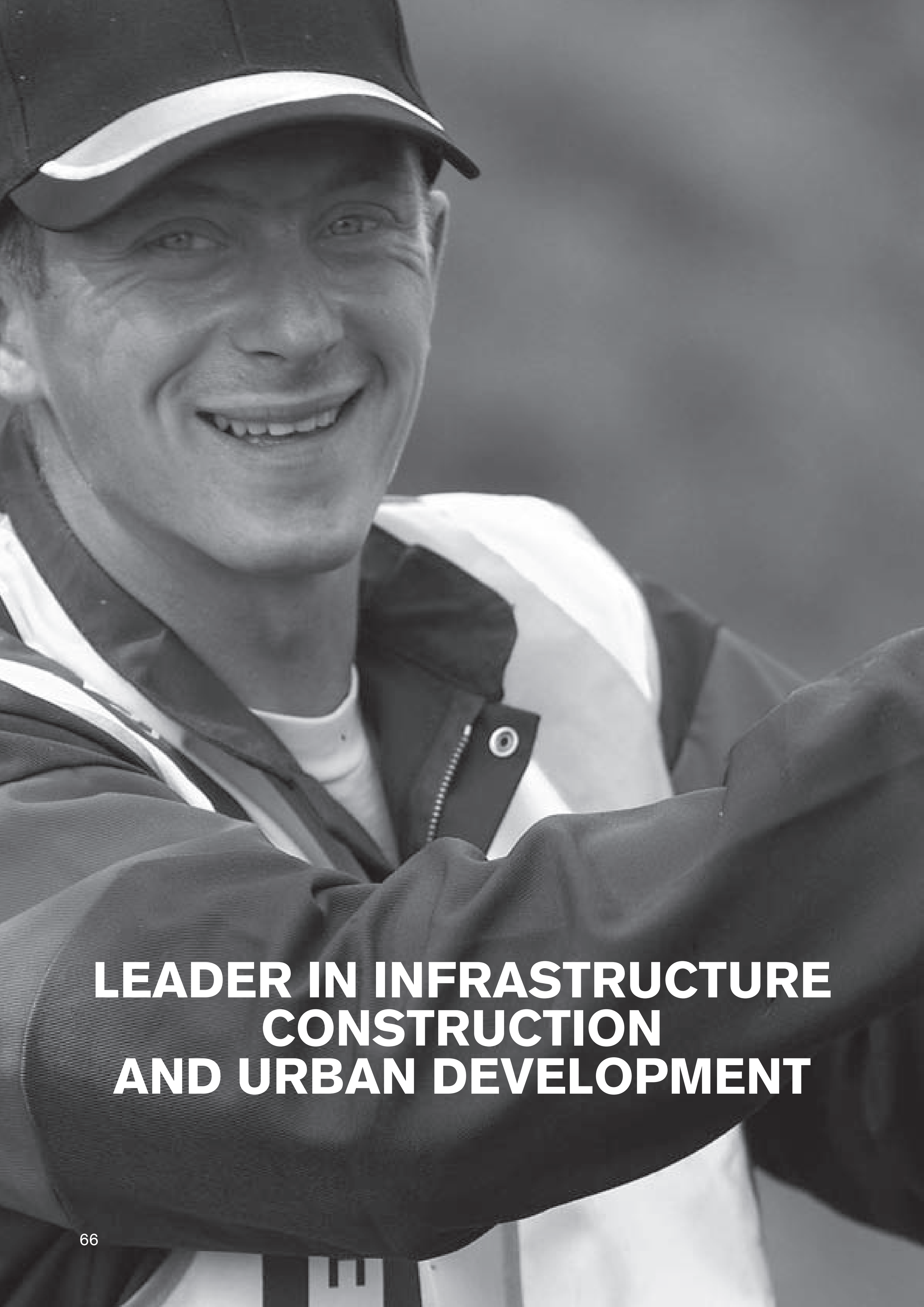
In industry, VINCI Energies will step up the deployment in Europe of its Actemium (electrical engineering, PLCs) and Opteor (maintenance) brands, supporting its customers in setting up their new locations and in the modernisation and operating optimisation of their existing sites.

In the service sector, VINCI Energies will be leveraging its core business positions, intensifying its specialised offering in each market segment (health care, retail, education, offices, culture) and expanding its property maintenance activity by reinforcing its specialised teams.

In telecommunications infrastructure, Graniou will continue its international development, supporting operators and equipment manufacturers in the rollout, upgrade and maintenance of mobile telephony (3G, HSDPA, Edge, etc.) and fixed-line broadband networks. In company communications, Axians will be confirming its position in high-service-content and high-expertise offerings – especially in the new technologies (voice over IP) that are driving the market – and leveraging its new European dimension. Global revenue is expected to rise rapidly to €500 million in the telecommunications business line.

VINCI Energies will continue its Europe-centred international development strategy, combining organic growth and acquisitions and accelerating the rollout of its brand networks.


ATEM

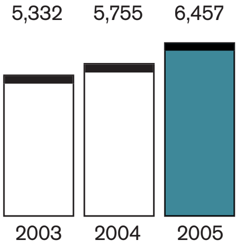


LEADER IN INFRASTRUCTURE CONSTRUCTION AND URBAN DEVELOPMENT

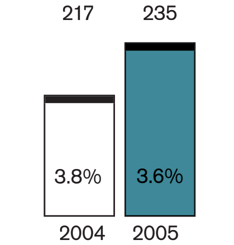
ROADS

In € millions and as a percentage of revenue

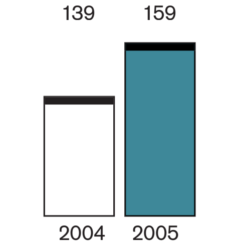
REVENUE



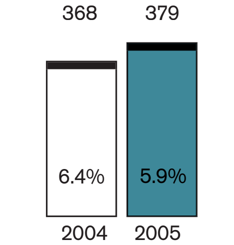
OPERATING PROFIT FROM ORDINARY ACTIVITIES



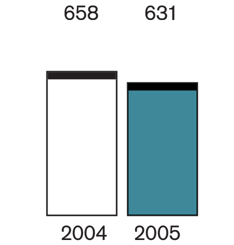
NET PROFIT



CASH FLOWS FROM OPERATIONS*

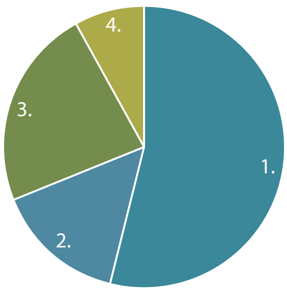


NET FINANCIAL SURPLUS



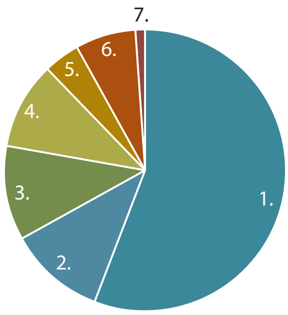
* Before tax and financing costs.

REVENUE BY BUSINESS LINE



1. Roadworks	**54%**
2. Materials production	**15%**
3. Quality of life and environment	**23%**
4. Services	**8%**
Total	**100%**

REVENUE BY GEOGRAPHICAL AREA



1. France	**56%**
2. Germany	**11%**
3. Central and Eastern Europe	**11%**
4. United Kingdom	**10%**
5. Other European countries	**4%**
6. North America	**7%**
7. Rest of the world	**1%**
Total	**100%**

EUROVIA'S COMPETITIVE POSITION IN ITS MAIN MARKETS

France: On a roadworks market estimated at €12.2 billion, Eurovia comes in second place, behind Colas (Bouygues Group) and ahead of Appia (Eiffage Group). Some 1,700 regional operators share the rest of the market. In addition, Eurovia is the leading road aggregate producer in France.

Germany (market worth an estimated €12 billion): Eurovia GmbH ranks second behind Strabag; other significant players are only regional in scope.

Czech Republic (market worth an estimated €4 billion): SSZ is the market leader for roadworks; significant competitors are Skanska, Metroslav and Strabag.

United Kingdom: Ringway operates mainly within the framework of multi-year maintenance contracts.

Sources: Usirf, internal studies (market estimates); Le Moniteur (Dec. 2005), internal studies and Czech Top 100 (competitive position).

An integrated road industry operator

Workforce

38,000

Number of agencies and subsidiaries

330

Number of projects in 2005

60,000

Eurovia is a world leader in roadworks and materials recycling and the leading French producer of road aggregates. The company generates more than 90% of its revenue in Europe, primarily in France, Germany, the United Kingdom, the Czech Republic and Spain. Eurovia also holds significant positions in the United States (Florida, North and South Carolina), Canada and Chile. Combining strong roots in a large number of local markets with an ambitious innovation policy and networking of its 330 agencies and subsidiaries, Eurovia has developed an integrated range of skills extending well beyond its traditional business segments.

Roadworks

Eurovia builds, renovates and maintains road, motorway and railway infrastructure as well as industrial and retail development sites. This business activity, carried out for both public and private sector customers, accounts for nearly half of Eurovia's revenue and is spread over some 60,000 projects a year.

Materials production

Eurovia manages a network of 220 quarries (which produce 54 million tonnes of aggregates per year [(1)]), 60 binder plants (500,000 tonnes [(1)]), 460 coating plants (24 million tonnes of asphalt mix [(1)]) and 110 materials recycling and treatment facilities (5 million tonnes [(1)]). With a business cycle that complements roadworks activities, this segment contributes to Eurovia's growth and results and represents a guaranteed long-tem source of high quality materials for its projects (1.5 billion tonnes of materials held in reserve, enough for some 30 years of production).

Quality of life and environment

Eurovia provides the full range of expertise needed for quality urban development projects (segregated lane transport roadbeds, enhancement of public spaces, playgrounds and sports facilities, etc.) and transport infrastructure safety upgrades. The company is also active in environment-related business segments such as deconstruction, installation of noise and pollution barriers, water distribution networks and wastewater collection systems, waterproofing and waste storage facilities.

Services

Eurovia operates upstream of comprehensive infrastructure projects (design and coordination, consultancy and technical support) and provides downstream services such as on-site maintenance, IT network management, winter maintenance and emergency response.

1. – Attribuatable to equity holders of the parent.

Brisk growth and boosted production capacities

Following strong growth in 2004 and despite major price pressures on petroleum products, Eurovia's business activity again grew substantially in 2005 (+12.2%) and the company recorded a further increase in operating profit from ordinary activities (+8.2%), which now stands at 3.6% of revenue.

These satisfactory results reflect a strategy that combines Eurovia's strong roots on its markets, vertical integration of its various business lines, an innovation policy that strengthens the company's competitiveness and stepped-up technical, commercial and managerial synergies among its various entities.

On all of its markets, Eurovia makes the most of long-term trends, leveraging its broad, diversified expertise. The company's projects are increasingly global and complex, extending beyond pavements and surfacings to include a wide variety of related competencies in areas such as wastewater collection systems, waterproofing, minor civil engineering works and landscaping. Meanwhile Eurovia is responding to the growing demand for outsourced management and comprehensive maintenance of road networks under multi-year contracts. Moreover, Eurovia's expertise in environmentally friendly products and processes, backed by its research centre in Bordeaux-Mérignac, provides a strong competitive advantage in markets – particularly those relating to major public infrastructure projects – in which sustainable development requirements are increasingly decisive.

These changes consolidate Eurovia's position as an urban developer and major transport infrastructure builder capable of devising integrated solutions for complex projects such as re-routing and redeveloping utility networks, integrating transport infrastructure into the living environment and improving comfort and safety, etc. The company's participation in a large number of tramway development projects in France and in the construction of major motorway and railway links in Europe and North America are cases in point.

Meanwhile Eurovia continued in 2005 to strengthen its aggregate production capabilities by acquiring several companies that operate quarries in France, the Czech Republic and Canada and produce a total of 4 million tonnes (Group share) per year. Eurovia continued to expand its industrial plant and equipment at European level with the opening of a major construction materials storage, processing and trading centre in the port of Antwerp, Belgium (see page 72).

Revenue

+12.2%

Operating profit from ordinary activities

+8.2%

Top. In Bordeaux, as on many other tramway development projects in France, Eurovia is carrying out earthworks, re-routing utility networks, building pavements and roadbeds, performing road marking and installing noise abatement systems.
Bottom. At its Bordeaux-Mérignac research and development centre, Eurovia develops the high-performance products and processes that reinforce its technological edge, help make roads safer, foster sustainable development and reduce road maintenance costs.

MATERIALS: A STRATEGIC FACILITY IN ANTWERP

In 2005, Eurovia and Van Wellen (a subsidiary of CFE in which VINCI Construction holds a 45% interest) set up a port facility in Antwerp, Belgium, to store, process and trade construction materials. Supplied by sea, the site can automatically unload and store 6,000 tonnes of materials per hour in a single operation. Its strategic location makes it particularly suitable for supplying the markets of northern Europe, which have a shortage of road materials. Throughput at this facility is expected to reach a million tonnes per year by 2007.

Bottom left. On the A89 motorway, Eurovia paved the 51 km Sancy-Combronde section, including the Sioule viaduct, and the 10.2 km Terrasson – Brive-Nord section for Autoroutes du Sud de la France.

Revenue

+11%

in France

France

Eurovia's business activity in France, accounting for 56% of its revenue, continued to increase at a steady pace (+11% in 2005, compared with +9% in 2004). Growth was generated in all regions but was particularly strong in the Auvergne and Rhône-Alpes regions (+20.6%). Several acquisitions, accounting for total revenue of €32 million, bolstered the group's network. These were mainly quarries (the Pélissard, CLHP, CBA, Grands and Lebrat companies, with a combined capacity of 750,000 tonnes per year) and materials recycling facilities (Fillot TP: 250,000 tonnes per year).

Eurovia was involved in 15 tramway projects, i.e. on the vast majority of such projects now under way in France. The company's urban development capabilities, covering a wide range of expertise in urban amenity upgrades (earthworks, re-routing of utility networks, construction of development sites, facade-to-facade development, cobblestone and flagstone pavements, etc.) make it a leader on this market, where it has been operating since projects of this type were first launched in the 1980s. The company's related services offering also gives it a competitive edge in urban regeneration projects: for example, Eurovia's proposed **community communication plan** helped win it the contract for the comprehensive refurbishment of several city-centre boulevards in the northern French city of Calais.

Communication in Calais

To keep local residents abreast of progress on the three-year project, Eurovia set up a website that can be accessed by the public from two kiosks in the city centre, as well as a toll-free telephone number, an information office and a free electronic newsletter.

Business was also brisk in construction and renovation of major infrastructure such as motorways (notably the construction of several sections totalling 61 km of the A89 motorway for ASF and the 2x3 lane widening of a 16.5 km section of the A42 motorway in eastern France), airport facilities (new Airbus delivery centre in Toulouse, Lyons – Saint Exupéry airport extension) and major urban amenity projects such as the development of the banks of the Rhône in Lyons.

Alongside these major projects, a very large number of smaller contracts were carried out for public and private sector customers, forming the base of Eurovia's recurring business activity. The company also carried out three high profile projects: pavement renovation at the Place Charles de Gaulle (Place de l'Etoile) in Paris, using an innovative technique to regenerate the cobblestones in situ; renovation of the Place Stanislas in Nancy (see page 75) and; road refurbishment at the Château de Versailles, using heritage conservation techniques.

◄ PAPYRUS INVENTS THE WORKSITE OFFICE

Honoured by *Le Monde Informatique* and *La Tribune* and awarded the VINCI 2005 Innovation Award Management prize, Papyrus software enables Eurovia's site foremen to enter worksite data directly into the company's information system. The communications tool, supported by a PC tablet, enables operations managers to be simultaneously "at the office and on the worksite", reduces the amount of time they spend on administrative tasks and gives them access to a large number of functions (intranet, e-mail, shared documents, etc.) that extend and enhance their jobs. Papyrus has already been issued to 2,500 foremen in France and 500 in Germany and their Czech counterparts will be receiving it in 2006. The system is being rolled out as part of Eurovia's overall endeavour to step up international information exchange, knowledge sharing and managerial synergies so as to optimise productivity across the group as a whole.

NOxer® barrier

The NOxer® pollution-reducing noise barrier developed at Eurovia's research centre in Bordeaux-Mérignac, helps cut peak pollution by converting nitrogen oxides (NOx) produced on major thoroughfares into stable water-soluble nitrogen compounds.

Continuing to develop high-performance environment-related products, Eurovia installed the **NOxer®** barrier for the first time on the Paris ring road and in western France. In 2005 the company also applied the warm mix with Aspha-Min® process on a large scale, using it on some thirty projects. Eurovia's recycling expertise was confirmed with the award, for the first time in France, of the CE 2+ mark to aggregates made from recycled household waste bottom ash produced in three Paris-area Group subsidiaries, which simultaneously received ISO 9001 certification for their 15 production sites.

Western Europe

IN GERMANY, where the market remained difficult, Eurovia GmbH recorded a slight increase in revenue and stabilised its earnings thanks to brisk business activity in the second half. The year's major projects included construction of a 7 km section of the B96 federal highway in Mahlov (Brandenburg). Eurovia GmbH has been substantially reorganised to cope with the recession affecting the market for several years now and is back on track to take advantage of the expected resumption of investment in motorways and return to growth. These investments will more particularly involve A-Modell motorway widening projects (560 km of motorways, accounting for a total investment of €5 billion over a five-year period). The first bids will be placed in 2006.

In 2005, the innovative warm mix with Aspha-Min® process was applied on a large scale on some 30 projects.

IN THE UNITED KINGDOM, Ringway recorded a substantial increase in revenue (+12.9% at constant scope and exchange rate) and an improvement in its earnings. 75% of its business activity is conducted under some 30 medium- and long-term (3 to 12 year) contracts, averaging revenue of €15 million per year and involving road maintenance and related services (winter maintenance, maintenance of green spaces and public lighting, etc.). Ringway's leadership on this buoyant market was further strengthened by the award of the Worcestershire County road maintenance contract (covering a period of four and a half years and with a value of some €25 million per year) and the renewal of the Peterborough (five years, €3.4 million per year) and Wiltshire (five years, €30 million per year) contracts. The British subsidiary also strengthened its position on the road construction market by acquiring TE Beach, a company based in the southern city of Dartford which also does substantial business on the London market. TE Beach employs 400 people and generates annual revenue of €70 million.

THE PLACE STANISLAS RETURNED TO PEDESTRIANS ➤

Renovated on the occasion of its 250th anniversary, the Place Stanislas in Nancy, a historic landmark, was surfaced with 11,000 sq. metres of natural paving slabs and cobblestones by Eurovia's teams in Lorraine and then closed to automobile traffic for good and handed back to pedestrians. Eurovia supported the cultural events that were held in connection with this renovation. A "Memory Book", containing a history of the square, construction drawings and messages from local residents and restoration teams, was buried under the pavement for the benefit of future generations. VINCI Energies illuminated this architectural jewel dating back to the Enlightenment.

Top. The low production and application temperature of warm mix with Aspha-Min® reduces emissions of greenhouse gases. On the Champs-Elysées in Paris, the process was employed for the first time during the events staged to support Paris's bid for the 2012 Olympic Games.

Top left. Roadworks in the village of Lodygowice, Poland.
Top right. In the United Kingdom, multi-year road maintenance contracts issued by local authorities include a variety of services: public lighting and road maintenance, winter maintenance, maintenance of green spaces, etc.

Revenue
+29%
in the Czech Republic

IN SPAIN, the acquisition of the Madrid-based Trabit company enabled Probisa to record an increase in its business activity on a contracting market (-3.9% at equivalent scope of consolidation, to €155 million). The full integration of the company, which specialises in urban utility network maintenance under multi-year contracts, as well as the introduction of a more selective order-taking policy and a tightened management structure, resulted in improved profitability in 2005, which is expected to continue in 2006. The main projects of the year include the 90,000 sq. metre runway refurbishment at the Altet-Alicante airport.

Central Europe

Eurovia began operating in Central Europe in the 1990s and has followed a consistent strategy of acquiring significant positions in concentrated territories, taking advantage of its two sales levers: roadworks and materials production. The strategy has worked, as the 2005 performance of Eurovia's regional subsidiaries demonstrates. Their strong local roots, combined with the management system applied throughout VINCI, enables them to make the most of a business cycle stimulated by the initiation of major infrastructure projects cofinanced by the European Union.

IN THE CZECH REPUBLIC, SSZ recorded a strong increase (+20% at constant scope and exchange rate) in revenue and a further increase in earnings. Eurovia's revenue in the Czech Republic (€634 million) is now comparable to revenue in Germany and the United Kingdom. Eurovia's acquisition of a controlling interest in the major Jakubcovice quarry (see below) helps to secure SSZ's supplies against a backdrop of buoyant infrastructure projects in the Czech Republic and the neighbouring countries. In the same context, SSZ has acquired one of the world's largest-ever batch coating plants (with a capacity of 340 tonnes per hour). Major projects initiated and/or continued by SSZ in 2005 include the two 12 km sections of the D8 motorway, one of them carried out in a consortium with VINCI Construction's Czech subsidiary SMP; a 20 km section of the D11 motorway linking Prague and Poland; and the bypass at Otrokovice in Moravia. SSZ's business activity and expertise also include railway works, such as the modernisation of the Chocen railway station on the main Czech national railway corridor.

Eurovia's subsidiaries in other Central European countries – Poland, Slovakia, Lithuania and Albania – recorded even stronger activity growth (+50%, to €90 million). In Slovakia, Eurovia Cesty is working with SSZ to carry out earthworks and pavement construction on the D1 motorway, the Pan-European artery that runs through the country from East to West.

◄ NEW QUARRY IN CENTRAL EUROPE

In 2005, SSZ, Eurovia's Czech subsidiary, acquired a majority holding in the Jakubcovice quarry near Ostrava in Moravia. Producing 1.8 million tonnes of materials a year, the site will supply major infrastructure construction sites in the Czech Republic and in the neighbouring countries. Following the acquisition of six quarries in Slovakia in 2004, this latest addition to Eurovia's assets supports the company's expansion in Central Europe and consolidates its strategy of developing its network of industrial facilities on all its markets so as to secure supplies of materials for its worksites.

North and South America

IN THE UNITED STATES, the reorganisation of Blythe, the Eurovia subsidiary operating in North and South Carolina, and the introduction of a more selective order-taking policy resulted in a revenue contraction (-4.2% at constant exchange rate, to €327 million) together with a recovery in earnings. Blythe acquired two coating plants with a capacity of 600,000 tonnes per year to become the leading regional asphalt mix producer capable of supplying its own projects as well as those of other operators in the sector. In 2005, the company handed over the 13 km I-85 interstate project near Charlotte, N.C. five months ahead of schedule, and then won a second-phase **design & build contract**. In Florida, where Eurovia also has U.S. operations through its subsidiary Hubbard, the focus in 2005 was on major motorway maintenance projects (I-95, SR 408, etc.), also carried out under design & build contracts.

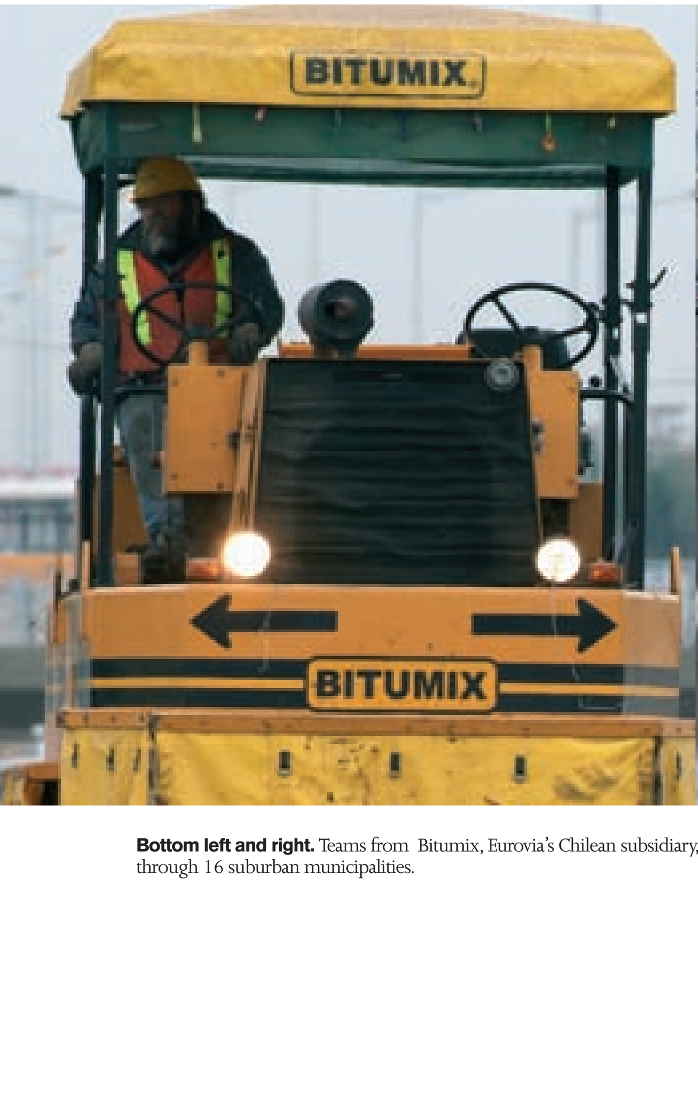
Design & build contract
Following a call for tender, the design & build contract awards the design and construction of a project to a consortium that is typically made up of a civil engineering company and a design office. This type of contract is rapidly gaining ground, especially in the United States

IN QUEBEC, DJL again recorded an increase in revenue (+10.4% to €107 million) and maintained a high level of earnings thanks to its strong roots on its market and to the diversity of its offering: roadworks projects, urban development and winter maintenance contracts. DJL acquired the assets of the Continental company, boosting its annual production capacity by 500,000 tonnes of aggregates and 200,000 tonnes of asphalt mix.

IN CHILE, Eurovia's business activity continued its strong growth (+8.4% at constant structure to €53 million).

EUROVIA HONOURED IN THE UNITED STATES

At its 50th annual convention, the National Asphalt Pavement Association awarded a prize for excellence to Eurovia's North and South Carolina subsidiary Blythe for its work on the I-485 motorway project. The association highlighted the careful laying of asphalt mix and the high-quality regularity of the surfacing on a new 2x3 lane, 7.4 kilometre long section.



Bottom left and right. Teams from Bitumix, Eurovia's Chilean subsidiary, performed the refurbishment work on 53 kilometres of the 62 km Santiago ring road, which runs through 16 suburban municipalities.

Continuing to deploy integrated activities in Europe

On all its markets, Eurovia will be continuing its policy of boosting its construction materials production, storage, processing and distribution capabilities.

After several years of strong growth, Eurovia's business activity is expected to increase at a more moderate rate in 2006. Continuing to foster innovation, production optimisation and stepped-up cross-border synergies, Eurovia is expected to record a further improvement in operating profit, to which the recovery of its Spanish and American subsidiaries will be contributing.

In roadworks and industrial and retail development projects, the complementarity between major infrastructure projects (especially those in which the company works in synergy with other VINCI entities) and the many local projects carried out for public and private sector customers enables the company to provide optimum market coverage while limiting its exposure to risk.

In materials production, following on from its 2005 acquisitions, Eurovia will continue its policy of expanding its construction materials production, storage, processing and distribution capabilities on all its markets. The development of integrated activities, especially on the new Eastern European markets, secures the group's supplies while optimising material laying costs. Concomitant expansion of its recycling resources and expertise (facilities network, process and product portfolio) will be a major strength, in terms of both road materials production capacity and access to roadworks markets where environmental considerations are becoming the decisive factor.

Urban development activities are expected to hold steady, especially in segregated lane public transport roadbeds. Environment-related segments (deconstruction, waste storage sites, noise abatement and air pollution reduction) also constitute avenues for medium-term growth. Lastly, Eurovia will put greater emphasis on growth in services, especially road network maintenance, to increase its recurring business base.

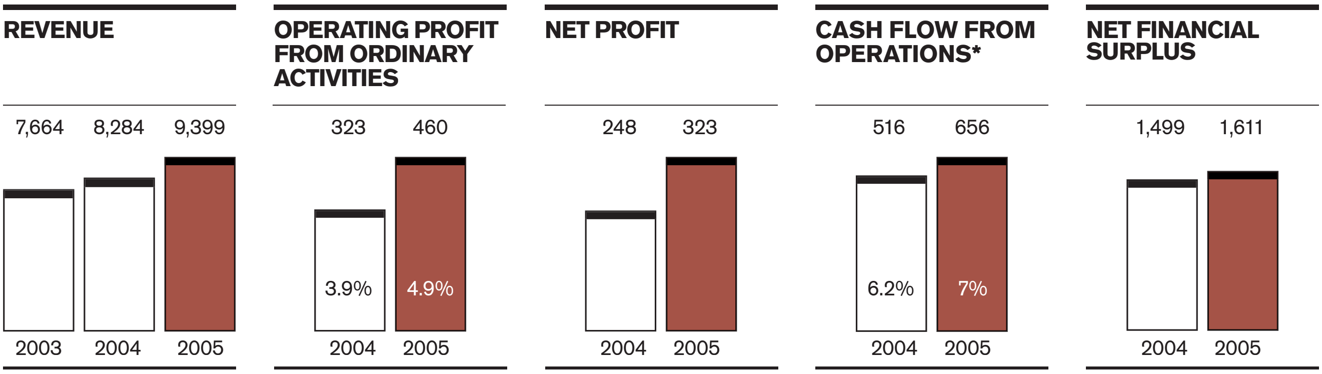
Eurovia will also step up its coverage of markets in which it has acquired significant positions, especially in Eastern Europe, where it is expanding its network to keep pace with the increase in major transport infrastructure projects cofinanced by the European Union. On all of its markets, ongoing development of public-private partnerships and new types of public service outsourcing contracts provide major opportunities for growth, in synergy with the Group's other divisions.


EUROVIA

ALL THE EXPERTISE OF NETWORK CONSTRUCTION

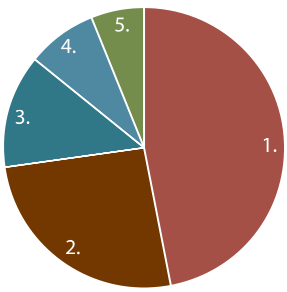
CONSTRUCTION

In € millions and as a percentage of revenue



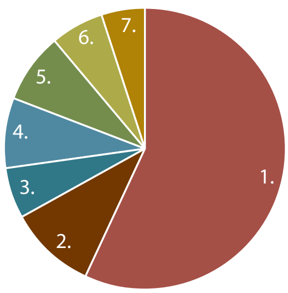
* Before taxes and financing costs.

REVENUE BY BUSINESS LINE



1.	Building	47%
2.	Civil engineering	26%
3.	Specialised civil engineering	13%
4.	Hydraulic engineering	8%
5.	Services	6%
	Total	100%

REVENUE BY GEOGRAPHICAL AREA



1.	France	57%
2.	United Kingdom	10%
3.	Belgium	6%
4.	Central and Eastern Europe	8%
5.	Rest of Europe	8%
6.	Africa	6%
7.	Rest of the world	5%
	Total	100%

VINCI CONSTRUCTION'S COMPETITIVE POSITION IN ITS MAIN MARKETS

France (market estimated at €165 billion): VINCI Construction is the biggest operator, ahead of Bouygues Construction, Eiffage Construction, Fayat and Spie-Batignolles. The rest of the market is shared by a large number (estimated at 306,000) of small and medium-sized firms.

United Kingdom (market estimated at €182 billion): VINCI PLC is a medium-sized operator. The main British operators are Amec, Balfour Beatty, Taylor Woodrow and O'Rourke.

Belgium (market estimated at €24 billion): CFE is one of the leaders, alongside Besix.

Germany (market estimated at €204 billion): VINCI Construction operates on the margins of the traditional construction markets through two specialised subsidiaries: SKE (facilities management/PPP) and Bautec (related construction services). The principal operators in the construction sector are Hochtief, Bilfinger Berger and Strabag.

In addition, VINCI Construction is a major operator in the world major structure and specialised civil engineering markets.

Source: Direction des Affaires Economiques et Internationales (DAEI), December 2005 (2004 figures).

French market leader and a world major in construction

Workforce

50,000

Number of subsidiaries

650

Number of projects in 2005

40,000

VINCI Construction, the French market leader and a world major in construction, is the biggest contributor to Group revenue. It brings together an unparalleled array of capabilities in building, civil engineering, hydraulic engineering and services. On the strength of its policy of market, business segment and customer diversification, together with an unremitting strategy of selective order taking and added value growth, VINCI Construction has recorded steadily increasing earnings in recent years, bolstered by favourable economic conditions on the European construction market which facilitated buoyant growth in business volumes.

VINCI Construction's business is divided into three major complementary components:

> mainland France, with two independent multi-product networks (Sogea Construction and GTM Construction), each with a large number of agencies firmly rooted in their local markets;

> local markets outside mainland France, covered by networks of subsidiaries providing the full range of construction activities in their areas: VINCI PLC in the United Kingdom; CFE (in which VINCI holds a 45% interest) in the Benelux countries; VINCI Construction Filiales Internationales in Germany, Central Europe, the former French overseas territories and Africa;

> activities that are worldwide in scope, such as major structures, covered by VINCI Construction Grands Projets, specialised civil engineering with high technical content, covered by Freyssinet, and dredging covered by DEME (in which CFE holds a 50% interest).

As the Group's cultural melting pot, VINCI Construction has a management system that combines decentralisation, empowerment at local level, a profit culture and networking. This system, combined with selective order-taking and project production optimisation, enabled VINCI Construction to achieve a further substantial improvement in its operating profit in 2005.

Outperforming the market in all sectors

With revenue up 13.5% to over €9 billion, VINCI Construction achieved excellent performance in virtually all the sectors in which it operates. Margins kept pace with increasing volumes. The ongoing policy of selective order-taking and production method optimisation resulted in strong growth in operating profit from ordinary activities (+43%) and a further improvement in operating margin, which reached a record 4.9% of revenue.

Revenue

+13.5%

Operating profit from ordinary activities

+43%

France

Business activity at GTM Construction increased by 8.3% in 2005 and at Sogea Construction by 17%, at a pace that far outstripped the market (3.3%[1]). Building on its strong local roots and its leadership, VINCI Construction posted particularly strong growth in the regions where the economy and the population are growing fastest, especially south–eastern France and the Paris region. Revenue growth was an even more impressive +14% when the business activity of VINCI Construction, Freyssinet and DEME in France are taken into account; when the overseas subsidiaries are also included, revenue grew by 15%.

International

VINCI Construction generates 43% of its revenue outside France. Activity increased across virtually all the Group's local markets in Europe, Africa and the former French overseas territories, as well as in the world major project, specialised civil engineering and dredging markets.

IN THE UNITED KINGDOM, business activity at VINCI PLC rose 25% (to €938 million euros), notably as a result of contracts awarded by the Jarvis company in the education sector (with a value of €140 million).

IN GERMANY, business activity at SKE was concentrated in public-private partnerships and the buoyant facilities management market, where the company continued to expand by renewing its multi-year contracts with the United States Armed Forces, the longstanding customer for which it maintains bases in Germany. In addition, VINCI Bautec, specialised in architectural fitting and finishing, maintained its business activity under difficult market conditions.

1. – Source: DAEI, French Ministry for Transport, Infrastructure, Tourism and the Sea.

Above. The Granite tower under construction for the Société Générale in the La Défense business district will be the first High Environment Quality® certified high-rise building. For VINCI, this worksite is also serving as a laboratory - researchers are carrying out safety-related behavioural studies there under Vigisite auspices.

Top. Reinforcement work on 285 km of asphalt-surfaced roads near N'Djamena, Chad.
Bottom left. 120 km southwest of Budapest on the A7 motorway, the Köröshegy viaduct is the longest (1,870 metres) and highest (88 metres) ever built in Hungary.
Bottom right. Marina Mokotów, built in the heart of Warsaw, Poland, is a luxury property complex comprising 1,500 residential units and 2,500 sq. metres of retail space on a 22 hectare site.

VINCI Construction Grands Projets

€1.4 billion

order backlog at end December 2005

IN BELGIUM, activity at CFE (excluding dredging) increased by 1.5% to €554 million. Despite a fiercely competitive environment, the margin continued to recover, especially in the construction division, which accounts for half of total business activity. CFE is also well placed in the buoyant residential building and property development markets. Beyond that, the increase of CFE's holding in the Van Wellen company to 100% accelerates CFE's diversification into the road construction market.

IN CENTRAL EUROPE, where VINCI Construction posted substantial growth (36%), the performance of its subsidiaries once again demonstrated the effectiveness of its strategy of combining strong local roots with the Group's management model. Business activity increased very substantially in the Czech Republic and Slovakia (+52% to €125 million, in a market that expanded by 5.3%[(1)]) and margins increased concomitantly. Growth was spectacular (+73% to €230 million, with the market up 4.4%[(1)]) in Hungary, where Hídépítö is a major operator in the ambitious road infrastructure programme currently under way. In Poland, Warbud concentrated on improving its margins and deliberately held its revenue steady. In Serbia and Montenegro, new hydraulic and civil engineering contracts boosted the development of the Group's recently-acquired locations (Novkol and Inter-Most).

IN AFRICA where Sogea-Satom has historic roots in some 20 countries and is one of the leading building and civil engineering companies, activity continued to grow at a fast pace (+26% to €355 million). **Sogea-Satom** has opened new locations in the Democratic Republic of Congo, Uganda and Kenya, where it won several hydraulic engineering and roadworks contracts. Major road contracts in Chad generated a spectacular increase in revenue from €29 to €67 million. In all the areas where it has longstanding and more recent operations, the diversity of Sogea-Satom's business lines - roads, earthmoving, hydraulic engineering, civil engineering, building - enables it to offset cyclical fluctuations in international funding.

70 years in Africa

The opening of the prefabricated prestressed pipe manufacturing plant in Sidi Bouknadel, Morocco in 1931 marked the beginning of the history of VINCI Construction in Africa. It has continued for 70 years through the company's subsidiary Sogea-Satom, which now operates in 19 countries.

IN THE REGIONS OF THE FORMER FRENCH OVERSEAS TERRITORIES, VINCI Construction's local subsidiaries made the most of their closely networked markets to post further increases in revenue (+16% to €366 million). This trend was observed in all the territories (West Indies, Guiana, Reunion, New Caledonia), where the local subsidiaries participate in a large number of major projects in synergy with other VINCI Construction entities, while carrying out their own core business activities.

ON WORLD MARKETS where the Group operates, the activity of VINCI Construction Grands Projets returned to growth (+10.3% to €604 million) following a contraction in 2004 and the order backlog at the end of the year stood at €1.4 billion, equal to 29 months of activity. After completing several major projects in recent years, the initiation of many new projects - especially in transport infrastructure - in synergy with VINCI Concessions should support activity growth for several years to come.

1. – *Source:* Bulletin Européen du Moniteur, 12 *December* 2005, *quoting* Euroconstruct.

In specialised civil engineering, Freyssinet, which is ahead of schedule in its profitability improvement plan, recorded operating profitability from ordinary activities of 4.1%, while revenue continued to climb steeply (+10.6% to €508 million). In the United States, the acquisition of the assets of the Foster company consolidated its position in soil stabilisation techniques.

In the dredging business lines, DEME continued its expansion on a buoyant market, taking part in Qatar in the creation of the Pearl of the Gulf artificial island, one of the largest projects of this type in the world. The acquisition of a "**megacutter**" suction dredger able to cut through rocky soils at a depth of 36 metres and stepped-up synergies with the various VINCI Construction entities should help accelerate its expansion and consolidate its world leadership positions.

The megacutter

Equipped with a an 8,000 HP cutting machine capable of slicing through materials harder than concrete, this dredger, baptised D'Artagnan, is the most powerful of its kind in the world (total power: 38,000 HP).

Building

Driven by strong demand, the private-sector building segment across all countries posted a 21% increase, with revenues standing at €4.5 billion. This is the strongest growth within VINCI Construction.

OFFICE BUILDINGS AND PRIVATE-SECTOR BUILDING. Activity growth was particularly strong in construction and renovation of office buildings (+101%). In France, major projects completed or under way in this segment included renovation of a 30,000 sq. metre four-building office and retail complex in the Place Vendôme in Paris and the construction of the 36 storey, 68,000 sq. metre Granite tower in the La Défense business district, a project which VINCI is co-developing with Nexity and in which four VINCI Construction companies are performing the structural work and VINCI Energies is also participating. Other highlights of 2005 were the construction of the Casino Group's headquarters in Saint Etienne in central France and, outside France, construction of a new building for the European Investment Bank in Luxembourg (see opposite) and the Palac Tesnov building in Prague, in the Czech Republic, a complex comprising 14,000 sq. metres of office and 4,000 sq. metres of retail space.

Business was also brisk in the other private-sector market segments: luxury shops (LVMH and Cartier in Paris); large hotels (Mariott in Colombes, Radisson in Marseilles and Novotel in Monaco; City Inn in Manchester, in the United Kingdom, and Ibis in Prague, in the Czech Republic); industrial and logistics buildings (new 200,000 sq. metre Miko sites in France, 95,000 sq. metre Gillette site in Poland and ProLogis Developments site in the United Kingdom); shopping centres built under project structuring contracts (74,000 sq. metre Raduga project in Saint Petersburg, Russia; Feeria in Bucharest, Rumania); private-sector and public housing (large number of projects under way in mainland France, the former French overseas territories, Belgium and, in Poland, the 1,500 housing units of the Marina Mokotów project).

The building segment, across all countries, posts the strongest growth within VINCI Construction.

PUBLIC FACILITIES. Activity in the public facility segment was similarly diverse. Administrative building construction in France included the Hôtel de Région regional administrative building in Lille and the courthouse in Toulouse as well as recreation and culture facilities: the theatre in Arras,

A BUILDING OF THE FUTURE FOR THE EIB HEADQUARTERS

In Luxembourg, a consortium comprising VINCI Construction Grands Projets and CFE is building a new 72,000 sq. metre building for the European Investment Bank under a contract with a value of €135 million. The building has nine storeys of office space and three heated atriums. It will be surrounded by a cylindrical glass enclosure and have three naturally ventilated winter gardens. These two features will reduce the building's energy consumption and atmospheric greenhouse gas emissions. Work got under way in February 2005 and will take 28 months to complete.

Bottom left. Structural renovation in the heart of Paris covering four buildings in the rue Saint Honoré and a mansion in the Place Vendôme, of which only the 30 metre long, 23 metre high facade has been kept.
Bottom right. Construction of the City Inn in Manchester, in the United Kingdom - a 284 room hotel with 6 suites, which is to open in 2007.

GROUP SYNERGIES IN THE HOSPITAL SECTOR

Work on the Army hospital in Toulon started in 2004 and handover is scheduled in April 2007. This is one of the largest hospital projects currently under construction in France. A close partnership among three VINCI Construction companies (Campenon Bernard Méditerranée, Sogea Sud-Est TP, Sovame) and two VINCI Energies business units (Tunzini Aix, Degréane) made it possible to optimise the cost of the project and comply with budget requirements set out by the contracting authority, the Ministry of Defence. Regional VINCI teams are responsible for 70% of the works packages in this project, for which the overall budget is €115 million.

Bottom. Under a PPP, the Chilean government awarded to VINCI Construction Grands Projets the design, financing, construction, equipment and management of three prisons in Santiago, Puerto Montt and Valdivia.

the Salle 3000 hall in Lyon, the Zenith concert hall in Nantes, the Palais Omnisports sports facility in Toulon and the **floating swimming pool** in Paris.

The floating swimming pool

To meet the requirements of the City of Paris, which wants the swimming pool to be a key part of the amenity upgrade under way on the banks of the Seine, the structure was carefully designed to limit operating costs and protect the environment. The swimming pool not only floats, it can also be moved, so that every five years it can be careened for maintenance of its metal components.

PPPs were increasingly being used, as were other new forms of contracts; this gave new impetus to activity growth in a number of important segments.

In the field of security, VINCI Constructon built 21 gendarmerie stations under *BEA* long-term administrative leases, as well as three penitentiaries for juveniles and an administrative detention centre. In the United Kingdom, VINCI PLC built the Kent police headquarters in Medway under a PFI (Private Finance Initiative) and took part in the national prison refurbishment programme under a contract with a value of some €50 million per year. In Chile, the Group is building three prisons, which it will be managing under a PPP for a period of 20 years.

In the education sector, beyond conventional calls for tender there was a considerable increase in activity in the United Kingdom under contracts awarded by the Jarvis company with a value of nearly £100 million. Following on from renovation contracts for schools in Stafford and Sandwell, VINCI PLC began work, in a partnership, on several schools in Derby. In Germany, after winning, in 2004, a very large PPP contract to renovate 43 schools in the Offenbach district (€295 million) and then manage them for 15 years, SKE signed a similar contract with a value of €47 million with the municipality of Bedburg near Cologne.

In the health care sector, taking advantage of the Hôpital 2007 plan in France, VINCI Construction continued or started work on several major projects, often in synergy with VINCI Energies business units handling the technical equipment: the Army hospital in Toulon in southern France (see opposite); the hospitals in Sarreguemines in eastern France, Bayonne in southwestern France, and Lunel in southern France; the maternity and children's hospital in Lyons in eastern France; the polyclinic in Blois in central France; and the Conception clinic in Marseilles in southern France. In the United Kingdom, the Group is carrying out a major hospital renovation project with a value of £60 million in Liverpool. Overseas, it is building the teaching hospital logistics centre in Point à Pitre, Guadeloupe and carrying out the structural work on the Mangot-Vulcin hospital in Le Lamentin, Martinique.

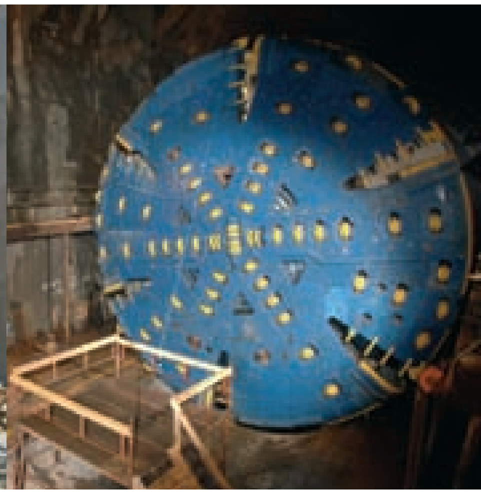
Building revenue

+21%

The year's record orders also included the future national television complex in Vietnam (33,000 sq. metres on five levels), which will house some 15 production studios and be built as a turnkey project under a €61 million contract.

COHESTRAND, THE HIGH PERFORMANCE STRAND FOR SUSPENSION BRIDGES

Winning the final Grand Prize in the VINCI 2005 Innovation Awards Competition, the Cohestrand strand confirms Freyssinet's technological edge in superstructures. This promising suspension bridge supporting cable system overcomes a weakness common in this type of cable by applying a technique that had previously been successfully used in cable stays. It consists of individually protecting each strand with a polyethylene sleeve, which, in the case of Cohestrand, completely adheres to the steel wires. Tested in the laboratory for five years and then on a private structure, The Cohestrand cable boasts a durability of over 100 years. It is easily implemented, providing a particularly cost-effective solution for medium-span bridges. The Kanne road bridge (above), built over the Albert canal in Belgium in 2005, is the first industrial application of the process.



Bottom left. On the LGV Est high-speed rail line between Paris and Strasbourg, the last earthmoving works packages were completed in 2005.
Centre. Built across the Nile 150 km from Luxor, Egypt, the Naga Hammadi dam will regulate the flow of the river, generate electricity and irrigate the agricultural land in the valley.
Bottom right. In Sweden, the 215 metre long, 3,100 tonne Åsa tunnel boring machine will be boring the Hallandsås double rail tunnel (two tubes, each 5.5 km long) along the future high-speed Gothenburg-Malmö rail line.

Civil engineering revenue

+11.2%

Civil engineering

VINCI Construction's overall civil engineering revenue rose 11.2% in 2005 to €4.3 million. The continuation and launch of major infrastructure projects helped bolster business activity on the Group's various markets.

ROAD AND RAIL INFRASTRUCTURE. Roadworks activity was more particularly focused, in France, on Cofiroute motorway sections currently under construction (A85, A28, Angers bypass on the A11); in the United Kingdom on the Baldock bypass; in Equatorial Guinea on the Bassacato-Luba embankment; in Chad on the 140 km Bisney-Ngoura-Bokoro highway; and in Kenya on the 96 km Mai-Mahiu-Naivasha-Lanet artery. Significant orders were booked: the A19 and A89 motorways in France, the Tamarins highway on Reunion Island, the Sakoinse-Bobodioulasso highway in Burkina Faso and a 112 km highway in the Democratic Republic of Congo. These should help maintain business activity at a satisfactory level in 2006.

In addition, earthmoving and standard engineering structure work continued along the route of the LGV Est, the largest railway project currently under way in Europe.

BRIDGES. In France, the Group completed construction of the 990 metre long **Sioule viaduct** on the A89 motorway in south-central France and continued work on the 900 metre Monestier viaduct on the A51 in southeastern France. Business was very brisk in the Czech Republic, where SMP is building a segmental bridge in Karlovy Vary, a cable-stayed bridge in Nymburk and, in synergy with Eurovia's Czech subsidiary, a 600 metre long bridge across the Elbe north of Prague as well as three major bridges over the D8 motorway. In Hungary, Hídépítö is building the bridge over the Danube on the M8 motorway at Dunaujvaros, which has a 320 metre central metal span, and a 1,800 metre viaduct on the M7 motorway for which the prestressing is being provided by Freyssinet. Significant projects on which Freyssinet also worked include the Kanne bridge in Belgium, the first industrial application of the Cohestrand cable strand (see opposite), the Bai Chay bridge in Vietnam, where the company installed 112 cable stays, and the Plock bridge, Poland's largest cable-stayed bridge. In Chile, last but not least, VINCI Construction Grands Projets began studies for the 2,634 metre Chiloé suspension bridge, which will be the longest of its kind in Latin America.

Sioule Viaduct

On the construction site of the Sioule viaduct, the longest engineering structure on the A89 motorway, which lay within the Auvergne volcano park and a Type 1 "ZNIEFF" nature reserve, the environment was a priority. Among other measures, an environmental protection plan was introduced, the area covered by the worksite was limited in scope, the river was fully protected from pollution and the site was restored to its initial condition. The structure was opened to traffic in early 2006.

TUNNELS. Drawing on its expertise and engineering capabilities, which are key strengths in a difficult-to-penetrate world market, VINCI Construction won new contracts for metro systems in Athens, Greece, Algiers, Algeria and Budapest, Hungary. Meanwhile, work continued on a large number of projects in mainland France – the A86 West motorway tunnel in the Paris region, the Lioran road tunnel in south-central France, the Toulouse and Marseilles metro systems, and in Europe – the Mitholz railway tunnel in Switzerland and the Soumagne railway tunnel in Belgium, as well as the Terminal 5 tunnel at Heathrow in the United Kingdom. Meanwhile, in the Czech Republic, SMP worked on the first tunnels for the Prague metro and in Sweden work on the 5.5 km long Hallandsås railway tunnels got under way.

DAMS, MARITIME WORKS. In Egypt, the Naga Hammadi dam project on the Nile, on which some 2,000 people are now working, entered full production. In Algeria the Ghrib dam extension project, involving the installation of 20 fusegates with a height of 4.50 metres to increase water retention capacity by 70 million cu. metres, got under way. On Reunion Island, a consortium made up exclusively of VINCI Construction companies won the €73 million contract to extend the island's Port-Réunion commercial shipping port, which includes construction of a 635 metre pier with an underground cut-off wall. In New Caledonia, the group won the €61 million contract to build a port serving the future Goro Nickel mining operations in Prony Bay. In Qatar, DEME is performing the dredging work to build the Pearl of the Gulf artificial island and an airport. In Belgium, DEME also won a six-year renewal of its coastal maintenance contract.

HYDRAULIC ENGINEERING. In France, business in the hydraulic engineering sector consists of a very large number of recurring local projects carried out by Group subsidiaries, alongside major projects such as utility network re-routing in conjunction with the tramway construction projects in such cities as Paris, Bordeaux and Nice. In a further demonstration of the company's civil engineering capabilities applied to water treatment, VINCI Construction took part in the construction and/or modernisation of purification plants (27 under construction or modernisation, in addition to 23 new orders) including the very large Valenton and Achères units in the Paris area.

In the United Kingdom VINCI PLC signed a five-year national framework agreement to renovate drinking water plants and sewage treatment works (£9 million in contracts awarded in 2005). The Group is also building the drinking water treatment plant in Hradiste, a city with a population of 250,000 in the Czech Republic; building the drinking water and sewer systems in Entebbe and Kabale, Uganda; renovating water systems in Jamaica; and building 11 pumping stations, 9 reservoirs and 8 water towers in Ouagadougou, Burkina Faso. In Libya, the Group is taking part in the third phase of the Great Man-Made River project, building two pumping stations with a unit capacity of one million cu. metres per day and two storage reservoirs.

MAJOR ENERGY AND INDUSTRIAL FACILITIES. Several major projects called on the complementary expertise of VINCI Construction business units, particularly in the former French overseas territory regions. In French Guiana, the Group won the contract to build the launch pad for **Soyuz** launch vehicles, and in New Caledonia the €60 million contract to build the new Goro Nickel ore treatment plant comprising some 20 industrial structures spread over 10 hectares, in addition to orders for the port at this site and the ongoing work on a 2 x 50 MW coal-fired conventional thermal power station. Activity was also strong on the developing market for liquefied natural gas (LNG) tanks, with a 140,000 cu. metre project under way in Qatar and two complexes with two 160,000 cu. metre unit capacity tanks to be built in Italy and Mexico. In the nuclear sector, the Group is providing the prestressing for the new-generation European reactor (EPR) being built in Olkiluoto, Finland, and it is taking part in the construction of a test reactor (the RES project) in Cadarache in southern France and an underground laboratory (two 500 metre deep shafts) to be used for experiments in deep storage of nuclear waste.

Soyuz project in French Guiana

The European Space Agency awarded the construction of the ground infrastructure for the Soyuz programme in French Guiana to a consortium led by VINCI Construction Grands Projets. The €135 million contract covers construction of the preparation zone, a launch pad and a launch centre, with a 20,000 sq. metre built area and 86,000 sq. metres of roads. Work is to be completed for a first launch scheduled at the end of 2008. VINCI companies have worked on a large number of projects at the Kourou site, including several launch complexes for Ariane launchers, since the 1960s.

Top. Restructured so as to reduce the volume of waste water treated, the Paris-region Achères purification plant is being modernised and provided with a nitrification unit comprising six batteries of 14 Biostyr® and 22 Biofor® filters.
Bottom left. VINCI Construction Grands Projets is building the launch pad for Soyuz launch vehicles in French Guiana.
Bottom right. In Libya, as part of the Great Man-Made River project (which will supply the coastal regions with water from aquifers in the southern part of the country), two pumping stations and two storage reservoirs are under construction.

WASTE RECOVERY AND RECYCLING: METHANISATION

Methanisation is a waste treatment process used to recover and recycle waste as an alternative to landfilling. It is in widespread use in Europe except in France, where VINCI Environnement is helping to promote it through a variety of processes, which the company can implement. The performance of these processes enabled the company to win the contract to build the new treatment plant for the Montpellier metropolitan area in southern France. The facility, which will cost €68 million to build, will have two treatment lines: one for biological waste (33,000 tonnes/year), the other for residual waste (170,000 tonnes/year). Construction got under way in early 2006, following six months of studies.

Bottom. Multi-technical and multi-service maintenance provided by VINCI Construction companies to large service-sector facilities now cover a total area of 4 million sq. metres, including 500,000 sq. metres in the La Défense business district just outside Paris (above, work at the Technip tower).

Last but not least, VINCI Construction Grands Projets was awarded the €27 million civil engineering contract for the conventional thermal power station in Ca Mau, Vietnam, a 720 MW unit that will supply the southern part of the country. This follows a first contract to consolidate nine hectares of soil using the exclusive Menard Vacuum process developed by Freyssinet subsidiary Ménard Soltraitement.

Services

As public contracting authorities, private investors and users increasingly turn to PPPs and outsourcing to cover all aspects of their infrastructure and property projects, the Group's strategy of developing upstream and downstream added value is proving highly effective.

In building, projects that include property structuring are accounting for an increasing share of the business activity of Sogea Construction and GTM Construction in France. Major projects now under way include the Visitation shopping centre in Rennes in western France, the new Carglass headquarters in Courbevoie in the Paris region and the Lyon-République project in eastern France. On the export market, VINCI Construction Grands Projets has put its turnkey project structuring expertise to good use in major projects now under way in Eastern Europe (Raduga in Russia, Feeria in Rumania and Palac Tesnov in the Czech Republic). In Belgium and in Luxembourg, CFE's strong position in property development and management is generating activity and margins for the construction subsidiaries in a buoyant housing construction market. In the United Kingdom and in Germany, PFI and PPP contracts won by the Group are generating significant and recurring facilities management activity. In France, the multi-technical and multi-service maintenance activity is gathering pace, more particularly under the Manei brand, a subsidiary of Sogea Construction. In 2005, Manei broadened its scope to include lift maintenance work.

In the United Kingdom and Germany, PFI and PPP contracts won by the Group are generating significant and recurring facilities management activity.

Continuing its diversification into environmental services, VINCI Construction is operating 24 water treatment plants in France with a combined population-equivalent capacity of 1.25 million. In 2005 there was a strong increase in waste treatment and recycling activity as the cities of Chambéry in southeastern France, Montpellier in southern France and Saint Lô in northwestern France opted for the innovative processes employed by VINCI Environnement (see opposite).

VINCI Networks, which specialises in rollout and operation of broadband telecommunications networks, demonstrated similar momentum. New public service outsourcing contracts were awarded by the *Communautés Urbaine* metropolitan areas of Arras in northern France and Le Creusot-Montceau and greater Chalon in eastern France.

A record order backlog and a promising outlook for coming years

Stepped-up investments in transport infrastructure and public facilities, combined with the increasing use of PPPs, will lend impetus to long-term expansion.

The order backlog at VINCI Construction, reaching a record €10.1 billion, amounted to 13 months of activity at the end of 2005. With markets expected to continue expanding, VINCI Construction foresees a further increase in its revenue in 2006. The trend should be particularly noticeable in the Sogea Construction and GTM Construction networks in France, the VINCI Construction locations in Central Europe, Africa and the former French overseas territories and in major projects and specialised civil engineering projects in the world market. Leveraging its leading positions in most of its markets and continuing its consistent policy of selective order taking, production method optimisation and added value expansion, VINCI Construction expects to record a further increase in earnings and to continue to generate substantial cash surpluses.

VINCI Construction's growth momentum will continue, reflecting primarily organic growth but also targeted acquisitions aimed at strengthening its network of locations and expertise, in line with its strategy of consolidating and building significant positions on all the markets in which it operates.

This long-term growth will be supported by increased spending on transport infrastructure (motorways, new suburban systems, high-speed lines) and public facilities (health care, security and education) in Europe and by the concomitant development of PPPs and new forms of contracts to offset the reduction in government and local authority financial commitments.

Against this backdrop, the acquisition of ASF and the intensification of synergies with VINCI Concessions hold out major potential for growth within VINCI Construction, especially in the area of major road projects in Western and Central Europe. Meanwhile, the inclusion of VINCI Construction's expertise in overall offerings with a high service, project structuring and maintenance content will meet the growing demand from local authorities for outsourced public services and from private-sector players for outsourced global property management. VINCI Construction is responding to these prospects by diversifying into facilities management and environmental business lines.

Brisk business activity on the French property development market

The Elige and Sorif companies merged on 1 January 2005 to form VINCI Immobilier, which operates in France on all property development market segments.

Number of housing starts
+33%

Net profit
+24%

VINCI Immobilier, a major office building developer in Paris, operates through its network of 11 regional locations throughout France in all segments of the property development market: residential (housing and serviced residences), offices, hotels and shopping centres. Building on its broad-based capabilities, VINCI Immobilier supports public administrations and private-sector operators in city centre revitalisation projects that combine housing, commercial and retail development.

In 2005, transaction volume at VINCI Immobilier amounted to €545 million, of which €347 million was accounted for by reservation of 1,713 housing (purchase) and serviced residence (assisted living, business travel and tourism) units and €198 million by commercial property transactions (presale and property development contracts). VINCI Immobilier thus ranks among the ten leading French property developers.

VINCI Immobilier revenue for the year amounted to €409 million and operating profit from ordinary activities stood at €33 million, compared to €27 million in 2004 at equivalent structure.
Net profit, at €21 million, accounted for 5% of revenue.

A VINCI IMMOBILIER DEVELOPMENT RECOGNISED AT THE SALON DE L'IMMOBILIER D'ENTREPRISE ➤

In 2005 the SIMI (Salon de l'Immobilier d'Entreprise) commercial property trade fair awarded its grand prize in the new building category to Liberté 2, a 51,000 sq. metre (net overall surface) building with 1,000 parking spaces. VINCI Immobilier took part in its development as client representative alongside the Di Fiore architecture firm. Built in Charenton le Pont in the greater Paris area, the building is now occupied by 2,500 employees of Natexis Banques Populaires (photo). For VINCI Immobilier, another highlight of 2005 was the first handover in the Axe Europe brief within the Euralille *ZAC* development zone in Lille that will ultimately comprise three office buildings with a total floor area of 19,300 sq. metres and a car park (which will be operated by VINCI Park). In the French regions, VINCI Immobilier Sud-Ouest handed over to the Caisse d'Epargne de Midi-Pyrénees, in association with the Caisse des Dépôts, its first major development in greater Toulouse - the Portes d'Espagne (7,800 sq. metres of offices, 1,170 sq. metres of archive facilities and 313 parking spaces).

Top. Standing alongside the Bercy park in Paris (12th arrondissement), the Bercy Parc complex comprises 110 housing units, three shops and a day-care centre.

Above. In Boulogne Billancourt, the four-star Radisson Hotel combines elegance, refinement and comfort with architectural quality.

The development property portfolio covered by VINCI Immobilier amounts to nearly 600,000 sq. metres (net overall surface) in residential property, which can be used to develop 7,000 units, and 180,000 sq. metres net overall surface in commercial properties.

Highlights of the year included the launch of operations within the major development project at the former Renault site in Boulogne-Billancourt near Paris, in which VINCI Immobilier will be developing the equivalent of 90,000 sq. metres of office space, commercial property and housing.

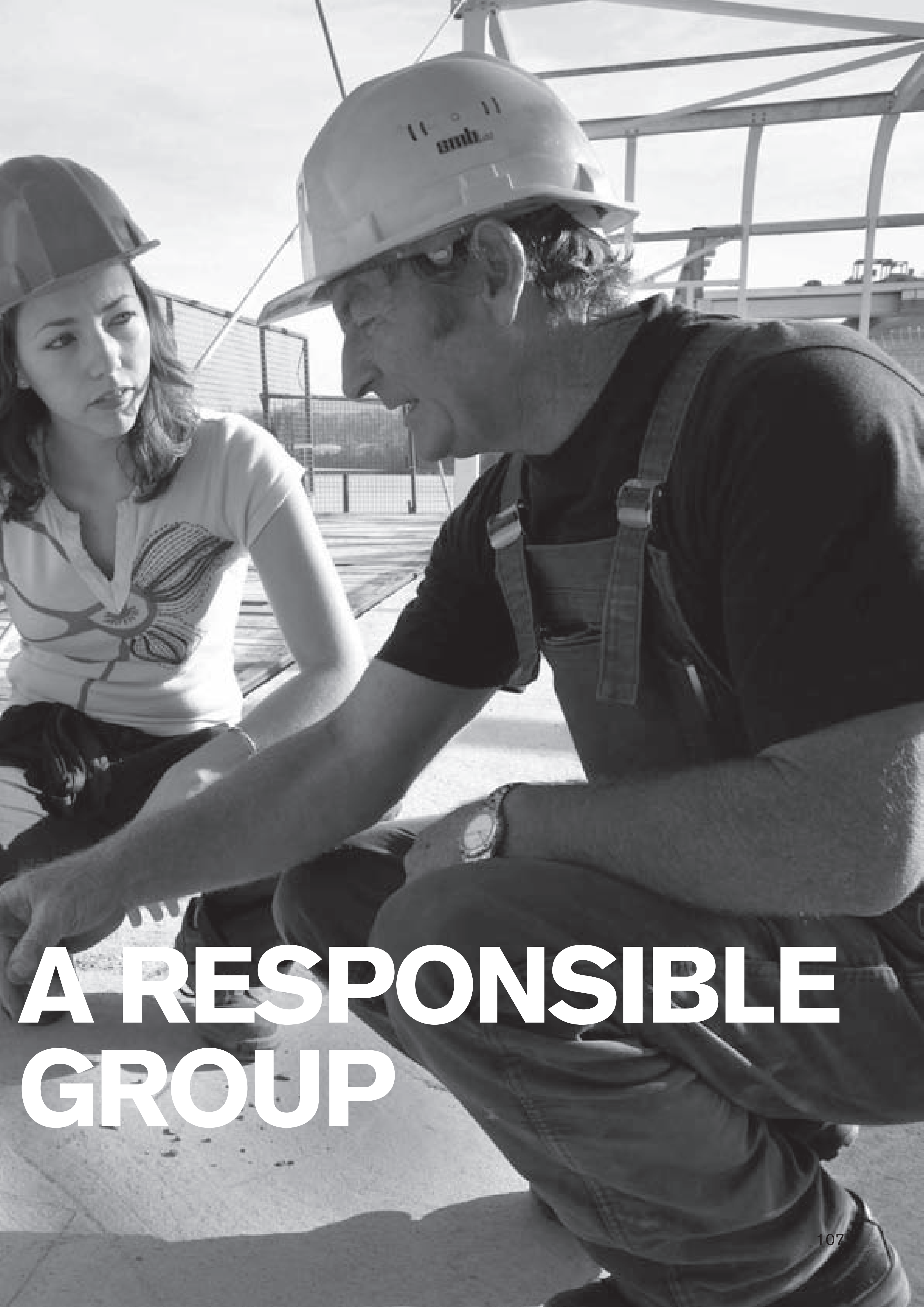
To support its partners and meet their needs, VINCI Immobilier continues to extend its geographic coverage in mainland France. In 2005 it opened three new agencies in Clermont Ferrand, Bordeaux and Nantes. Taking advantage of the particularly buoyant housing market, VINCI Immobilier initiated a large number of housing operations, raising the number of units for sale to 2,900, while work on 2,100 units got under way (compared to 1,600 units in 2004).

On the commercial and retail property market, which is bolstered by growing demand on the part of French and foreign investors, highlights of the year were the start of work on the 46,000 sq. metre Place Vendôme project in Paris, being carried out under a property development contract; the sale of the Park Avenue building (in the Paris-Rive Gauche ZAC development zone) to a German investor, and the first handovers of the Capital 8 buildings, the former EDF headquarters with an overall net surface of 66,000 sq. metres, for Unibail. In Le Havre, development of the 55,000 sq. metre Vauban Docks project continued with the CDEC (Commission Départementale d'Equipement Commercial) permit filings and the signature of leases with the main retailers.

In the hotel sector, highlights were the handover of the 170-room Radisson Boulogne Billancourt and the 250-room Eurodisney hotels and the start of construction on the 195-room Radisson hotel in Marseilles and a 199-room Novotel in the Vaugirard ZAC development zone in Paris for Accor.

For VINCI Immobilier, activity in 2006 will be in line with 2005. Residential property will be supported by strong housing demand in a market where the fast-rising prices of recent years are expected to slow. In commercial and retail property, the substantial liquidity held by institutional investors is expected to continue to lend impetus to the market, especially in the shopping centre and hotel segment, where only specialised investors have so far been involved.

VINCI Immobilier will be developing 90,000 sq. metres of office, commercial and residential space as part of the development of the former Renault site in Boulogne Billancourt.



A RESPONSIBLE GROUP

VINCI's sustainable development approach

VINCI's goal is to combine its business model with a humanistic focus based on social responsibility. Its sustainable development approach is built around five main themes: human resources, civic involvement, customer and supplier relations, environment and corporate governance. Targets for the medium and long term have been defined in each of these areas.

Coordination of the sustainable development approach

In line with most of its functions, VINCI has decentralised responsibility for sustainable development to its operating entities and their senior management to ensure that the concepts and systems become an integral part of day-to-day operations.

The sustainable development approach is coordinated by the sustainable development delegation and overseen by the 16-member sustainable development committee, which reports to the executive committee. It is supported by committees and think tanks, as well as a network of almost 200 sustainable development correspondents in the various subsidiaries. In 2005, VINCI Energies created a sustainable development club bringing together 17 regional directors. Each of the division's 700 business units was invited to present its sustainable development actions and goals within the framework of its "shared strategic project". In 2005, the holding company's sustainable development delegation reinforced the support and advisory system available to operating entities by creating new tools. These included a methodology that aims to propose technical solutions at every stage of a project - design, construction, operation - to limit climate change impacts and enhance the eco-efficiency of projects throughout their life cycle.

Tools for supporting the strategy

Social and environmental reporting

The deployment of the system is part of an improvement programme that consists of target setting and performance assessment. The approach chosen by VINCI draws on the Global Reporting Initiative (GRI) guidelines on transparency and on article 116 of France's new economic regulations law (NRE) and its enabling decree of 20 February 2002.

Exchange of best practices

VINCI participates in a number of working groups within specialised organisations. They include "establishment of local roots" and "corporate involvement in disadvantaged neighbourhoods" with the Institut du Mécénat de Solidarité (IMS); "NGO-business partnerships" with the Observatoire de la Responsabilité Sociale des Entreprises (ORSE); "climate change" with Entreprises pour l'Environnement (EPE); "protection of biodiversity" with AFEP and the Ministry for Ecology and Sustainable Development and "company-local authority relations" with Comité 21. VINCI also contributes to the work carried out by industry trade organisations such as EGF-BTP, FNTP, FFB, URSIF and ASFA.

Dialogue with stakeholders

VINCI identifies the expectations of the stakeholders affected by its activities, mainly through customer and employee satisfaction surveys, questions raised at the Shareholders Meeting, meetings of the Group Works Council and European Works Council, press relations, meetings held to consult with local residents, the evaluation and negotiation of contracts, etc. The dialogue established and resulting feedback allow VINCI to adapt its practices to the present and future expectations of its stakeholders.

Implementation of the Global Compact

VINCI signed the Global Compact, a United Nations initiative, in 2003.
Participation has led to concrete actions being taken in line with the 10 fundamental principles of the Global Compact.

	Principles	Examples of VINCI actions
HUMAN RIGHTS	**1. Support and respect the protection of internationally proclaimed human rights within the business's sphere of influence** **2. Make sure that the business is not complicit in human rights abuses**	➤ Insertion of a contractual clause in framework contracts with approved suppliers aimed at ensuring they comply with the principles of the Global Compact: covers all framework agreements signed since 2005.
LABOUR STANDARDS	**3. Uphold the freedom of association and effective recognition of the right to collective bargaining** **4. Uphold the elimination of all forms of forced and compulsory labour** **5. Uphold the effective abolition of child labour** **6. Uphold the elimination of discrimination in respect of employment and occupation**	➤ 993 agreements signed with social partners in 2005. ➤ Monitoring / Tracking. ➤ Actions to encourage school attendance in Asia and Africa. ➤ Continuation of the equal opportunities programme through mobilisation campaigns and formalisation of tools.
ENVIRONMENTAL PROTECTION	**7. Support a precautionary approach to environmental challenges** **8. Undertake initiatives to promote greater environmental responsibility** **9. Encourage the development and diffusion of environmentally friendly technologies**	➤ Identification of climate change as a major issue. ➤ Organisation of the VINCI 2005 Innovation Awards Competition. ➤ Development of European research programmes.
ANTI-CORRUPTION	**10. Work against all forms of corruption, including extortion and bribery**	➤ Reinforcement of internal control in 2005.

For further information about VINCI's commitment to the Global Compact:
www.unglobalcompact.org - www.pactemondial.org - www.vinci.com

Sustainable development: VINCI's improvement programme

The sustainable development approach is built around five main themes: human resources, civic involvement, customer and supplier relations, the environment and corporate governance. The following table shows only the principal projects; more detailed tables are provided in each section.

Priority areas and projects	Commitments	Examples of 2005 initiatives	Future actions
HUMAN RESOURCES See pp. 124-127			
Improve employee safety	➤ Zero accidents goal for employees, temporary workers, subcontractors and customers. ➤ Promote road safety.	➤ Work on personal protective equipment with buyers and suppliers. ➤ Multiple actions taken with regional health insurance agencies in France (CRAM) to prevent road accidents and organisation of safe driving courses.	➤ Raise awareness of subcontracting risks. ➤ Organise compliance audits of temporary work agencies.
Guarantee equal opportunities	➤ Combat all forms of discrimination.	➤ Awareness-raising campaign aimed at senior executives and managers of HR and communications departments. ➤ Formalisation of technical tools.	➤ Provide targeted training. ➤ Involve VINCI suppliers and build a common approach.
Foster social dialogue	➤ Consult with employee representatives.	➤ Information on the social, environmental and societal challenges facing VINCI.	➤ Establish agreements on the gender and social mix at work.
CIVIC INVOLVEMENT See pp. 124-127			
Foster social integration through work	➤ Encourage employees to participate in local civic involvement actions sponsored by VINCI.	➤ 82 projects supported by the VINCI Foundation.	➤ Extend the scope of the VINCI Foundation's actions to other countries in Europe and the rest of the world.
Contribute to heritage preservation	➤ Foster skills sponsorship.	➤ Completion of the first stage of work on the Hall of Mirrors in Versailles. ➤ Rescue archaeology surveys.	➤ Support earthquake warning initiatives.
CUSTOMER AND SUPPLIER RELATIONS See pp. 128-131			
Guarantee the quality and safety of services and equipment	➤ Evaluate the quality of our services and customer satisfaction.	➤ User satisfaction surveys and "customer" days.	➤ Develop more closely tailored services.
Involve suppliers and subcontractors in the VINCI approach	➤ Ensure our suppliers comply with the principles of the Global Compact.	➤ Integration of a specific clause in framework contracts. ➤ Buyer training.	➤ Carry out social and environmental audits of suppliers.

Priority areas and projects	Commitments	Examples of 2005 initiatives	Future actions
ENVIRONMENTAL PERFORMANCE See pp. 132-143			
Limit the environmental impact of VINCI activities	➤ Control usage of natural resources. ➤ Optimise waste management and recycling. ➤ Preserve biodiversity.	➤ Implementation of the environmental management system.	➤ Audit of the worksite waste management system in the Paris region and deployment in other regions.
Innovate to anticipate the effects of climate change	➤ Reduce CO_2 emissions. ➤ Foster eco-efficiency. ➤ Increase R&D.	➤ Creation of a “climate” task force within VINCI. ➤ Upgrade of vehicle fleet (to reduce CO_2 emissions).	➤ Promote high environmental quality (HQE®) building approach. ➤ Develop intermodal transport solutions.
CORPORATE GOVERNANCE See pp. 152-168			
Ensure transparency	➤ Provide information to shareholders, investors and analysts.	➤ Creation of the Shareholders’ Club. ➤ Shareholder satisfaction survey. ➤ Meetings with 1,200 investors.	➤ Ensure systematic dissemination of relevant information.
Control procedures	➤ Improve internal control.	➤ Programme of internal audits.	➤ Carry out annual survey on internal control in France and elsewhere.

How the rating agencies assess VINCI

ASPI EUROZONE

VINCI is one of the shares monitored by Vigeo Group, a European corporate social responsibility (CSR) rating agency for socially responsible investment research (investor-solicited rating). The scores obtained in 2005 confirmed VINCI’s presence in the ASPI Eurozone index, which includes the 120 listed companies in the Euro zone most highly rated by Vigeo Group.

VINCI LISTED IN DJSI

VINCI was included in the Dow Jones Sustainability Index (DJSI) in September 2005. This index selects those companies that have achieved the best sustainable development performance from among the 2,000 largest market capitalisations, based on an analysis carried out by SAM Group.

Our social responsibility

With almost 134,000 employees in over 80 countries, human resources are the key to VINCI's performance. The Group's decentralised human resources management aims to develop and promote skills, ensure safe working conditions and foster social dialogue that reflects the reality on the ground.

VINCI posted 4% growth in its work-force (+5,000 jobs), primarily in the construction and roads business lines.

Ensuring employee safety and health

SAFETY

VINCI's goal is zero accidents, so safety is a constant focus for the whole Group. The policy initiated in 2002 and the subsequent action plans have cut the accident frequency rate by more than 40% and reduced accident severity. More than half of VINCI's profit centres ended 2005 without reporting any work accidents involving lost time.
The awards obtained by VINCI companies for their safety initiatives can be consulted on www.vinci.com.

Goal: zero accidents

Action plans were reinforced and adapted to the varying situations in all business lines and companies. They included the appointment of safety coordinators, organisation of 15-minute safety sessions on worksites, inter-company competitions, worksite induction programmes, risk evaluation procedures and the publication of statistics. Among the initiatives launched in 2005, some stand out for their particularly innovative and exemplary nature.

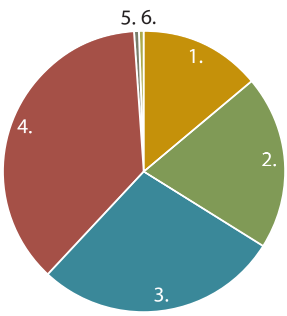
At VINCI Concessions, in partnership with the French government's road safety and traffic department (DSCR), Cofiroute is raising its customers' awareness of motorway safety rules and participates in many joint actions in this field. The accident prevention plan put in place in-house has reduced the number of accidents involving Cofiroute employees by 33% in four years.

VINCI Energies' senior management convened a meeting in June for its 150 managers, as well as the coordinators responsible for accident prevention and safety in the various divisions and countries. The aim of the meeting was to analyse accident prevention and safety results, discuss ways of improving performance while consolidating the progress already made and reaffirm the key role played by management in achieving the zero accident target. After focusing on reducing the number of worksite accidents due to falls from heights, injuries, cuts and electric shocks, the senior managers, safety coordinators and human resources managers turned their attention to near miss situations. In Belgium, all employees must fill in a form to report any potentially dangerous situation witnessed. Solutions are discussed in worksite meetings and customers are informed.

Eurovia introduced safety training for all new employees arriving at a worksite. They are asked to take a test based on 30 real-life situations and must obtain a minimum score of 25 to gain access to the site. The test, which is available via the company's intranet and on all the Papyrus tablet PCs used by foremen, also allows continuous assessment of the safety knowledge acquired and subsequent adaptation of preventive actions. Some 12,000 employees have taken the test in the past two years and the initiative won a prize in the VINCI 2005 Innovation Awards Competition.

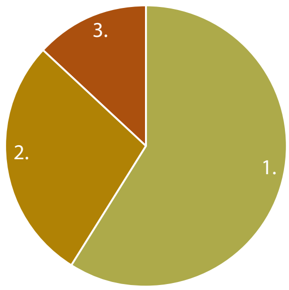
VINCI Construction launched an in-house campaign to raise employee awareness of the risks associated with the consumption of alcohol and drugs. The campaign was tested on pilot worksites and is now being extended across the business line, in

Commitments	Examples of actions taken in 2005
Guarantee the safety and health of employees, temporary workers and subcontractor personnel	➤ Implementation of the VINCI Workplace Safety Charter for Temporary Workers. ➤ Work on personal protective equipment with suppliers. ➤ AIDS prevention in Africa.
Improve employee recruitment and induction procedures	➤ Development of relations with France's Ministry of Education (visits for careers advisers and teachers organised by the Institut de l'Entreprise; "Les coulisses du bâtiment" operation; worksite visits for secondary school students) ➤ Mentoring for apprentices in the Paris region and mentoring training. ➤ "Welcome to VINCI" induction days for newly recruited managers.
Develop employee skills and training	➤ Development of in-house training centres. ➤ Twinning schemes to encourage internal job mobility.
Guarantee equal opportunities	➤ Creation of four working groups (gender mix, people with disabilities, cultural and ethnic diversities, seniors). ➤ Mobilisation of senior management, human resources and communications managers and the chain of command.
Foster social dialogue	➤ Negotiation and signature of 993 agreements in VINCI subsidiaries. ➤ Involvement of subsidiary representative bodies, the Group Works Council and European Works Council in discussions about Group policies. ➤ Satisfaction survey carried out with 15,000 VINCI Construction employees.
Promote employee incentives	➤ Extension of incentive agreements to all profit centres. ➤ Development of employee shareholding and increase in the amount distributed in the form of employer contribution to employee savings schemes.



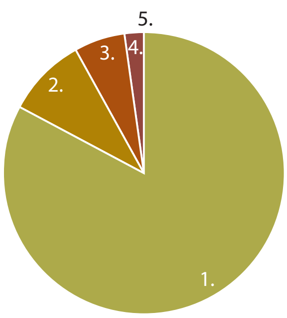
WORKFORCE BY BUSINESS LINE

1. Concessions and services	19,170
2. Energy	26,907
3. Roads	38,303
4. Construction	48,662
5. Property	176
6. Holding company	295
Total	133,513



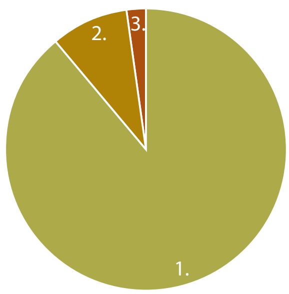
WORKFORCE BY CATEGORY

1. Manual labour	78,606
2. Office, technical & supervisory staff	37,687
3. Management	17,220
Total	133,513



WORKFORCE BY GEOGRAPHICAL AREA

1. Europe	111,758
2. America	12,061
3. Africa	6,223
4. Asia	3,110
5. Oceania	361
Total	133,513



BREAKDOWN BY TYPE OF EMPLOYMENT CONTRACT

1. Unlimited term	119,149
2. Fixed term	12,229
3. Work and study	2,135
Total	133,513

Almost 90% of VINCI's 133,513 employees have unlimited term employment contracts.
VINCI has strengthened its European presence and footprint with 84% of total employees in that geographical region.

collaboration with the committees for occupational safety and health, company doctors and Marilou, a non-profit organisation.

Road safety

All VINCI companies are committed to road safety. A large number of local and national campaigns were launched as part of the Vigiroute® accident prevention plan (guide for raising employee awareness, training in elementary first aid, signature of accident prevention policy charter, etc.). At Eurovia, where this initiative was launched in 2002, the number of accidents involving employees has been reduced by 23%. To improve their road safety results, Cofiroute, Sogea-Satom in Africa, SSZ in the Czech Republic and Freyssinet's French subsidiaries have also adopted the approach and adapted it to their particular activity and business environment. Three of VINCI Energies' German subsidiaries organised safe driving classes for their employees: in the insulation activity, 10% of the workforce benefited from this training in 2005.

OCCUPATIONAL HEALTH

The "occupational health and environment" group set up by VINCI continued its actions in 2005:
– prevention of musculoskeletal disorders (MSD) among employees, tracking them throughout their careers and archiving data relative to their working conditions;
– developing posture and gesture training programmes;
– AIDS prevention and information campaigns and actions in countries where the disease is prevalent;
– monitoring employees indirectly exposed to asbestos (particularly those working in demolition, rehabilitation and site or pipe system maintenance) throughout their careers.

Attracting new talent, developing skills and diversifying profiles

ATTRACTING TALENT

In 2005, VINCI recruited 27,000 people on unlimited term contracts throughout the world. Renewal of teams is a vital priority for the Group, whose recruitment needs are driven both by its demographic structure and the steady growth in its business lines.

Creating opportunities to meet young people and future employees

A network of 150 campus managers oversees and coordinates VINCI's relations with 70 engineering schools and higher education institutions. In 2005, VINCI participated in about 30 engineering school forums and continued its sponsorship of graduating classes. Group companies also participated in many communication operations associated with their recruitment campaigns: in 2005, Eurovia launched a campaign using the side panels of its 3,500 vans and minivans to achieve its objective of 2,100 new employees a year. Upstream of these recruitment campaigns, participation in events such as "Les coulisses du bâtiment" (behind the scenes in construction) and the "Paris pour l'Emploi" (Paris for employment) forum allows VINCI to give the public - and particularly young people still at school - the opportunity to learn about its business lines and achievements. The organisation of workshops within the Group for careers advisers and teachers is another way of meeting this goal.

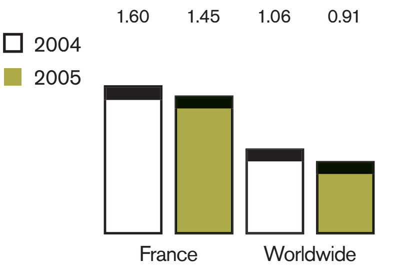
Developing work-and-study programmes

VINCI subsidiaries actively support work-and-study programmes by hiring more than 2,000 young people a year under apprenticeship or qualification contracts. Within the framework of the Apprenticeship Charter signed with the French Ministry of Employment, Social Cohesion and Housing, VINCI committed in June 2005 to increasing the number of apprentices taken on by 20% in two years. The charter also commits its signatories to developing mentoring programmes, which are already in place at VINCI.

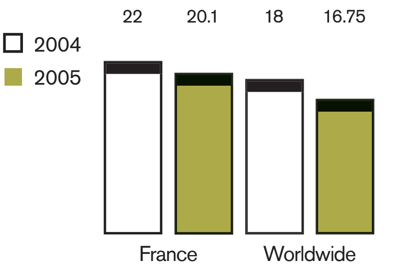
Integrating new employees

VINCI companies are implementing various programmes aimed at supporting new employees and helping them integrate better into the Group. The programmes include GTM Manager (eight training sessions for engineers and managers have already been organised) and building foremen programmes at GTM Construction; Coaching Team at Sogea (provided to 60 engineers in 2005) and "Parcours Pépinières" at VINCI Energies. The Group-wide "Welcome to VINCI" induction days for newly recruited managers are organised in the regions with the support of local managers and human resources managers. They bring together the VINCI companies in each region and are chaired by members of VINCI's executive committee.

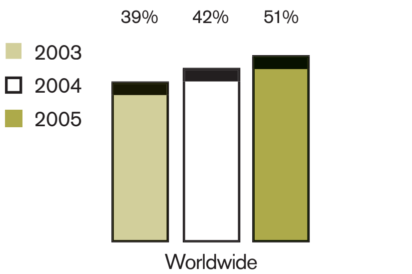
WORK ACCIDENT SEVERITY RATE



WORK ACCIDENT FREQUENCY RATE



NUMBER OF COMPANIES WITHOUT WORK ACCIDENTS INVOLVING LOST TIME



COMBINING MOTIVATION AND SAFETY

CFE, VINCI Construction's Belgian subsidiary, has substantially improved its safety performance. In partnership with employee representatives, it organised a "works symposium" on the theme of safety, attended by all its senior executives, managers, technicians and foremen. This process of joint reflection led to implementation of a number of measures: a risk analysis procedure, establishment of non-negotiable rules, induction measures on worksites, and penalty and reward systems. For example, up to 20% of a profit centre manager's bonus can depend on the unit's safety performance. With the same aim of increasing personal accountability, a company-wide agreement covering all worksite employees has transformed the old length of service premium into one linked to individual safety performance.

Bottom left. VINCI Construction's in-house campaign aims to combat drug abuse by raising the awareness of all employees.
Bottom right. VINCI's active recruitment policy is aimed both at young people in training and experienced people. During the two-day "Paris pour l'Emploi" forum (above), in which the Group participated, almost 800 candidates filled out a VINCI job seeker's form.

PASSPORT TO EMPLOYMENT: TRAINING CERTIFICATION

At the second Trophées de l'Insertion des Jeunes en Entreprise (young people recruitment awards) held in May 2005 under the patronage of the French Ministry of Employment, Social Cohesion and Housing, and the French Senate, Sogea Construction received the business category award for its Passport to Employment programme. The programme, which has been recruiting young people through work-and-study programmes since 2001, was set up at the Archères wastewater treatment plant (above) in the Paris region. The young trainees received their vocational aptitude certificates there in May 2005.

Bottom left. VINCI has organised many initiatives to acquaint young people with the jobs available in the construction industry under the aegis of the French Ministry of Education: presentations in junior secondary schools, workshops organised for teachers and careers advisers, participation in job forums such as, a above, the "Acteur de ton avenir" (take charge of your future) forum in Paris.
Bottom right. Fadela Amara, member of HALDE (the French anti-discrimination and equal opportunities authority), was a guest speaker at the seminar for VINCI human resources managers in October 2005.

DEVELOPING SKILLS

VINCI's training approach combines decentralised organisation and a strong commitment to developing synergies within the Group. Almost 2 million hours of training were organised across all VINCI entities in 2005, up 23% compared with 2004.
Each business line has developed internal training centres (*see table below*) adapted to its particular activities. External training institutions are used to complement the programmes organised internally by subsidiaries, focusing mainly on technical subjects and management. In France, VINCI companies are gradually implementing the law on the individual's right to vocational training (DIF) for their employees.

Group companies also participate in the development of targeted training programmes in partnership with specialised organisations. In France, Sogea Construction delivers technical training for students preparing the new civil engineering and pipe systems high school diplomas.
GTM Construction has signed a partnership agreement with the French Ministry of Education to welcome teachers to its training centres. Every year, Eurovia provides training to dozens of young people without qualifications at its Gevrey-Chambertin centre, near Dijon. Its programmes lead to an initial diploma in civil engineering recognised by the French Ministry of Education. In the Czech Republic, SSZ, a Eurovia subsidiary, participated in the creation of a common apprenticeship centre for the road industry in 2005.
In the Netherlands, Actemium (VINCI Energies) has developed a theoretical and practical training module in partnership with four electricity and industrial automation training institutes in the Eindhoven area. This programme, designed for engineering students and technicians, consists of nine online training modules (Web Based Learning Industrial Automation). It is supplemented by practical sessions on installation commissioning (Edulab) using automated systems made available on company premises.

VINCI's senior managers are invited to follow cross-business training programmes at the VINCI Academy ("Entretiens de VINCI" lecture-debates and the Management Forum). Specific programmes are offered to managers in the different business lines. To that end, Eurovia has set up an international management centre at its Bordeaux-Mérignac R&D centre.

CAREER DEVELOPMENT OPPORTUNITIES

Since VINCI operates in a wide variety of businesses in more than 80 countries, it can offer interesting career opportunities to its employees. The job mobility and training requests expressed during annual appraisal meetings are taken into account with a view to reconciling personal development objectives with the company's own goals. The job mobility section of the VINCI intranet site lists all opportunities by job type, region and business unit. The Jobs and Careers Observatory made available to human resources departments identifies possible transfers between different jobs and facilitates mobility within the Group. In 2005, 1,676 employees benefited from internal transfers.

Inter-company twinning also encourages job mobility, by allowing exchanges of employees and the transfer of skills between French and international teams. In June 2005, the charter signed by GTM Construction's Sud division and the Indian Ocean regional divisions of VINCI Construction Filiales Internationales brought the total number of twinning charters within the Group to five.

FOSTERING EQUAL OPPORTUNITIES

Equal opportunities was the central theme of the senior management convention in 2005. It is also a priority in VINCI's social responsibility policy. VINCI's goal is to combine its business model with a humanistic approach, acting as a fully responsible operator in phase with the expectations of the society within which it works and with the diversity of the people that make up that society.

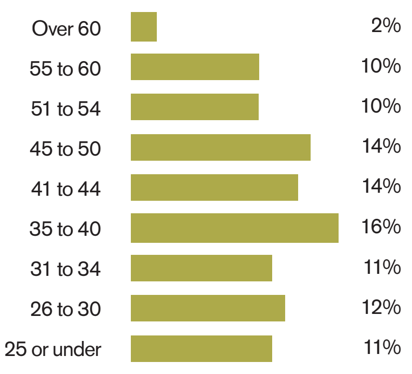
The guiding principle adopted by VINCI is to prevent discrimination in the workplace, particularly as concerns recruitment and promotion procedures, and to raise the awareness of senior managers, human resources managers and all employees.

Continuing the work of reflection initiated in 2004 by the equal opportunities committee, working groups were set up to examine a number of priorities identified by VINCI: the gender mix (female employees account for 13% of VINCI's total workforce, of which 11% in France); cultural and ethnic diversity in recruitment and promotion; retention and recruitment of people with disabilities (2,497 employees, of which 1,892 in France, i.e. 4.79% of the workforce in jobs not excluded by the French law governing employment of people with disabilities) and career

Development of internal training centres

Training centres	Business line	No. of hours of training	No. of trainees
Sogeform / Sogea	Construction	68,032	2,533
Césame (know-how and trades centre) GTM Construction	Construction	32,716	1,719
VINCI Park School	Concessions	13,541	1,371
VINCI Airports School	Concessions	25,000	5,000
GIRF (road industry training centre) at Gevrey-Chambertin, Eurovia	Roads	130,312	3,433
VINCI Energies Academy	Energy	46,065	2,710

AGE PYRAMID



management for seniors (22% of employees are over the age of 50). This work led to the drafting of a reference document as a common platform for initiatives to be developed within the Group. It was also a subject of debate in the second convention of VINCI human resources managers in October 2005. Actions aimed at raising the awareness of communications managers and the creation of dedicated tools further contributed to the recognition of these issues.

Initiatives launched by VINCI companies included the signature of a diversity charter by CFE (VINCI Construction) in Belgium, the invitation issued by Cofiroute (VINCI Concessions) to the Garches Hospitals Foundation to assess the accessibility of its infrastructure for people with reduced mobility, and the introduction of equal opportunities training programmes for managers at VINCI PLC (VINCI Construction) in the UK (82 managers participated in 2005).

Fostering social dialogue

VINCI's social dialogue policy reflects its commitment to several fundamental principles: recognition of the role of unions within the Group; decentralisation and the quest for an ongoing balance between trade union involvement and maintaining a close link with professional activities; the determination to increase information and training for employee and trade union representatives by involving them in the implementation of the Group's major policies on aspects such as occupational health and safety, sustainable development and the gender mix in the workplace; the determination to facilitate communications and meetings for union and employee representatives.

On the local level, works councils, single staff delegations and employee representatives, together with the committees for occupational health and safety, contribute to the quality of social dialogue. Discussions within these different bodies are reported at national level by the Group Works Council and at European level by the European Works Council.

The Group Works Council, which meets twice a year, is made up of representatives from over 50 entities in France.
It receives business and financial information, employment trends and forecasts, and accident prevention actions initiated at Group and company level. It is informed of VINCI's business outlook for the coming year and has access to the consolidated financial statements and corresponding statutory auditors' reports. It is advised formally, before any material decision is made, of any significant project affecting the Group's consolidation scope, legal and financial structures, and the potential impact such a project may have on employment.

The European Works Council has a broader remit. It is made up of representatives and observers from eight European countries in which VINCI has subsidiaries.

The collective agreements negotiated and signed by VINCI companies are the tangible evidence of a decentralised human resources policy, which takes account of realities on the ground and aims in particular to improve employee health, safety and working conditions while also enhancing the organisation of working hours. In 2005, 993 collective agreements were signed. Absenteeism due to strikes amounted to 7,800 days out of a total of 28.2 million days worked.

Remuneration and incentives

EMPLOYEE PROFIT SHARING

VINCI's remuneration policy is organised in accordance with its decentralised management structure. Common principles covering individual remuneration and incentives in line with the Group's results are used as guidelines for this policy in all countries where VINCI operates. In France, an increasing number of employees benefit from incentive schemes and profit sharing agreements. Some 41% of profit centres have incentive schemes (over €30 million

VINCI CONSTRUCTION SATISFACTION SURVEY

In June 2005, VINCI Construction launched an opinion poll giving 15,000 employees (31% of construction employees) an opportunity to express their opinion on their work and their company. The four-page questionnaire was returned directly to IFOP, a French public opinion poll institute. The results can be consulted by all employees on the VINCI Construction website.

Bottom. A European Works Council working group defined priority thrusts in terms of social, environmental and civic involvement issues. Feedback on the discussions, followed by a debate, was organised in 2005 for all representatives of the European Works Council.

Castor subscribers

	2005
Manual labour	34%
Office, technical & supervisory staff	37%
Management	29%
TOTAL	100%

In 2005, VINCI employees invested €166 million in VINCI savings schemes.

distributed) and 39% have profit sharing agreements (over €68 million), for a total of almost €100 million.

EMPLOYEE SAVINGS SCHEMES

At 31 December 2005, over 50,000 employees (compared with almost 44,000 in 2004), or 53% of the workforce concerned, were VINCI shareholders through mutual funds invested in the company's shares. Together they held 8.5% of VINCI's share capital and collectively represented the biggest shareholder group. The average investment in 2005 was €3,400 and the average portfolio was more than €20,000.

The employee savings policy set up in 1995 with the creation of the Castor savings scheme aims to allow all employees, particularly those with a lower income, to become VINCI shareholders. This policy also helps stabilise the company's share-holding structure. Several savings options are available to employees of VINCI's French subsidiaries.
The Castor fund, which is invested in VINCI shares, offers an employer contribution and a 20% discount on the average price of VINCI shares.
Castor Equilibre, created in 2003, is a fund invested in fixed-income securities (a maximum of two-thirds in bonds and the remaining third in monetary securities), including a maximum of 10% in listed VINCI bonds. At the end of 2001 and beginning of 2002, employees were also given the opportunity of subscribing to Castor Avantage, a leveraged savings scheme that multiplies the employee contribution by a factor of 10, and provides a minimum return of 25% over five years with 72% of any capital gains arising on all subscribed shares. This scheme will close in 2007.

During 2005, three capital increases at preferential rates (20% discount on the VINCI share price) were offered to employees of French subsidiaries. They benefited from an employer contribution of up to €2,500 for an annual investment of €9,000, with a 100% contribution for the first €500 (compared with €200 in 2003 and €400 in 2004, an increase of 25%). Based on this particularly attractive offer, VINCI's total employer contribution amounted to €36.5 million in 2005, an increase of more than 50% over the 2004 figure.

Savings invested in the Castor International fund by employees of subsidiaries based in Germany, the UK, Morocco, the Netherlands and Austria continued to increase in value, reflecting the increase in the price of the VINCI share.

Remuneration and social charges worldwide (in € thousands)

	All categories	Management	Office, technical & Supervisory staff	Manual labour
Average VINCI salary [1]	30	58	31	23
Men	31	60	33	24
Women	26	42	26	20
Social charges	42%	49%	41 %	40 %

1. – *Including paid leave*

Other social indicators

The social reporting procedure is a genuine tool for steering VINCI's social responsibility policy. Over 200 people are involved in collecting and transmitting data. All the procedures can be viewed on the intranet and the results are forwarded to employee representative bodies.

WORKFORCE

Breakdown by geographical area and by business line

	Concessions and services	Energy	Roads	Construction	Property	Holding company	%	Total	2004
France	8,120	19,264	21,301	27,116	176	277	57%	76,254	73,560
Germany	45	3,318	4,257	1,622		14	7%	9,256	9,758
UK	1,455	455	3,877	2,811			6%	8,598	7,699
Belgium	80	210	240	3 965			3%	4,495	4,005
Spain	253	798	907	183			2%	2,141	2,296
Rest of Europe	25	974	4,607	2,589	0	0	7%	8,195	7,728
Other countries in Europe	165	1,863	192	598	0	1	2%	2,819	2,304
Europe	**10,143**	**26,882**	**35,381**	**38,884**	**176**	**292**	**84%**	**111,758**	**107,350**
Americas	7,076		2,922	2,061		2	9%	12,061	11,704
Africa		25		6,198			5%	6,223	6,564
Asia	1,951			1,158		1	2%	3,110	2,521
Oceania				361			0%	361	294
World	**19,170**	**26,907**	**38,303**	**48,662**	**176**	**295**	**100%**	**133,513**	**128,433**

Breakdown by category and by business line

	Concessions and services	Energy	Roads	Construction	Property	Holding company	%	Total	*of which France*	2004
Management	1,101	4,820	3,916	7,091	111	181	13%	17,220	13,095	16,242
Office, technical & supervisory staff	5,888	9,697	8,828	13,095	65	114	28%	37,687	23,192	35,249
Manual labour	12,181	12,390	25,559	28,476	0	0	59%	78,606	39,967	76,942
All categories	**19,170**	**26,907**	**38,303**	**48,662**	**176**	**295**	**100%**	**133,513**	**76,254**	**128,433**

Breakdown by type of employment contract and by business line

	Concessions and services	Energy	Roads	Construction	Property	Holding company	%	Total	*of which France*	2004
Unlimited term	18,345	25,015	35,901	39,431	172	285		119,149	72,763	117,230
Fixed term	812	1,270	1,610	8,526	2	9		12,229	1,830	9,189
Work-and-study	13	622	792	705	2	1		2,135	1,661	2,014
All categories	**19,170**	**26,907**	**38,303**	**48 662**	**176**	**295**		**133,513**	**76,254**	**128,433**
Temporary employee	753	2,619	3,442	7,950	6	16		14,786	12,926	14,935

Breakdown by gender and by business line

	Concessions and services	Energy	Roads	Construction	Immobilier	Holding company	%	All divisions	*of which France*	2004
Men	13,975	23,583	34,829	43,950	91	160	87%	116,588	67,910	111,604
Women	5,195	3,324	3,474	4,712	85	135	13%	16,925	8,344	16,829
Total	**19,170**	**26,907**	**38,303**	**48,662**	**176**	**295**	**100%**	**133,513**	**76,254**	**128,433**

New employees by business line

	Concessions and services	Energy	Roads	Construction	Property	Holding company	%	All divisions	2004
Unlimited term contracts	6,981	2,465	5,637	11,413	19	28	60%	26,543	19, 786
Fixed term contracts	8,198	1,120	2,600	5,844	7	10	40%	17 778	16,146
All categories	**15,179**	**3,585**	**8,237**	**17,256**	**26**	**38**		**44,321**	**35,932**

Reasons for departure

	Concessions and services	Energy	Roads	Construction	Property	Holding company	%	Total	*of which France*	2004
Resignations	4,548	1,384	2,924	3,238	5	9	30%	12,108	3,048	9,689
End of fixed term contracts	7,849	627	1,574	2,416	4	3	31%	12,473	9,521	10,944
End of worksite	609	299	466	3,553	1	1	12%	4 929	1,437	3,772
Retirement	97	352	1,023	627	1		5%	2,100	1,262	1,774
Redundancy	1,049	573	253	937			7%	2,812	197	2,779
Other dismissals	867	747	635	1,595	6	12	9%	3,862	2,226	3,317
Other reasons	1,587	526	248	219	3	11	6%	2,594	1,148	4,681
All categories	**16,606**	**4,508**	**7,123**	**12,585**	**20**	**36**	**100%**	**40,878**	**18,839**	**36,956**

TRAINING

Change in number and breakdown of training hours

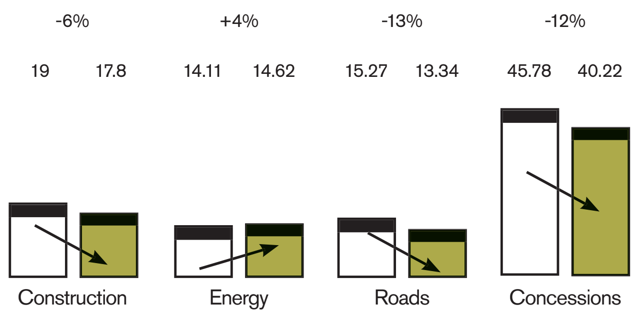
	Management	Office, technical & supervisory staff	Manual labour	%	Total 2005	*of which France*	Total 2004
Technique	63,277	234,882	477,264	39%	775,424	481,660	621,638
Hygiene and safety	42,653	125,718	308 636	24%	477,007	309,009	401,517
Quality	7,482	16 984	22,090	2%	46,556	13,697	33,429
Environment	5,397	19 260	18 061	2%	42 718	4,447	12,698
Management	45,917	34,004	22 476	5%	102 397	62,834	86,085
Information technology	32,532	98,047	16,445	7%	147,023	60,134	81,023
Adm/acctg/mgmt/legal	41 370	52,612	9,667	5%	103,649	70,796	107,894
Languages	28,570	39,007	8 218	4%	75 795	15,045	60,664
Others	27,565	61,412	109 272	10%	198,249	140,003	194,001
Total	**294,764**	**681,926**	**992,128**	**100%**	**1,968,818**	**1,157,626**	**1, 598,949**

SAFETY

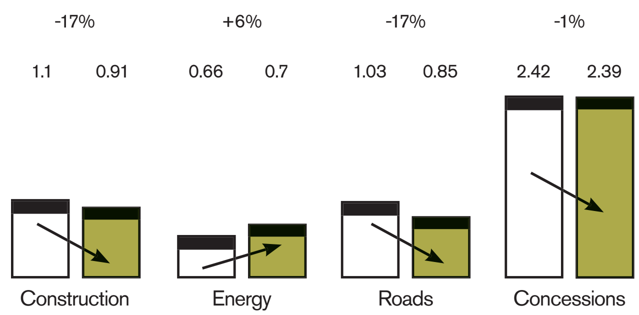
Worldwide

□ 2004 ■ 31 December 2005

FREQUENCY RATE (12 MONTHS YEAR-ON-YEAR)



SEVERITY RATE (12 MONTHS YEAR-ON-YEAR)



REMUNERATION

Remuneration and social charges France (in thousands of euros)

Average VINCI salary [1]	All categories	Management	Office, technical & supervisory staff	Manual labourt
Men	32	58	30	24
Women	32	61	31	24
Average salary in building and civil engineering sector [2]	29	44	25	24
Social charges	24	46	25	19
	55%	59%	55%	51%

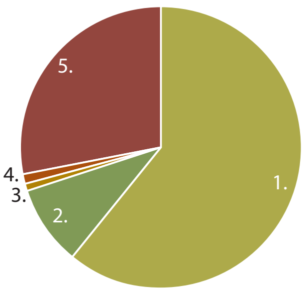
1. – *Including paid leave*
2. – Source: Pro BTP 2004

Incentive schemes, employee profit sharing, social welfare (in millions of euros)

	2005 World	2005 France
Incentive schemes	36.48	30.12
Employee profit sharing	69.45	68.21
Employer contribution	39.33	36.50
Social welfare	37.76	20.18
Total	183.02	155.01

TIME WORKED

Breakdown of days off by reason for absence



1. Sickness	61%
2. Occupational accident	9%
3. Accident on the way to work	1%
4. Occupational sickness	1%
5. Other	28%
Total	100%

Average by employee

- 10.7 days sickness
- 1.6 days occupational accidents
- 0.2 day accident on the way to work
- 0.2 day occupational sickness
- 5.0 days other reasons

Organisation of work

Time worked	Management	Office, technical & supervisory staff	Manual labour	Total	2004
Total number of hours worked	28,764,742	63,061,023	133,875.023	225,700,788	208,376,993
of which overtime	86,076	1,200,223	10,790.254	12,076,553	10,722,462
Number of part-time employees	169	1,304	3.109	4,582	4,985

Our civic involvement

VINCI decided to support community projects that promote solidarity and contribute to improving social cohesion and the quality of life in urban neighbourhoods. Consistent with its tradition and experience as a builder, VINCI is also heavily involved in heritage preservation. As an extension of the Group's commitment, individual VINCI companies have initiated many of their own projects, with a particular focus on long-term local action.

Over a three-year period, the VINCI Foundation's support and employee involvement have given more than 150 people access to a work-experience placement or job within a VINCI company.

Supporting inclusion through work

THE VINCI FOUNDATION

Designed as a means of channelling practical and financial support into the drive to promote employment and build social cohesion in difficult neighbourhoods, the VINCI Foundation for the Community works alongside more than 200 agencies engaged in the fight against exclusion. These include GEIQ (employer groups that create job and training opportunities), community associations and companies that create jobs for the unemployed. Therefore the VINCI Foundation has been putting the Group's commitment to social responsibility into practice since its creation in 2003.

In 2005, the VINCI Foundation supported 82 projects that created bridges between the business world and the voluntary sector. Its involvement combines financial support (an average of €15,500 per project) and skills-based sponsorship: each project is sponsored and monitored by a VINCI employee (called a "pilot"), who contributes personal skills and draws on his or her network of contacts. The third national gathering of project pilots was held at VINCI's headquarters in November 2005.

In its three years of activity, the Foundation's support and employee involvement have given more than 150 people access to a work-experience placement or job within a VINCI company, and helped about 50 job creation organisations find commercial outlets.

The VINCI Foundation also supports a number of external initiatives within the context of its goal to promote social inclusion through employment. With a view to fostering equal opportunities, it is a partner of the "Talents des Cités" competition organised by the French Senate and the Ministry of Employment, Social Cohesion and Housing. In addition, it has provided support to NGOs specialising in helping disabled people find jobs.

In 2005, the VINCI Foundation extended its sphere of activity to other countries, providing backing for projects in Africa and Germany.

Commitments	Examples of 2005 initiatives
Support social inclusion through work	➤ 82 projects supported by the VINCI Foundation. ➤ Support for "Talents des Cités" competition.
Contribute to heritage preservation	➤ Completion of the restoration of the first half of the Hall of Mirrors at Versailles. ➤ Corporate sponsorship of the Guimet Museum. ➤ Dissemination of information about archaeological discoveries.

LEARNING TO LEARN

The VINCI Foundation supports Pfefferwerk Stadtkultur, a non-profit organisation in Berlin whose "learning to learn" method has proved effective in getting school drop-outs into employment. The VINCI Foundation provided €12,000 to equip a classroom. The VINCI employee volunteer working with the organisation sets up training courses introducing VINCI's various business activities.

Bottom left: As a result of the VINCI Solidarity With Asia scheme, launched just days after the tsunami of 26 December 2004, the sum of €406,736 was sent to Médecins du Monde and UNICEF. The money was made up of donations from employees, matched by VINCI.
Bottom right: The "Mille et un Délices" is a restaurant created in 2005 in the centre of Tourcoing in northern France with a view to providing jobs for socially disadvantaged people. The restaurant is supported by the VINCI Foundation and provides four women with a job.

THE HALL OF MIRRORS RESTORED TO ITS ORIGINAL SPLENDOUR

On 19 December 2005, VINCI and Etablissement Public de Versailles unveiled the first half of the Hall of Mirrors to the press and public following 18 months of restoration work. Access to the Hall was maintained throughout the period for the four million annual visitors. This first comprehensive restoration effort focused on two aspects. Firstly, the architectural décor by Jules Hardouin-Mansart, which consists of marble panelling, mirrors and sculptural features in bronze: this was worked on by teams made up of restorers from within the VINCI Group and outside specialists. The second aspect was the painted and sculpted decoration of the vaulted ceiling. Here, some 60 restorers have reinstated the full subtlety of the palette of colours used by Charles Le Brun, First Painter to Louis XIV, while taking measures to preserve this original seventeenth century décor for the long term.

Bottom left. As an addition to the collection of the Guimet Museum in Paris, VINCI donated a silver-bronze statuette representing a third century bodhisattva.
Bottom right. Restorers working on the ceiling of the Hall of Mirrors. The paintings on marouflaged canvas have been cleaned. The removal of layers of varnish and later repainting has revealed the original colours used by Charles Le Brun.

EMERGENCY AID ACTIVITIES

The VINCI Solidarity With Asia scheme was launched within days of the tsunami of 26 December 2004. It encouraged Group employees to support the humanitarian organisations Médecins du Monde and UNICEF in their efforts to assist the victims of the disaster - and VINCI made a commitment to match employee donations. By the end of the appeal, a total of €406,736 had been sent to the two NGOs. Meanwhile, in Cambodia, the 700 employees of the Phnom Penh Airport concessionaire, a VINCI Concessions subsidiary, joined forces to speed up the handling of emergency supplies airlifted in by the UN's World Food Programme (WFP).

LOCAL INITIATIVES FOSTERING SOLIDARITY

VINCI's commitment to social inclusion through work is complemented by initiatives launched by Group companies to foster solidarity. Through its club for socially aware property developers (Club des Promoteurs Citoyens), VINCI Immobilier signed a three-year agreement with the Abbé Pierre Foundation in April 2005 to support its social housing programme. For each home sold by VINCI Immobilier, the company's lawyers transfer €30 to the Abbé Pierre Foundation. In an extension of the partnership forged with Médecins du Monde during the struggle to get emergency aid to stricken communities in South-East Asia, VINCI Construction Filiales Internationales is participating in the rehabilitation of a health centre in French Guiana. Ringway, Eurovia's UK subsidiary, works with the NGO Care International to raise funds. An SNC group – an SNC (*Solidarités Nouvelles Face au Chômage*) is a French NGO that provides support, through local groups, to the long-term unemployed in their attempts to find work – has been created at VINCI.

Heritage preservation

With their long tradition and broad expertise as builders, VINCI and its subsidiaries help safeguard France's historic and cultural heritage through corporate sponsorship schemes and the dissemination of information about archaeological discoveries.

The Hall of Mirrors at the Château de Versailles

VINCI is a major partner of the French Ministry of Culture. In that capacity, it has been carrying out the first comprehensive restoration of the Hall of Mirrors at the Château de Versailles since 2004, thereby helping to preserve one of the great masterpieces of the world's architectural heritage. Within the framework of an innovative skills-based sponsorship arrangement, VINCI is financing the works – €12 million – and making available the expertise of its various subsidiaries specialising in the restoration of historic buildings. An entirely restored Hall of Mirrors is scheduled to open in May 2007.

VINCI is involving all Group employees and shareholders and their families in this operation by giving them a free pass to the Château de Versailles for the duration of the project.

The Guimet Museum collection

VINCI has added to the collection at the National Museum of Asian Art by donating a rare piece: a silver-bronze statuette from Gandhara representing a third century bodhisattva.

Place Stanislas in Nancy

Several VINCI subsidiaries were involved in cultural events organised to mark the renovation of Place Stanislas in Nancy, a gem of eighteenth century architecture and a UNESCO World Heritage site. VINCI Park, for example, supported the "Nancy 2005, le Temps des Lumières" exhibition about the city during the enlightenment period, and Eurovia, which renewed the paving stones in the square, backed the production of the film *La Mémoire poétique*.

The Caillié house in Timbuktu

In 1828, René Caillié, the great explorer, was the first European to visit Timbuktu. The house he once lived in is to be restored under the terms of a memorandum of understanding signed by Sogea-Satom's office in Mali, the Malian Ministry of Culture and the current owners of the house.

Disseminating information about archaeological discoveries

VINCI subsidiaries are required to organise rescue archaeological surveys before embarking on construction and regional development projects.

Arcour, the VINCI Concessions subsidiary awarded the concession for the new A19 Artenay-Courtenay motorway, more than fulfilled its legal obligations in this respect in 2005 when it signed an agreement with the local council and INRAP, the French institute for research in rescue archaeology. Their intention is work together to make full use of the research undertaken as part of the project. Joint actions will include the production of a 90-minute documentary film, staging an exhibition and organising visits for schoolchildren. The archaeological surveys have uncovered the foundations of two Gallo-Roman buildings in districts never previously excavated.

In Cambodia, the VINCI Concessions subsidiary operating Siem Reap airport, near the Angkor temple site, funded and carried out rescue archaeology excavations on its own initiative in partnership with INRAP as part of the project to extend the airport concession. Moreover, in cooperation with UNESCO, VINCI Concessions is implementing a programme aimed at helping to manage tourist flows at the temple site information centre. This programme represents an investment of $2 million over two years.

Spending in the form of corporate sponsorship and through the VINCI Foundation amounted to €7 million in 2005.

Our responsibilities to customers and suppliers

VINCI's relations with its customers and suppliers are based on mutual respect and the sharing of common responsibility principles. In anticipation of customers' growing expectations in terms of social and environmental performance, VINCI subsidiaries are developing appropriate responses. They are also offering new services and options with a strong environmental content, such as "high environmental quality" buildings. In addition, VINCI involves its suppliers in its sustainable development approach, notably through its purchasing policy.

Anticipating and meeting customer expectations

CONSULTATION AND LISTENING TO CUSTOMERS

Listening to stakeholders is a priority component of the Group's quality policy. From the start of any road infrastructure project, Cofiroute (VINCI Concessions) initiates continuous dialogue with neighbouring communities. This approach, based on consultation and openness, is formalised in a charter signed by the company and the elected officials of the communities directly affected by the works.

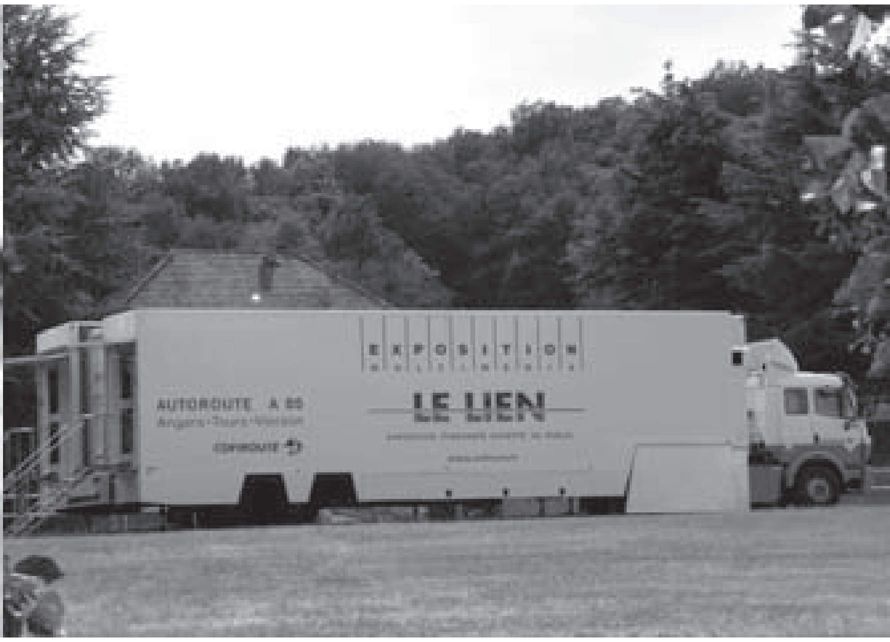
Along the route of the A86 Ouest motorway in the Paris region, for example, consultation with local communities improved the measures taken to blend the worksite into its urban environment. These included installing opaque fencing and increasing the density of surrounding trees to mask the site infrastructure, erecting noise barriers, and adapting the site's working hours to the needs of local everyday life.

The service culture that characterises VINCI Concessions has led its subsidiaries to develop an active policy of listening to customers, mainly through Cofiroute's call centre, which is open seven days a week, and through customer satisfaction surveys carried out by VINCI Park. In addition, VINCI Park uses a system of mystery customer visits, introduced three years ago, to analyse and rank the quality of service offered in each car park.

Commitments	Examples of actions taken in 2005
Guarantee the quality of services and infrastructure	➤ Accessibility study of the Cofiroute network carried out by the Garches Hospitals Foundation. ➤ Charter of public service commitments drawn up by VINCI Concessions.
Involve suppliers and subcontractors in VINCI's sustainable development approach	➤ Inclusion of a Global Compact clause in framework contracts. ➤ Safety evaluation of temporary employment agencies. ➤ Publication of guides for purchasing services from subcontractors (VINCI Energies and VINCI Construction Grands Projets).

PREQUALIFICATION AND IMPROVEMENT PROGRAMME IN THE UK

The prequalification procedure introduced by the UK's Highways Agency as part of its programme to modernise the country's motorway network is an incentive for improvement for candidate companies, who must now obtain a minimum score in the Capability Assessment Toolkit (CAT) in order to be invited to compete for contracts. The assessment process is based on business excellence criteria established by the European Foundation for Quality Management (EFQM). In 2005, VINCI Construction Grands Projets and Ringway, Eurovia's UK, were pre-selected under this procedure. Their scores were verified by independent auditors.



Bottom left. The service culture that characterises VINCI Concessions and its subsidiaries - including VINCI Park, pictured here - has led to regular customer satisfaction surveys being carried out.
Bottom right. "The Link", a roving exhibition specific to the A85 Angers-Tours-Vierzon motorway project, stops at all the communities along the route to inform residents about the challenges of the project and update them on progress. The exhibition has received 50,000 visitors since it was created.

QUALITY

Securing ISO 9001:2001 certification is an important quality management step in the Group's improvement programme.

At Eurovia, 89% of revenue generated by roadworks subsidiaries was ISO 9001 certified at the end of 2005. In the case of VINCI Construction, 89% of GTM Construction's revenue, 84% of Sogea Construction's revenue, and 100% of VINCI Construction's revenue is certified. VINCI Energies' subsidiaries, especially those that operate in the industrial sector, significantly increased their certifications and special authorisations such as UIC and MASE in 2005. At VINCI Concessions, Cofiroute has ISO 9001 certification for the operation of its network.

Involving suppliers

VINCI's purchasing policy is managed by the central purchasing coordination unit and by regional purchasing clubs, two of which were set up in Belgium and the Czech Republic in 2005.
The main aims of this policy are:
– to integrate the principles and criteria of sustainable development into purchasing employee practices: 758 Group employees benefited from 4,788 hours of special training in 2005, 50% more than in 2004;
– to include contractual clauses about sustainable development in the Group's framework contracts;
– to establish partnership relations that go beyond price negotiations, inviting suppliers to take part in think tanks focusing on the main themes of sustainable development (safety, fuel consumption and reducing energy consumption).

Ringway, Eurovia's UK subsidiary, organised two working seminars with suppliers and subcontractors as part of its project, "The Way Forward", and drew up assessment grids of the results. The project, based on the EFQM business excellence model, has led to the establishment of two-way dialogue between Ringway and its subcontractors.

VINCI Energies extended its purchasing initiative outside France, holding a meeting for delegates from seven countries in December 2005. Three specialist working groups were set up (defined by type of supplier) to draw up a joint strategic action plan for purchases and to set up a panel of European suppliers.

INCREASING SUPPLIER AWARENESS OF THE GLOBAL COMPACT PRINCIPLES

Since 2005, VINCI's approved supplier contracts have systematically included a clause inviting suppliers to observe the Global Compact and setting out the 10 principles in the areas of human rights, employment standards, environmental protection and the fight against corruption (see p. 109). VINCI has added a further commitment that encourages the exchange of best practices: it asks suppliers to inform the Group of all initiatives taken to promote the principles of the Global Compact and, conversely, any request or action that would be contrary to them. All 102 framework contracts currently in force internationally include this clause. Suppliers refusing to accept it have been excluded from any commercial relationship.

INVOLVING SUPPLIERS IN VINCI'S SOCIAL AND ENVIRONMENTAL GOALS

VINCI involves its principal suppliers operationally in the implementation of its social and environmental responsibility policy.

In the case of temporary employment agencies, the purchasing coordination unit has included an accident prevention clause in VINCI temporary employment contracts for the 2005-2007 period. The 57 approved temporary worker recruitment agencies have rallied to the zero accident goal and signed the "Workplace Safety Charter for Temporary Workers", which contains 14 mutual commitments.

With vehicle leasing and manufacturing companies - Arval and Renault, to be more precise - VINCI has launched a programme to improve road safety and reduce fuel consumption, setting the target at 2.5% a year.

With the distributors of personal protection equipment and as part of the renewal procedure for framework contracts, VINCI has launched a series of audit meetings where each supplier reports on its initiatives and results in the areas of social and environmental responsibility.

Above: Since 2005, VINCI's approved supplier contracts have systematically included a clause inviting suppliers to observe the 10 Global Compact principles.

Our environmental responsibility

VINCI's environmental policy reflects its determination to take into account the impact of its activities at the various life cycle stages of its products and services – design, construction, operation – and to reduce any pollution they may cause. The Group's expertise as a designer-constructor enables it to develop comprehensive solutions that combine economic efficiency and environmental performance. Implementing this policy depends on the empowerment of all Group employees and on consultation with stakeholders.

Preventing and anticipating climate change

The environmental impact of the construction industry is measured primarily by its consumption of resources (materials and energy) and by the emission of greenhouse gases.

With a view to improving efficiency in both these areas, VINCI Construction has adopted an approach that considers the overall life cycle of a building and the impact of man-made structures on the environment. In a segment where they are particularly active, VINCI companies have sound customer references in the field of high environmental quality (HQE®) construction. They work alongside French and other European authorities to promote this type of approach, which improves the eco-efficiency of buildings.

Most of VINCI Energies' business units operate in the industrial and service sectors, which are the source of over one-third of all greenhouse gas emissions in France.

Commitments	Examples of actions taken in 2005
Combat climate change	➤ Creation of VINCI "climate" task force. ➤ 105 environmental innovations proposed by employees for the VINCI 2005 Innovation Awards Competition.
Preserve natural resources	➤ 6.6 million tonnes of material recycled Eurovia. ➤ Environmental training increased by a factor of 2.5.
Optimise waste management	➤ Introduction of global waste management system in the Paris region.
Reduce energy consumption	➤ Continuation of the programme to reduce vehicle-related greenhouse gas emissions by 2.5% a year.
Prevent pollution	➤ Installation of the first noise and pollution barriers.
Protect the natural environment	➤ Signature of a partnership agreement for the protection of biodiversity by Cofiroute and the French federation for the protection of the habitat of wildlife.

A BUILDING THAT USES LESS ENERGY

VINCI Construction Grands Projets and CFE, a subsidiary of VINCI Construction, designed and built the new headquarters building of the European Investment Bank (EIB) in Luxembourg using the Building Research Establishment's environmental assessment method. Surrounded by a transparent cylindrical glass envelope, this nine-storey office building will have three heated atriums and three naturally ventilated winter gardens in a total surface area of 74,000 square metres. The glass envelope, like the winter gardens, has been designed to reduce the building's energy consumption and the emission of greenhouse gases into the atmosphere.

Bottom. The Tour Granite is being built by VINCI Construction in La Défense, the Paris business district. It will be the first high environmental quality (HQE®) tower block ever built. The approach aims to optimise internal air quality, humidity, energy consumption and visual comfort.

THE FIRST ISO 14001 CERTIFIED CIVIL ENGINEERING SITE

The motorway interchange at Marseilles, which is being built by a consortium led by Campenon Bernard Méditerranée (VINCI Construction), was the first civil engineering site in France to gain ISO 14001 environmental certification. The environmental management system put in place for the project included selective sorting and recycling of waste, the recovery of water from concrete mixers and washing truck wheels. A steering committee made up of local authorities and environmental bodies (ADEME, Provence-Alpes-Cote d'Azur region, City of Marseilles, AFINE, ARPE, and the local district committee) monitor and assess the innovative project.

Bottom. During the construction of a road interchange, SPL and Cochery (Eurovia subsidiaries) suggested using bottom ash from the incineration of household waste to make 183,000 tonnes of backfill, thereby saving natural resources. In addition, because the bottom ash treatment plant was only 3 km from the construction site (the average distance for obtaining natural backfill material in Ile de France is 15 km), it helped to reduce transport pollution. The overall constraints (pollution, fuel) were reduced 80%. This achievement received a distinction award from the jury of the sustainable development competition organised by UNPG (the French national union of aggregate producers).

To meet the challenges of climate change, they advise and support customers in their efforts to reduce energy consumption.

Eurovia designs roads, produces road building materials (aggregates, binders, asphalt mixes and recycled materials), and enhances living conditions. Its environmental policy is focused on three complementary objectives: to develop and apply increasingly environment-friendly techniques, to control the environmental impact of its activities, and to promote the aims of sustainable development and the use of best environmental practices by all employees.

In the field of concessions, where the VINCI operates long-term contracts, Cofiroute, VINCI Park, and the airport services companies continued their research programmes on transport and sustainable travel. A partner in the European Mobility Week initiative, VINCI Park distributed the "Clever commuting" guide in all its French car parks. The guide advocates an urban area approach that combines public transport, alternative modes of travel (such as cycling and walking) and private cars.

VINCI's environmental management system

VINCI's environmental management system aims to provide answers to specific customer requirements, gather intelligence on regulations, and enhance employee skills and the overall quality of its work through a process of continuous improvement. Against this background, the Group stepped up its efforts to provide environmental training (42,718 hours of training provided in 2005 compared with 12,700 in 2004) and raise the awareness of its operations teams, notably by organising 15-minute "environment" sessions every week, similar to the 15-minute "safety" sessions already in place. VINCI subsidiaries continued their efforts to secure certification and develop environmental management systems. Within VINCI Construction, for example, 54.7% of GTM Construction's revenue was ISO 14001 certified, 18% of Sogea Construction's and 100% of VINCI Construction Grands Projets' at the end of 2005.

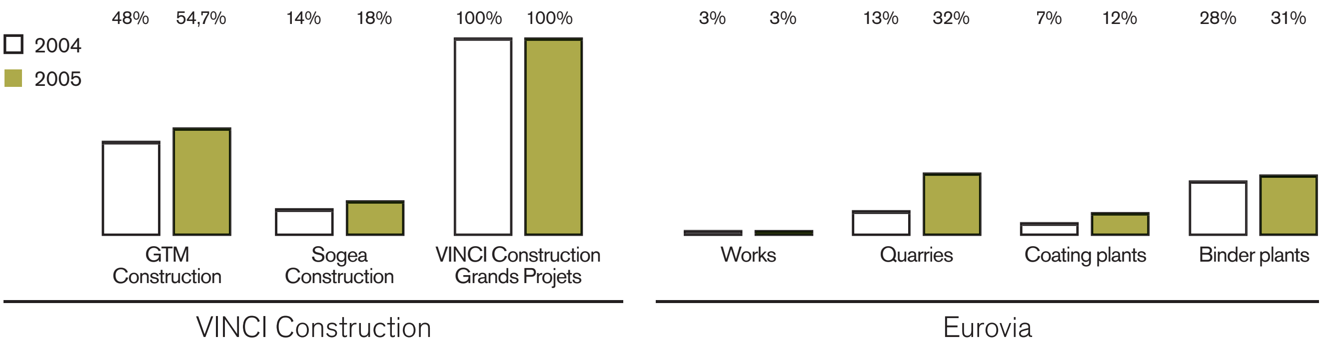
Preserving natural resources

MATERIALS RECYCLING

One of the strategic priorities for VINCI's subsidiaries is to recycle and reuse materials in order to preserve natural resources.
In 2005, Eurovia recycled 6.6 million tonnes of materials. The company continued to optimise its industrial facilities: DLB, MEL and SPL, its three Paris Region subsidiaries specialising in recycling bottom ash from household waste incineration and crushed concrete, obtained CE 2+ certification for their aggregate.

In addition, two of Eurovia's subsidiaries were awarded distinctions by the jury in

ISO 14001 CERTIFICATION GROWTH



On 70% of Sogea Construction worksites, mineral oils are used instead of vegetable oils for stripping formwork.

the sustainable development competition organised by UNPG, the French national union of aggregate producers, for their use of household waste incineration bottom ash in the construction of an interchange on the A15 motorway in the Val d'Oise region (see p. 134).

ALTERNATIVE PROCESSES

Eurovia has continued to develop processes that reduce the consumption of materials in road building. Recyclovia®, for instance, is a cold in situ recycling process launched in 2005 for repairing the road surface. Another new process, Polybitume C, optimises the recycling of used tyres and improves the properties of asphalt containing this material, which can be laid at the same temperature as pure asphalt. Developed by Eurovia's Spanish subsidiary, Probisa, this process won a special sustainable development award in the VINCI 2005 Innovation Awards Competition.

Eurovia and VINCI Construction subsidiaries specialising in demolition and deconstruction continue to develop solutions that optimise the rate of materials reuse.

Reducing energy consumption

In 2005, VINCI companies continued their efforts to reduce energy consumption. This priority area for improvement, common to all of them, is implemented through a number of different programmes.

ELECTRICITY CONSUMPTION

Initiatives designed to limit energy consumption on worksites included "Home vert", a new type of site hut developed and tested in 2005 by GTM Construction in partnership with ADEME, France's environment and energy management agency. The stakes are high: heating and air-conditioning the company's 3,000 huts accounts for 60% of electricity consumption on its sites, i.e. estimated annual production of 5,300 tonnes of greenhouse gases. The installation of a building automation system, together with better heat insulation to reduce the number of thermal bridges, saves 3,000 kWh a year per site accommodation complex.

WARM MIX ASPHALTS TO SAVE ENERGY

One of the main areas of Eurovia's research and development programme is reducing the temperature to which aggregates have to be heated for road surfacing. The company's Aspha-Min® process brings the asphalt mix production temperature down 30°C and reduces energy consumption by 20%. It won the FNTP (French public works federation) innovation award in May 2005, and the grand prize for innovation at the trade fair for French mayors and municipalities in November.

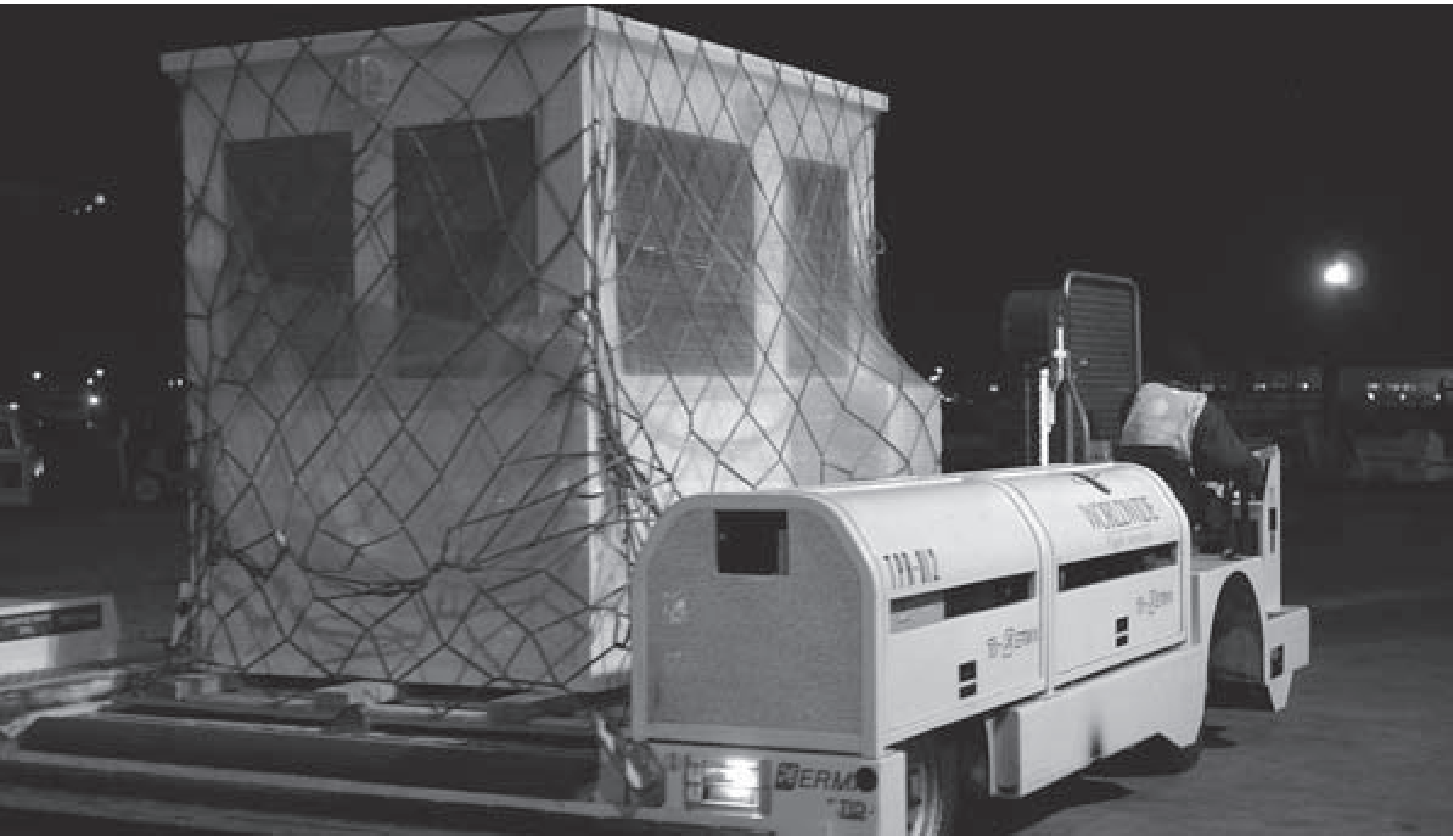
FUEL CONSUMPTION

Greenhouse gas emissions associated with VINCI's business activities are attributable mainly to its fleet of 30,000 service vehicles and 5,000 site vehicles. As part of the Group's purchasing policy, buyer training and awareness raising initiatives, combined with the programme to reduce the risk of road accidents, have led to action being taken on a number of fronts. These include controlling fuel consumption, detecting potential malfunctions in engines, preventing dangerous driving habits, and the achievement of considerable savings. In 2005, VINCI set 2.5% as the target for reducing vehicle-related greenhouse gas emissions. Numerous initiatives have been taken at business unit level.

At Roissy-Charles de Gaulle, half of the vehicles operated by EFS-WFS, the VINCI Concessions airport services subsidiary, run on electricity. The company has also launched a carbon assessment scheme with Aéroports de Paris and ADEME (France's environment and energy management agency). At VINCI Energies, several business units have acquired dual energy (internal combustion and electricity) mobile inspection platforms, and German business units decided to buy service vehicles fitted with particulate filters. In Africa, Sogea-Satom continued its vehicle replacement programme and reached its intermediate target: 45% of all vehicles are now compliant with European fuel consumption standards.

IMPROVING THE ENERGY EFFICIENCY OF URBAN LIGHTING

Citéos, the VINCI Energies network brand specialises in the design, installation and maintenance of lighting. For local authorities, it develops programmes to reduce light pollution and improve the energy efficiency of urban lighting. Under a comprehensive management contract at Moncé en Belin, 200 km to the west of Paris, the approach led to an 18% reduction in energy consumption per lighting point, as well as an 11% increase in average lighting intensity.



Bottom. With the aim of reducing greenhouse gas emissions associated with its activities at Roissy-Charles de Gaulle Airport, EFS-WFS, the VINCI Concessions airport services subsidiary, purchased electric vehicles, which now make up half its fleet.

Top. Waste management (above, a sorting unit on the Annecy hospital worksite) is an environmental policy priority for VINCI Construction subsidiaries. Their aim is to reduce the production of waste at source and optimise waste sorting, traceability, treatment and recycling.

Bottom. Some motorway infrastructure is reserved for wild animals. Pictured here, an overpass built on the A28 to the north of Ecommoy to help large mammals – stags, wild boar, roe deer, foxes, etc. – cross the motorway. In 2005, there were 127 crossings for small and large animals on the Cofiroute network.

Optimising waste management

VINCI continued to introduce waste sorting across all its businesses in 2005. In view of the volume of waste involved, VINCI companies are developing ways to reduce the production of waste at source and optimise waste sorting, traceability, treatment and recycling. Waste produced by construction sites falls into three categories defined by regulations: inert waste, non-hazardous waste and hazardous waste.

In 2005, the Paris region purchasing club initiated a pilot project in which several VINCI companies – Sogea Construction, GTM Construction, Freyssinet, Eurovia and VINCI Energies – are participating. It involves setting up a joint system for the global management of waste from their construction sites. The volume of such waste reaches 80,000 tonnes a year, of which 60% is inert waste that can be recycled by Eurovia. The deployment of a joint programme with common tools (on-site pre-sorting equipment, manuals to harmonise treatment processes, framework contracts with suppliers, etc.) is to reduce the costs of managing waste, as well as improve traceability and the recycling rate. This initiative, which received the Special Synergies category award in the VINCI 2005 Innovation Awards Competition, will be audited, formalised and rolled out to other regions.

Preventing and limiting pollution

VINCI combats noise on two fronts: innovation (quieter road surfacings and noise barriers, for example) and the reduction of noise emissions at their source. On construction sites, in addition to complying strictly with noise emission regulations (especially those applying to compressors, jack hammers and tower cranes), the Group's companies consult with nearby residents to define working hours that will reduce their exposure to noise.

Appropriate solutions are implemented on Group worksites to protect air quality. These include the use of sprinklers to limit dust dispersion when vehicles pass, and the installation of dust removers directly above stone crushers in tunnels. Flue gas treatment techniques are developed by VINCI Environnement for household waste incineration plants, and by Eurovia for the emissions from its own industrial facilities. In 2005, Eurovia developed a process to reduce volatile organic compounds (VOC) emitted during the production of asphalt mixes.

The organisation of 15-minute "environment" sessions on Group construction sites raised employee awareness of solutions that prevent accidental discharges into water and soil. Settling tanks, filters and emergency spillage kits made up of absorbent materials are coming into widespread use to prevent soil pollution and water contamination.

Protecting the environment

For their design and build projects, VINCI companies carry out environmental impact studies that include a section on flora and fauna, especially for activities related to ICPE (installations classified for environmental protection).

PRESERVING THE BALANCE OF ECO-SYSTEMS

Controlling environmental impacts is a major concern at every stage of a motorway project (design, construction and management), starting with the impact study that has to be carried out before the project can be declared of public interest. Once put into service, motorway infrastructure is subject to environmental assessment: an intermediate assessment after one year, and a final assessment at the end of three to five years.
In May 2005, Cofiroute presented the intermediate assessment for the A85 motorway. This checked aspects such as the quality of the motorway's fit with its surrounding landscape (embankments blending with the natural contours of the terrain), attention paid to water treatment (both surface and ground water), and the protection of wild animals: the construction of crossings for both large and small animals, installation of ponds for frogs, and measures to limit bird deaths at selected areas of the motorway. In addition, in January 2006, Cofiroute and the French foundation for the protection of the habitat of wildlife signed a partnership agreement for the preservation of biodiversity.

REHABILITATING END-OF-OPERATION QUARRIES

Group companies transform end-of-operation alluvial quarries into leisure centres for water activities; rock quarries are restored and reforested. Local liaison and consultation committees set up by the operating companies, which local nature protection associations are invited to join, are essential for the success of rehabilitation projects. In 2005, Carrières Bretagne Sud (Eurovia) won the best environmental practices award at the sustainable development competition organised by the French national union of aggregate producers (UNPG) for its restoration of the Quinipily quarry in the Morbihan region. The quarry, which had been in operation for almost a century, was converted back into a natural site. Completely replanted, it now has a lake where the excavations took place.

Risk prevention

ECONOMIC RISKS

Only two of VINCI's installations are affected by France's national plan for the allocation of greenhouse gas quotas: Opteor-Sonnex at Lisieux in Normandy and the CICF factory at Chateauneuf les Martigues in the south. Their quotas are 14,429 tonnes and 159,172 tonnes of CO_2 respectively. VINCI does, however, participate in discussion groups on the changes that are likely to occur, particularly on the themes of "buildings and CO_2" and "transport and CO_2".

INDUSTRIAL AND ENVIRONMENTAL RISKS

VINCI has low exposure to industrial and environmental risks. Some of Eurovia's business activities – binder plants, coating plants and quarries – are closely regulated and have characteristics that are similar to those of industry. They can therefore be exposed to limited but well identified risks.

The risks presented by binder and coating plants stem from the fact that they use or make products that are potentially dangerous

for the environment. These sites are the subject of permanent monitoring and internal inspections carried out by Eurovia's quality, safety and environment department (QSE). The programme launched seven years ago to upgrade coating plants is now producing results. Inspections are carried out regularly at these sites to ensure they continue to comply with regulations. The risks identified in connection with quarries concern noise, vibration and dust emissions. External audits are carried out every year by certified bodies. Dust emissions, which are checked in compliance with standards defined by an external body, are reported once a year to the regional department for industry, research and the environment (DRIRE). Because these risks are limited, no special system has been set up to monitor the costs and investments connected with their management. However, all identified risks are analysed on a case-by-case basis and provisions are allocated if appropriate.
On 31 December 2005, provisions allocated by Eurovia, where most of the industrial and environmental risks are concentrated, amounted to €7 million.

TECHNOLOGICAL RISKS

As VINCI has no facilities classified under clause IV of article L. 515-8 of the French Environmental Code, its subsidiaries are no longer directly concerned by technological risks. They can, however, be indirectly exposed to such risks in the following cases:

- some VINCI business activities may be carried out occasionally or on a long-term basis near facilities classified as presenting technological risks. The companies involved must then comply with current legislation: in particular, they may not initiate any activities that could lead to an increase in the number of employees working close to the classified site;
- some of VINCI Energies' business units may be called upon to work inside classified facilities where the operations rules oblige them to take all the necessary safety steps, especially those concerning employee evacuation.

Environmental indicators

Environmental reporting is carried out once a year in accordance with formalised procedure manuals. More than 200 VINCI employees are involved in the reporting activity. In line with the master plan established in 2003, the reporting mechanism has been extended to cover the performance of VINCI Energies' business units. Change can be measured by division or by type of business based on the verified data. Environmental reporting in 2005 covered 49.8% of total revenue (compared with 34.4% in 2004).

Environmental reporting scope

2005 environmental reporting	Scope	% of revenue
VINCI	World	49.8%
VINCI Construction	World	27%
of which GTM Construction	France	100%
VINCI Construction Grands Projets	World	100%
Eurovia	France	57%
VINCI Concessions	France	47%
of which Cofiroute	France	100%
Stade de France	France	100%
EFS (VINCI Airports)	France	100%
VINCI Energies	World	95%

Above: After rehabilitation, Eurovia's end-of-operation quarries blend perfectly into their natural environment. Pictured here: the Meurthe sand quarry.

Protection of natural resources

A/ WATER, ELECTRICITY AND FUEL CONSUMPTION

Cofiroute (VINCI Concessions)	2005 (986 km)	2004 (928 km)
Water (cu. metres)	245,708	227,365
Electricity (kWh)	17,139,636	18,769,378
Fuel (tonnes of oil equivalent)	2,265	2,140
Length of motorway (km) with water resource protection	589.5	480
Number of run-off collection tanks	1,034	968

EFS (airport services – VINCI Concessions)	2005	2004
Diesel consumption (litres)*	68,604	44,331
Fuel oil (litres)*	137,724	137,749
Percentage of electric vehicles in EFS vehicle fleet	45%	45%

* at Orly airport.

Stade de France Consortium (VINCI Concessions)	2005	2004
Electricity used in stadium (kWh)	10,293,897	10,293,323
Electricity for water cooling	1,826,000	2,227,000
Electricity for water heating	7,881,000	7,230,000

GTM Construction (VINCI Construction)	2005	2004
Water (€)	1,027,780	870,486
Electricity and gas (€)	5,692,320*	4,518,992
Fuel and lubricants (€)	14,942,340**	12,085,524

* Change due to increased energy price
** Change due to increased fuel price

VINCI Construction Grands Projets (VINCI Construction)	2005	2004
Drinking water (cu. metres)	2,772	3,660
Industrial water (cu. metres)	2,198	3,083
Percentage of worksites with measures to reduce water consumption	70%	35%

Sogea-Satom (VINCI Construction)	2005	2004
Diesel (in kWh)	0.11	0.13

VINCI Energies	2005	
Water (cu. metres)	129,248	
Electricity (kWh)	41,845,684	
Percentage of “clean” vehicles	1.3%	

B/RECYCLING MATERIALS

Eurovia	2005	2004
% of coating production made with milled RAP (reclaimed asphalt pavement)	20%	18%
Production of coating made with over 20% of milled RAP (tonnes)	92,000	84,000
% of production using recycled materials compared with total aggregate production:	14%	15%
- of which recycled materials production (tonnes)	6,612,000	7,150,000
bottom ash production	704,000	735,000
slag production	1,511,000	2,316,000
schist production	705,000	890,000
Recycling of worksite rubble (asphalt mix crust, planings, demolition concrete, etc.)	3,692,000	3,209,000
Number of worksite rubble recycling facilities (asphalt mix crust, planings, demolition concrete, etc.)	91	87

Measures taken to prevent discharges and pollution

A/ DISCHARGES INTO WATER

Eurovia (fuel stations – parking areas and drain water)	2005	2004
% of stations with sealed distribution and storage areas, the water collection system being connected to a hydrocarbon separator	81%	84%
% of separators regularly emptied and maintained by specialist companies	92%	88%
% of sealed parking areas for HGV and construction site machinery	63%	66%
% of sealed parking areas for light vehicles and utility vehicles	86%	84%
% of production from quarries with drain water measuring their discharge regularly in order to guarantee compliance with applicable requirements	94%	88%

B/ NOISE POLLUTION

Eurovia	2005	2004
% of quarry production [1]	93%	78%
% of coating plant production [2]	68%	68%
% of binder plant production [3]	88%	88%

C/ DISCHARGES IN THE ATMOSPHERE – POLLUTION DUE TO DUST

Eurovia	2005	2004
% of production of quarries [1]	94%	95%
% of production of coating units [2]	85%	79%

VINCI Construction Grands Projets	2005	2004
Worksites controlling dust	63%	50%
Projects monitoring their CO_2 emissions	33%	20%

Sogea-Satom (VINCI Construction)	2005	2004
Drilling equipment fitted with a dust recovery system	80%	70%
Concrete plants with dust filters	100%	
Coating plants fitted with a flue gas treatment system	50%	36%

Waste management

Cofiroute (VINCI Concessions)	2005	2004
Operations centres equipped for selective sorting	100%	100%
Rest areas equipped for selective sorting	11.76%	12%
Recycled products used for road maintenance and repair	13.56%	8.52%

VINCI Energies	2 005
Subsidiaries sorting	
waste paper	53%
cardboard waste	60%
metal waste	75%
used cartridges	92%
battery waste	100%
used light bulbs (lamps, neon strips, and bulbs)	100%

VINCI Construction Grands Projets	2005	2004
Construction sites sorting waste	83%	79%
Construction sites with traceability of hazardous waste	67%	75%
Construction sites taking measures to reduce the quantity of waste	58%	40%
Construction sites recycling waste materials	54%	42%

Annual expenditure on the environment

	2005	2004
Cofiroute (VINCI Concessions)	€6,778,178	€6,646,336
GTM Construction	€589,000 [4]	€582,000 [4]
Eurovia	€14,150,000	€4,500,000 [4]

Preservation of biodiversity

Cofiroute (VINCI Concessions)	2005	2004
Number of km of fences to protect animals	1808	1671
Number of crossings for small and large animals	127	88

1.– In 2005, 28 of the 89 full ownership quarries were located less than 200 metres from the nearest house.

2.– In 2005, 10 of the 41 coating plants were located less than 200 metres from the nearest house.

3.– In 2005, 6 of 11 binder plants were located less than 200 metres from the nearest house.

4.– R&D spending only.

R&D and innovation

Innovation is the linchpin of VINCI's sustainable development approach as it provides solutions to issues of quality, safety and environmental protection. The Group's innovation policy combines strong impetus at corporate level with initiatives developed by the business units to provide customers and users with safer and more environmentally friendly infrastructure that will stand the test of time.

More than 2,400 employees participated in the VINCI Innovation Awards Competition, submitting a total of 994 projects.

VINCI 2005 INNOVATION AWARDS COMPETITION

With the aim of developing the Group's creative potential and promoting the innovations of its employees, VINCI organises the VINCI Innovation Awards Competition every two years. This major competition is open to employees all over the world. The 2005 edition was particularly productive, with 994 projects submitted by over 2,400 employees, which is 35% more participants than the previous competition. A total of 123 regional awards were made in the first phase of the competition. The 12 final winners (see below) were handed their awards at a ceremony attended by more than 2,000 people at the Cité des Sciences et de l'Industrie in La Villette, Paris. To encourage employees throughout the Group to make full use of these innovations, all the projects submitted in 2005 (and those submitted in earlier competitions) are posted on the VINCI intranet.

The 12 final winners

Grand Prize.
Suspension bridge cables using Cohestrand (Kanne bridge - Belgium): *an innovative process for increasing the durability of the cables supporting a suspension bridge (see p. 94).*

Materials Prize.
An overpass superior in every way: *a bridge in ultra-high performance fibre-reinforced concrete that reinvents the prefabricated section method.*

Services Prize.
System for measuring speed and intervehicular distances on the motorway and informing drivers: *an educational way of contributing to the national road safety campaign.*

Processes and Techniques Prize.
Floating foundations on the Monestier viaduct: *a solution for building a structure on loose ground.*

Equipment and Tools Prize.
A roller for lubricating formwork: *a system that protects the environment and improves working conditions.*

Management Prize.
Papyrus: *a tablet PC equipped with software allowing the foreman to enter field data directly into the centralised IT system; it also has a messaging system and gives access to the intranet (see p. 73).*

Sustainable Development Prize.
Finished product packaging waste reduction: *replacement of binder packaging by low-density polythene bags that can be recycled into the binder.*

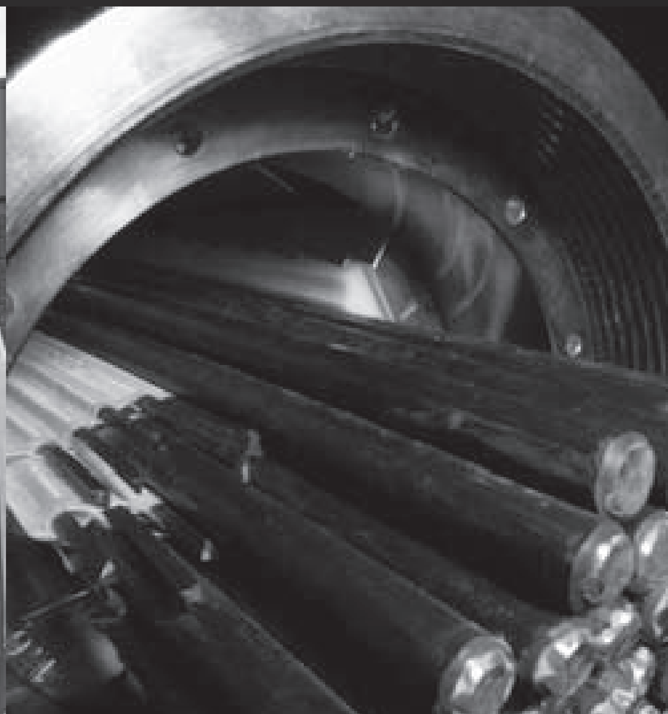
Safety Prize.
Safe handling of cable drums with a new transport trolley: *a new trolley for easy and safe cable drum handling.*

Special Synergies Prize.
Global management of worksite waste: *Group synergies for better waste management.*

Special Skilled Worker Prize.
Picvert-hook for handling manhole covers that can be fitted to a pick: *a hook that helps avoid accidents when removing cast iron manhole covers.*

Special Communication Prize.
Eurovia homepage in Germany / Ongoing projects internet presence: *a comprehensive description on the Web of construction works keeps customers and road users abreast of projects under way at Eurovia Deutschland.*

Special Ingenuity Prize.
The friction wheel: *a transfer system using a conveyor without telescopic arms (see p. 58).*



Top. The final winners of the VINCI 2005 Innovation Awards Competition, who received their awards on 5 December 2005, with Antoine Zacharias and Xavier Huillard.
Bottom left: To minimise production and management of waste, Ringway (Eurovia) uses polythene bags to package some of the binder components. The bag is fed into the tar boiler and melts along with the binder. This project was awarded the Sustainable Development Prize in the VINCI 2005 Innovation Awards Competition.
Bottom right: Fruit of Freyssinet research, Cohestrand, a revolutionary adhesive - i.e. cohesive - strand that increases the durability of the cables supporting a suspension bridge. This project was awarded the Grand Prize in the VINCI 2005 Innovation Awards Competition.

RESEARCH AND DEVELOPMENT POLICY

The research, development and innovation committee, comprising representatives from various VINCI entities, meets every two months. Its task is to facilitate the sharing of ongoing research within VINCI or within the framework of European projects, such as ECTP (European Construction Technology Platform) and ENCORD (European Network of Construction Companies for Research and Development). The committee is also responsible for promoting prize-winning projects from the different VINCI Innovation Awards competitions by identifying innovations that lend themselves to wider application across the Group.

Each business line manages its own budget and R&D projects based on the specific challenges of its activity. Eurovia invests 6% of its revenue in R&D, focusing primarily on sustainable development, road safety and the management of its road assets. The Group encourages exchanges between national and international laboratories with the aim of facilitating inter-company technology transfers. VINCI, which is a member of France's technological research association (ANRT), has also strengthened its relations with the academic world, recruiting young PhD students under industrial training and research contracts (CIFRE) and participates in CIFRE forums.

Research programmes in 2005 and the companies involved

Energy saving	➤ "Home vert" site hut (GTM Construction). ➤ Cold recycling of asphalt mix (SCORE programme, Eurovia). ➤ Recycling in Europe (part of SAMARIS programme, Eurovia). ➤ Environmentally friendly construction (E_co-housing, GTM Construction). ➤ Automated compaction (CIRCOM programme, Eurovia). ➤ Lower temperature road surfacings (coatings, asphalt mixes, Eurovia). ➤ Urban lighting (Citéos CENTER programme, Générale d'Infographie and Citéos/VINCI Energies).
Pollution control	➤ Pollution removal from facades (PICADA programme, GTM Construction). ➤ NOx absorbent noise barriers (Eurovia). ➤ Micro-emulsions (Eurovia). ➤ Cold plasma treatment of binder plant flue gases (Eurovia). ➤ Biodegradable emulsifiers (Eurovia). ➤ Vegetable-oil based fluxing agents (Eurovia). ➤ Remote measuring of atmospheric pollution (Degréane/VINCI Energies). ➤ Meteorological observation and environmental monitoring (programmes run by VINCI Energies and ADEME, Météo France, Centre de Recherche Atmosphérique, Laboratoire des Sciences et de l'Environnement Electromagnétique Terrestre).
Road safety, transport	➤ New concepts in road construction (European NRCC programme, Eurovia). ➤ Heat-sensitive marking (Eurovia). ➤ Design and deployment of intelligent transport systems on the trans-European road network (European ARTS programme, Cofiroute). ➤ Technical interoperability between electronic toll collection systems in Europe, notably between the French Liber-t and German Toll Collect systems (European RCI project, Cofiroute). ➤ Vehicle-to-vehicle and vehicle-to-infrastructure information systems to avoid pile-ups and improve road safety (European SafeSpot programme, Cofiroute).
Prevention of natural risks	➤ Earthquakes and landslides (European Lessloss programme, VINCI Construction Grands Projets) ➤ Folding fusegates for dams (Hydroplus/VINCI Construction).

Opinion of one of the Statutory Auditors on the implementation of environmental reporting and on the application of procedures for the collection of information contained in the Social Responsibility section of the 2005 annual report

As requested, and as Statutory Auditors of VINCI, we have performed the procedures described below relating to verification of:
– the implementation of procedures related to environmental reporting; and
– the application of procedures for the collection of information contained in the Social Responsibility section of the 2005 annual report.

This implementation and these procedures have been established under the responsibility of the Executive Committee of VINCI. We are required to form an opinion on them on the basis of our work, which constituted neither an audit nor a limited review of information as understood in the international auditing standards.

NATURE AND EXTENT OF OUR WORK

Our work comprised the following:
• With respect to the approach to implementation of environmental reporting
– a review of the system implemented to collect environmental data in four sub-groups (1), notably as concerns criteria of relevance, completeness, reliability, objectivity and understandability;
– discussions with the managers responsible for environmental reporting in each sub-group.
• With respect to the application of procedures for the collection of social performance information
– an analysis of the procedures for the collection, validation and consolidation of social performance indicators included in the Social Responsibility section of the annual report and notably in respect of the criteria indicated above;
– discussions at head office and in four sub-groups (2) with the main persons responsible for the implementation and verification of the application of the social performance information collection procedures.

COMMENTS

On the basis of the work performed, we have the following comments to make:
• With respect to the approach to implementation of environmental reporting
– the four sub-groups reviewed have implemented an internal system allowing collection of environmental data; procedures were formalised during the year;
– this collection does not concern the whole Group; in particular, certain sub-groups take into account only information relating to operations carried out in France.
• With respect to the application of procedures for the collection of social performance information
– for future years, the means of verification to be implemented by the Group's business lines should be strengthened;
– the role of each person involved in the analytical verification of data should be more clearly defined;
– systematic use of the Group reporting system is desirable wherever it is available.

CONCLUSION

Taking account of the work done and the comments made above:
• the approach adopted for the implementation of environmental reporting is being deployed and must, in particular, be extended across the whole Group;
• we have not observed any material irregularity in the application of the procedures implemented for the collection of the information given in the Social Responsibility section of the 2005 annual report.

1.– Cofiroute, Eurovia, GTM Construction Grands Projets.
2.– Eurovia, Sogea, VINCI Energies, VINCI Park.

Paris, 1 March 2006
Salustro Reydel
Member of KPMG International

Philippe Arnaud
Partner in charge of the environment and sustainable development department

Benoît Lebrun
Partner

Bernard Cattenoz
Partner

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FINANCIAL STATEMENTS

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CORPORATE GOVERNANCE

VINCI's general management places great importance on the effectiveness of its system of control for the making of major decisions and the ease with which information circulates within the Group. This permanent concern is a consequence in particular of its very decentralised organisation. The separation of the functions of Chairman and of Chief Executive Officer, decided by the Board of Directors on 14 June 2005, the reorganisations of the general management and of the work undertaken by the Board since then were in this context.

1. SEPARATION OF THE FUNCTIONS OF CHAIRMAN AND OF CHIEF EXECUTIVE OFFICER

The separation of the functions of Chairman and of Chief Executive Officer, decided by the Board of Directors on 14 June 2005 following a proposal by Antoine Zacharias, became effective on 9 January 2006.

From that date, Antoine Zacharias, who until then was Chairman and Chief Executive Officer, ceased to act as Chief Executive Officer and retains the function of non-executive Chairman only.
M. Xavier Huillard, who until then was Co-Chief Operating Officer, was appointed Chief Executive Officer and was co-opted by the Board of Directors as a Director, replacing Henri Saint Olive who had previously tendered his resignation.

In order to ensure continuity in the Group's operations and strategy and to take account of its new scale with the integration of ASF in view, the Board, following a proposal by its Chairman, has reviewed the way in which its work, and that of its various committees, is organised. The Board has therefore set up two new committees, the Strategy and Investments Committee and the Appointments Committee. Antoine Zacharias was appointed chairman of both these committees.

In his new functions as Director and Chief Executive Officer, Xavier Huillard proposed to the Board, which accepted, the appointment of Roger Martin as Senior Executive Vice-President. Xavier Huillard has also altered the composition of the Executive Committee of which he is now the chairman. Pierre Coppey (Vice-President, Corporate Communications, Human Resources and Synergies), Christian Labeyrie (Vice-President and Chief Financial Officer) and Philippe Ratynski, who were already members of the Executive Committee, have been appointed Executive Vice-Presidents. David Azéma (Senior Executive Vice-President of VINCI Concessions), Richard Francioli (Chairman of VINCI Construction), Jean-Yves Le Brouster (Chairman and Chief Executive Officer of VINCI Energies) and Jacques Tavernier (Chief Executive Officer of VINCI Concessions) have joined the Executive Committee.

2. MEMBERSHIP OF THE BOARD OF DIRECTORS

At the date of this registration document, the Board of Directors has 15 members.

Subject to the rules on the age limit, Directors appointed or reappointed as from 1 January 2005 are appointed for four years, and those who were appointed before 1 January 2005 were appointed for six years. The Company's corporate statutes provide that no-one may be appointed or reappointed as a Director if they have reached the age of 75 and that not more than one third of the Directors in office at the balance sheet date of the period for which the Shareholders Meeting is asked to vote may be over 70.

2.1 APPOINTMENTS AND FUNCTIONS OF COMPANY OFFICERS

The table below lists the appointments and functions of the 15 directors serving at the date of this registration document, of the two persons whose appointment as Directors is proposed to the Shareholders Meeting and of the Senior Executive Vice-President who is not a Director.

Directors

Antoine Zacharias Age: 66 • 1990-2008 VINCI 19, rue Balzac 75008 Paris Chairman of the Strategy and Investments Committee and of the Appointments Committee	**Chairman of the Board of Directors of VINCI** ***Main appointments within the VINCI Group:*** Chairman of the Board of Directors of VINCI Concessions; Chairman of the Supervisory Board of VINCI Deutschland GmbH; permanent representative of VINCI on the Board of Directors of Autoroutes du Sud de la France; Director of VINCI Energies, VINCI Park, VINCI plc and Cofiroute; Chairman of the Fondation d'Entreprise VINCI pour la Cité. ***Appointments outside the VINCI Group:*** Director of Nexity and member of the Supervisory Board of Veolia Eau - Compagnie Générale des Eaux. ***Appointments outside the VINCI Group that have expired during the last five financial years:*** Director of Nexity Topco; member of the Supervisory Board of Nexity. ***Background:*** a graduate of ENSEEIHT, Antoine Zacharias has held various positions of responsibility within Compagnie Générale des Eaux, where he has spent most of his career. In particular he was Regional Manager in Lyons and was in charge of the development and monitoring of the Group's activities in Germany. He was appointed Executive Vice-President of Compagnie Générale des Eaux in 1994 and member of the Executive Committee of Vivendi in 1995. He was appointed Director and Chief Executive Officer of VINCI in 1991 and became its Chairman in June 1997.
Xavier Huillard Age: 51 • 9 January 2006-2006[1] VINCI 1, cours Ferdinand-de-Lesseps 92500 Rueil-Malmaison	**Director and Chief Executive Officer of VINCI** ***Main appointments within the VINCI Group:*** Director of VINCI Energies, VINCI Park and VINCI plc. ***Appointments outside the VINCI Group:*** Director of Soletanche ***Appointments outside the VINCI Group that have expired during the last five financial years:*** none ***Background:*** Xavier Huillard is a graduate of the École Polytechnique and the École Nationale des Ponts et Chaussées. He has spent most of his working life in the construction industry in France and abroad. He joined Sogea in December 1996 as Deputy Chief Executive Officer in charge of international activities and specific projects, and then became its Chairman and Chief Executive Officer. He was appointed Deputy General Manager of VINCI in March 1998, and was Chairman of VINCI Construction from 2000 to 2002. He was appointed Co-Chief Operating Officer of VINCI and Chairman of VINCI Energies in April 2002. He became Director and Chief Executive Officer in 2006.
Bernard Huvelin Age: 69 • 1983-1988 and 1999-2009 VINCI 19, rue de Balzac 75008 Paris Member of the Strategy and Investments Committee, the Audit Committee and the Appointments Committee	**Vice-Chairman of the Board of Directors of VINCI and Adviser to the Chairman** ***Main appointments within the VINCI Group:*** Chairman and Chief Executive Officer of Consortium Stade de France; Director and President of VINCI USA Holdings Inc.; Director of VINCI Concessions, VINCI Park, VINCI Energies, and CFE; permanent representative of Sogepar on the Board of Directors of Cofiroute and of Semana on the Board of Directors of Eurovia; Director of Fondation d'Entreprise VINCI pour la Cité. ***Appointments outside the VINCI Group:*** Director of Société d'Economie Mixte Locale de Rueil 2000, Electro Banque, Cofido and SAS Soficot; Chairman of the professional association Entreprises Générales de France BTP (EGF-BTP). ***Appointments outside the VINCI Group that have expired during the last five financial years:*** none ***Background:*** a graduate of HEC, Bernard Huvelin joined SGE in November 1962 and has spent all his working life there. He was appointed Company Secretary in January 1974 and had several General Management positions within the Group from 1982 to 1990 before becoming its Executive Vice-President in 1991, Chief Executive Officer in 1997, Director and Chief Executive Officer in 1999, then Director and Co-Chief Operating Officer of VINCI in 2002. He was appointed Vice-Chairman of the Board of Directors of VINCI and adviser to the Chairman in 2005.

[1] Xavier Huillard has been co-opted as a Director for the remaining period of Henri Saint Olive's term of appointment. The renewal of his appointment for the four years from 2006 to 2010 will be proposed to the Shareholders Meeting.

Dominique Bazy Age: 54 • 1996-2008 UBS Investment Bank 65, rue de Courcelles 75008 Paris Chairman of the Audit Committee	**Vice-Chairman of UBS Investment Bank** Dominique Bazy is also a Director of Atos Origin. ***Appointments that have expired during the last five financial years:*** Chairman and Chief Executive Officer of UBS Holding France SA; Chairman of the Board of Directors of UBS Securities France SA; Director of GrandVision; Member of the Supervisory Board of Atos Origin. ***Background:*** Dominique Bazy has a degree in law and is a graduate of the Institut d'Études Politiques Paris and the École Nationale d'Administration. He is also a qualified economist. After holding various positions in government departments, he joined Athéna in 1984, became Chief Executive Officer of Athéna Banque in 1985 and Deputy Chief Executive of Athéna from 1986 to 1988. He was appointed Chairman of Sicav Haussmann France in 1987. From 1990 to 1992 he held various positions with UAP. He was a member of the Executive Committee of Crédit Lyonnais in 1993 and Chairman of Clinvest from 1993 to 1994, Chairman of the Supervisory Board of Altus Finance in 1993, Executive Vice-President of Compagnie de l'UAP from 1995 to 1996, Chairman of Allianz Assurances France from 1997 to 2000, General Manager in charge of AGF's general agents department from 1998 to 2000, member of the International Executive Committee of Allianz AG from 1997 to 2000, Chairman and Chief Executive Officer of UPS Warburg (now UBS) Holding France from 2000 to 2003, Chairman of UBS Securities France SA from 2003 to 2004. He has been Vice-Chairman of UBS Investment Bank since 2004.
François David Age: 64 • 2003-2009 Coface 12, cours Michelet La Défense 10 – Cedex 51 92065 Paris La Défense Member of the Audit Committee	**Chairman of the Coface Group** François David is also Chairman of AK Coface (Germany) and Viscontea Coface (Italy), *censeur* of Rexel and Director of EADS. ***Appointments that have expired during the last five financial years:*** Chairman and Chief Executive Officer of Coface SCRL Participations and Coface SCRL, Chairman of the Board of Directors of Coface Expert, Chairman of the Supervisory Board of AKC (Allgemeine Kreditversicherung Aktiengesellschaft Coface); Director of Rexel. ***Background:*** François David has a degree in sociology and is a graduate of the Institut d'Études Politiques Paris and of the École Nationale d'Administration. After holding various positions in government departments between 1969 and 1990, he was Chief Executive Officer (International) of Aérospatiale between 1990 and 1994. He has been Chairman of the Board of Directors of Coface since 1994, Chairman of the Supervisory Board of AK Coface since 1996 and Chairman of the Board of Directors of Viscontea Coface since 1997. François David has also written several books.
Quentin Davies Age: 61 • 1999-2000 and 2003-2008 House of Commons London SWIA OAA Chairman of the Remuneration Committee and Member of the Appointments Committee	**Member of the House of Commons, United Kingdom** Director of Lloyds of London ***Appointments that have expired during the last five financial years:*** none ***Background:*** Quentin Davies is British and a graduate of Cambridge and Harvard. He held several positions in the British Diplomatic Service from 1967 before joining Morgan Grenfell in 1974, where he was head of European Corporate Finance. He was elected to the UK Parliament as a Conservative Member in 1987 and has been Opposition Spokesman for Social Security and Pensions, for Treasury matters, for Defence and for Northern Ireland, and a member of the Shadow Cabinet. He was a Director of VINCI from 1999 to 2000.
Guy Dejouany Age: 85 • 1988-2006 Veolia Eaux - Compagnie Générale des Eaux 52, rue d'Anjou 75008 Paris	**Honorary President of Vivendi Universal** Guy Dejouany is also a member of the Supervisory Boards of Dalkia and Compagnie des Eaux et de l'Ozone. ***Appointments that have expired during the last five financial years:*** Director of Vivendi Universal Publishing and Dataceo; permanent representative of Vivendi Universal on the Board of Directors of UGC. ***Background:*** Guy Dejouany is a graduate of the École Polytechnique and the École Nationale des Ponts et Chaussées. He joined Compagnie Générale des Eaux (which became Vivendi in 1998) in 1961. He became its Deputy General Manager in 1965, then General Manager in 1972, Director and General Manager in 1973, Chairman and General Manager from 1976 to 1996 and has been Honorary Chairman since 1996. He was appointed Chairman of Société Monégasque des Eaux in 1970, was Chairman of Société d'Applications Hydrauliques, d'Investissements et d'Entreprises and of Société Française de Distribution d'Eau from 1976 to 1996, and Chairman and General Manager of Société Générale d'Entreprises from 1988 to 1996.

Alain Dinin Age: 55 • 1997-2008 Nexity 1, terrasse Bellini TSA 48200 – La Défense 11 92919 Paris La Défense Cedex Member of the Strategy and Investments Committee and of the Remuneration Committee	**Chairman and Chief Executive Officer of Nexity** Alain Dinin is also Chairman of Nexity Initiale, of Nexity Logement and of George V USA; Chairman of the Board of Directors of Crédit Financier Lillois SA; Vice-President and Member of the Supervisory Board of Saggel Holding; Member of the Supervisory Board of Parcoval SAS; Director of Nexity-Espana and of Nexibel 4; Director of Nexity Belgium and of Sea Oaks GP, LC; Presidente and Consigliere of Nexity Biandrate and of Nexity Italia; Manager of Société d'Aménagement et d'Investissements Fonciers SARL, of Critère SARL and of Clichy Europe 4 SARL; and Managing Partner of Nexity Investissement. As Chairman of Nexity Logement and of Nexity Initiale, Alain Dinin is also the legal representative of several Nexity Group companies. He is also the permanent representative of a number of companies on the Boards of Directors of Nexity Group companies. Alain Dinin is also a Director of the Fédération Nationale des Promoteurs Constructeurs and of the École Supérieure de Commerce de Lille; a Director of ORF (Observatoire Régional du Foncier en Île-de-France); and a Member of the Executive Board of the FNPC (Fédération Nationale des Promoteurs Constructeurs).. ***Appointments that have expired during the last five financial years:*** Chairman and Managing Director of George V Gestion and of Nevalor; Managing Director of Crédit Financier Lillois; Director of Sari Participations; Vice-Chairman of the Supervisory Board of Vivolio; Chairman and Member of the Supervisory Board of Nexity Topco et Capsud; Vice-Chairman of the Supervisory Board of Coprim; Manager of Locosud Gestion, of George V Participations, of CIPP GSO Services, of Immobilière Du Vert Bois, of Macba, of Nexity Management SNC; President of Terre Neuve and Director of Euromedien Babelsberg GmbH; Chairman of the Board of Nexity España; Chairman of the Supervisory Board of Saggel Management SCA. Alain Dinin has held a variety of appointments in Nexity Group companies as legal representative of a number of Nexity Group companies. ***Background:*** Alain Dinin is a graduate of the École Supérieure de Commerce de Lille and joined the George V Group in 1979, where he held a number of senior management positions. In 1987, he was appointed Director and Managing Director and in 1997 Chairman and Managing Director of the George V Group. In 1996, he was also Adviser to the Chairman of Compagnie Générale des Eaux and Managing Director of Compagnie Générale d'Immobilier et de Services - CGIS. He was Vice-Chairman of the Executive Committee and Managing Director of Nexity from 2000 to 2003, becoming its Chairman in 2003.
Patrick Faure Age: 60 1993-2009 Renault F1 Team API : RSV F1 1/15, avenue du Président-Kennedy 91177 Viry-Chatillon Member of the Strategy and Investments Committee	**Chairman and Chief Executive Officer of Renault Sport and Chairman of the Board of Directors of Renault F1 Team Ltd** Patrick Faure is also Chairman of the Board of Directors of Ertico and Director of AB Volvo, Renault Agriculture, Grigny UK Ltd and Cofiroute. ***Appointments that have expired during the last five financial years:*** Chairman of the Board of Directors of Benetton Formula; Director of Compagnie Financière Renault, Compagnie d'Affrètement et de Transport, Esl & network, Giat Industries; Deputy Chief Executive Officer and member of the Executive Committee of Renault. ***Background:*** Patrick Faure is a graduate of the École Nationale d'Administration. Since 1979 he has held various positions with Renault including that of Manager of Renault Austria from 1981 to 1982 and of Renault U.K. from 1982 to 1984. In 1984, he was appointed central public relations manager of Renault and in 1985 became manager of public relations and communication. In January 1986, Patrick Faure became Vice-President of Renault and Company Secretary of the Renault Group in 1988. In January 1991, he was appointed Deputy General Manager (Marketing) and Chairman of Renault Sport. Patrick Faure was Executive Vice-President and member of the Executive Committee of Renault until 1 January 2005.
Dominique Ferrero Age: 59 • 2000-2006 (2) Merrill Lynch Capital Markets 112, avenue Kléber BP 2002-16 75761 Paris cedex 16 Member of the Remuneration Committee	**Vice-Chairman of Merrill Lynch Europe** Dominique Ferrero is also a Director of Assurances Générales de France. ***Appointments that have expired during the last five financial years:*** Managing Director of Société Financière de la BFCE; Director of Crédit Lyonnais Capital Investissement, Gallimard, AGF; member of the Supervisory Board of Atos; member of the Executive Committee of Crédit Lyonnais. ***Background:*** a graduate of the École Normale Supérieure, Dominique Ferrero joined Banque Française du Commerce Extérieur (BFCE) in 1978. He was seconded from BFCE from 1981 to 1986 to various positions in the French Treasury, the Ministry for Foreign Trade and Tourism and the Ministry for Industrial Redeployment and Foreign Trade. From 1988 to 1991, he was development manager at BFCE, a member of the General Management Committee, responsible for creating and developing its long-term corporate finance and merchant banking activities. He was appointed Managing Director of Société Financière de la BFCE then Deputy Managing Director and member of the general management in 1991 and Managing Director of BFCE in 1994. In 1996, he became Managing Director of the Natexis group (resulting from the merger of BFCE and Crédit National), then Managing Director of Natexis Banques Populaires (resulting from the merger of Natexis and Caisse Centrale des Banques Populaires) in 1999, and Chief Executive Officer of Crédit Lyonnais from 1999 to 2003. Since 2004 he has been Senior Adviser and Vice-Chairman of Merrill Lynch Europe.

(2) *Reappointment for the four years from 2006 to 2010 will be proposed to the Shareholders Meeting.*

Serge Michel Age: 79 • 1984-1988 and 1990-2008 Soficot 103, boulevard Haussmann 75008 Paris	**Chairman of Soficot** Serge Michel is also Chairman of SAS CIAM and SAS Carré des Champs-Élysées; Chairman of the Supervisory Board of Segex; Director of Eiffage, Veolia Environnement, Infonet Services, LCC, and SARP Industries; member of the Supervisory Boards of Compagnie des Eaux de Paris and of Trouville, Deauville et Normandie; permanent representative of CEPH on the Board of Directors of Sedibex and permanent representative of Edrif on the Supervisory Board of Compagnie Générale des Eaux. ***Appointments that have expired during the last five financial years:*** Director of DB Logistique, Fomonto de Construcciones y Contratas SA, FCC Construcción SA, Cementos Portland, VINCI Construction. ***Background:*** Serge Michel, after obtaining his civil engineering qualification, has spent all his working life in building and civil engineering. From 1954 to 1955 he was a manager at Société d'Entreprises et d'Applications Sanitaires (SEAS) and then between 1955 and 1967 manager of Etablissements Houdry. In 1967, he joined Saint-Gobain, where he became Chairman of Socea in 1979, then Chairman and Chief Executive Officer of SGE from 1983 to 1988 and Deputy Chief Executive Officer of Compagnie de Saint-Gobain in 1986. From 1988 to 1990, he was Chairman of the Executive Board of SGE and from 1990 to 1995 Vice-Chairman of the Board of Directors of SGE. From 1988 to 1992 he was Founding Chairman of CISE and from 1991 to 1992 Deputy Chief Executive Officer of Compagnie Générale des Eaux. Serge Michel was also Chairman of Air Industrie in 1972, of Wanner Industrie in 1978, Tunzini in 1980 and of Saunier Duval in 1982. Serge Michel has been Founding Chairman of Soficot, a management and investment consultancy since 1997, Chairman of SAS Carré des Champs-Élysées since 2000 and Chairman of SAS Gastronomique de l'Étoile and of Groupe Epicure since 2005.
Alain Minc Age: 57 • 1984-1986 and 2000-2006 (3) AM Conseil 10, avenue Georges-V 75008 Paris Member of the Appointments Committee	**Chairman and Chief Executive Officer of AM Conseil and Chairman of the Supervisory Board of *Le Monde.*** Alain Minc is also Honorary Chairman and Director of Société des lecteurs du *Monde*, and a Director of Fnac and of Valeo. ***Appointments that have expired during the last five financial years:*** Member of the Supervisory Board of Pinault Printemps Redoute; Director of Ingenico and Yves Saint Laurent; Chairman of the Supervisory Board of Le Monde SA; censeur of Ingenico; Chairman and Chief Executive Officer of Cochery Bourdin Chaussé from 1984 to 1986; Chief Executive Officer from 1982 to 1985 and Director and Chief Executive Officer from 1985 to 1986 of SGE. ***Background:*** a graduate of the École des Mines de Paris, the Institut d'Études Politiques Paris and the École Nationale d'Administration, Alain Minc joined Compagnie de Saint-Gobain in 1979 as head of financial services and was appointed finance director in 1982. He then became Director and Chief Executive Officer of Société Générale d'Entreprises then Chairman of Cochery Bourdin Chaussé from 1985 to 1986. From 1986 to 1992, he was Vice-Chairman of Cir International (De Benedetti group). At the same time he was appointed Director and Chief Executive Officer (in 1986) then Vice-Chairman (1989-1991) of Compagnies Européennes Réunies. He has been Chairman of AM Conseil since 1991, Chairman of Société des Lecteurs du *Monde* since 1985 and of the Supervisory Board of Le Monde SA since 1994. Alain Minc has written many books, throughout his career.
Yves-Thibault de Silguy Age: 57 • 2000-2006 (3) Suez 16, rue de la Ville-L'Évêque 75008 Paris	**Executive Vice-President of the Suez Group** Yves-Thibault de Silguy is also Chairman of the Board of Directors of Aguas Argentinas, and Chairman of the Board of Directors of Sino French Holdings (China); Director of Degrémont, Suez Environnement, Suez Energies Services, Suez Tractebel and Swire Sita Waste Services Ltd (China); Chairman of the Board of Directors or Director of subsidiaries of the Suez group in New Caledonia, in French Polynesia, Monaco and Vanuatu; member of the Supervisory Boards of Métropole Télévision-M6 and Sofisport. Yves-Thibault de Silguy is also Chairman of the France-Algeria Committee and also Vice-President of the France-China Committee of Medef, the French employers' association, and Chairman of the Board of Directors of Institut National Agronomique Paris-Grignon and of the French university in Egypt. ***Appointments that have expired during the last five financial years:*** Director of Lyonnaise Europe, Ondéo-Degrémont, Ondéo-Services, Société Générale de Belgique, SITA, IFRI, CDE, EEC, Marama Niu, Socif 4, Unelco Vanuatu, and Fabricom; member of the Supervisory Board of Elyo; permanent representative of Lyonnaise Satellite on the Board of Directors of TPS Gestion, permanent representative of TPS on the Board of Directors of TPS Motivation.

Yves-Thibault de Silguy (suite)	*Background:* Yves-Thibault de Silguy has a degree in law from the University of Rennes, a Master's degree in public law, and is a graduate of the Institut d'Études Politiques Paris, public service section, and of the École Nationale d'Administration. From 1976 to 1981, he worked at the Ministry of Foreign Affairs and then from 1981 to 1985, for the European Commission. He then worked at the French Embassy in Washington as a Counsellor (economic affairs) from 1985 to 1986. From 1986 to 1988, he was an adviser in the Prime Minister's office with responsibility for European affairs and international economic and financial affairs. From 1988 to 1993, he was Director in the international affairs department and then Director for International Affairs of the Usinor Sacilor Group. From 1993 to 1995, he was Secretary-General of the Interdepartmental Committee for Questions of Economic Cooperation in Europe and at the same time, adviser for European affairs and vice-sherpa in the Prime Minister's office, assisting in the preparation of summits of the industrialised nations. From 1995 to 1999, he was European Commissioner responsible for economic, monetary and financial affairs. In January 2000, he became a member of the Executive Board of Suez Lyonnaise des Eaux, of which he was Chief Executive Officer from 2001 to 2002.
Willy Stricker Age: 63 • 2000-2006[3] Ixis Corporate & Investment Bank 47, quai d'Austerlitz 75648 Paris Cedex 13	**Senior Adviser at Ixis-CIB** Willy Stricker is also Chairman of the Board of Directors of IFE Fund (Luxembourg) and a Director of Canal +. ***Appointments that have expired during the last five financial years:*** Chairman and Chief Executive Officer of CDC Ixis Private Equity and Director of Electropar France, Fondinvest Capital and IN Com; Chairman of the Supervisory Boards of CDC Ixis Equity Capital, CDC Ixis Services Industrie and CDC Ixis Innovation; Chairman of CDC Innovation 2000; Vice-Chairman of the Supervisory Board of Club Méditerranée; member of the Supervisory Board of CDC Ixis Private Capital Management. ***Background:*** a graduate of the École Centrale, Paris, Willy Stricker was a management consultant in the Bossard group from 1968 to 1970, head of computing at Compta Carte Informatique from 1970 to 1973, editor-in-chief of Société Générale de Presse from 1973 to 1980, Information Director at Compagnie Générale d'Electricité from 1980 to 1983, Communications Director of Association Française de Banques from 1983 to 1986, Deputy General Manager of Compagnie Financière de CIC from 1986 to 1987. He was Deputy General Manager, Executive Vice-President and then General Manager (Communication) at Générale Occidentale from 1987 to 1991. He was Chairman and Chief Executive Officer of the Express group and of the Media SA group from 1988 to 1992, Chairman of Communication Développement from 1993 to 1995, of Canal J from 1993 to 1999, CDC Participations (later known as CDC Ixis Private Equity) from 1995 to 2004 and has been Senior Banker at CDC Ixis since 2004. He has been a Director of Canal + since 1995 and of VINCI since 2000.
Denis Vernoux Age: 59 • 2002-2008 VINCI Construction Grands Projets 1, cours Ferdinand-de-Lesseps 92851 Rueil-Malmaison Member of the Strategy and Investments Committee	**Director representing employee shareholders** Denis Vernoux is an engineer at VINCI Construction Grands Projets, and is Chairman of the Joint Supervisory Board of the VINCI "Castor" and "Castor Relais" corporate mutual funds, and Chairman of the Supervisory Boards of the "Castor Avantage" and "Castor Equilibre" corporate mutual funds. ***Background:*** a qualified engineer (EIM-CHEBAP), Denis Vernoux has spent all his working life since 1973 in the VINCI group. In particular he was chief engineer in the technical department of Campenon Bernard. He is now chief engineer in the engineering and technical means department of the subsidiary, VINCI Construction Grands Projets. At the same time, Denis Vernoux has successively been a member and secretary of the local works council at the head office of Campenon Bernard and then of VINCI Construction Grands Projets. He is secretary of the works council of VINCI Construction Grands Projets.

(3) Reappointment for the four years from 2006 to 2010 will be proposed to the Shareholders Meeting.

Note: appointments expire at the Shareholders Meeting called to approve the financial statements of the period before the period referred to.

Proposed appointments to the Board of Directors

Henri Saint Olive Age: 62 2000-9 janvier 2006 2006-2010 12,748 VINCI shares Banque Saint Olive 84, rue Duguesclin 69458 Lyon Cedex 06	**Chairman of the Board of Directors of Banque Saint Olive** Henri Saint Olive is also Chairman of the Supervisory Board of Saint Olive et Cie and of Saint Olive Gestion; Chairman of the Board of Directors of Enyo; Manager of CF Participations and of Segipa; member of the Supervisory Boards of Eurazeo, Prodith, Monceau Générale Assurances and ANF; Director of Mutuelle Centrale de Réassurance, Compagnie Industrielle d'Assurance Mutuelle, Centre Hospitalier Saint-Joseph et Saint-Luc and of Association de l'Hôpital Saint-Joseph. ***Appointments that have expired during the last five financial years:*** Chairman of the Board of Directors of CIARL, Director of Rue Impériale de Lyon, Monceau Assurances Mutuelles Associées and Groupe Monceau-Mutuelles Associées; Manager of LP Participation. ***Background:*** a graduate of HEC, in November 1969 Henri Saint Olive joined Banque Saint Olive where he has spent his working life. He was appointed Chairman of the Executive Board of this bank on 10 December 1987 then Chairman of its Board of Directors on 19 November 1997.
Bernard Val Age: 63 • 2006-2010 100 VINCI shares ASF 100, avenue de Suffren 75015 Paris	**Chairman of the Board of Directors of ASF** Bernard Val is also a Director of Escota, Penauille Polyservices and of the public establishment Autoroutes de France, and a member of the Supervisory Board of Ginger. ***Appointments that have expired during the last five financial years:*** Director of C3D and of Egis Project; censeur of the Board of Directors of SMTPC (Société Marseillaise du Tunnel du Prado Carénage). ***Background:*** a graduate of the École des Ingénieurs de la Ville de Paris, Bernard Val was general manager of the technical services department of the town of Brive from 1968 to 1985, assistant general manager and then general manager of services for the Corrèze department from 1985 to 1996. From 1986 to 1996, he was also general engineer of the city of Paris. From 1996 to 1997, he was Chairman of Société des Autoroutes Rhône-Alpes (AREA) and from 2001 to 2002 of the Association des Sociétés Françaises d'Autoroutes (ASFA). Since 1997, he has been Chairman of the Board of Directors of ASF.

Senior Executive Vice-President who is not a member of the Board of Directors

Roger Martin Age: 62 • 2002-2008 Eurovia 18, place de l'Europe 92851 Rueil-Malmaison	**Senior Executive Vice-President of VINCI, Chairman and Chief Executive Officer of Eurovia** ***Main appointments within the VINCI Group:*** Director of Cofiroute, VINCI Energies, VINCI Park ***Appointments outside the VINCI Group:*** Chairman of the Supervisory Board of Eurinter and Financière Eurinter; Director of Sade-CGTH. ***Appointments that have expired during the last five financial years:*** none ***Background:*** a graduate of ESTP and CPA, Roger Martin holds a Master of Science degree from Berkeley. He joined Bourdin Chaussé as a civil engineer in 1966, was appointed Chief Executive Officer of Cochery Bourdin Chaussé in 1985 and Chairman and Chief Executive Officer in 1988. He has been Chairman and Chief Executive Officer of Eurovia since 1998. He was appointed Deputy General Manager of VINCI in 1997 and Co-Chief Operating Officer of VINCI in April 2002.

2.2 ASSESSMENT OF DIRECTORS' INDEPENDENCE

2.2.1 Potential conflicts of interest connected with Directors' functions

Of the 15 members of the Board of Directors at the date of this registration document, four are connected with the VINCI group and can therefore not be considered independent:

- Antoine Zacharias, who is Chairman of the Board of Directors and who resigned on 9 January 2006 from his position as Chief Executive Officer of the Company;
- Xavier Huillard, who is responsible for the Company's general management;
- Bernard Huvelin, who resigned his appointment as Co-Chief Operating Officer of the Company in January 2005. Bernard Huvelin remains however Chairman and Chief Executive Officer of Consortium Stade de France (66.67% owned by VINCI) and continues to serve as an officer in other companies within the Group. He is also Vice-Chairman of the Board of Directors and Adviser to the Chairman.
- Denis Vernoux, who represents the Company's employee shareholders through the corporate unit funds.

The other eleven Directors are prominent persons from industry and finance, from outside the Group. Although strict application of the Bouton report criteria could lead to some of them being regarded as not independent, the Company considers that each of them has both skills and professional experience that are useful to the Company and complete freedom and independence of judgment. These Directors, whose appointments outside the Group are listed in paragraph 2.1 above, are:

- Dominique Bazy, who is Vice-Chairman of UBS Investment Bank, a financial institution that could be involved in transactions entered into by the Company, its subsidiaries or its Management. In particular, the Company retained a company belonging to the UBS Group for assistance and advice in connection with the project to acquire the French government's shareholding in Autoroutes du Sud de la France. UBS also supplies financial services to the Company;

- François David, who is Chairman of the Coface Group, which provides credit insurance on contracts entered into by VINCI subsidiaries;

- Quentin Davies, who is a member of the UK parliament and can be considered as a fully independent Director;

- Guy Dejouany, who, although he was Chairman of Compagnie Générale des Eaux and SGE, is now retired, which allows him to be considered as an independent director;

- Alain Dinin, who is Chairman and Chief Executive Officer of Nexity, a property group that could at some time enter into agreements in connection with property operations undertaken with certain VINCI subsidiaries;

- Patrick Faure, who has management duties or is a Director in automobile manufacturing companies that could at some time enter into contracts for construction work or services with VINCI subsidiaries, or provide goods or services to Group companies;

- Dominique Ferrero, who is Vice-Chairman of Merrill Lynch Europe, a financial institution that could be involved in transactions entered into by the Company, its subsidiaries or its Management. In particular, the Company retained a company belonging to the Merrill Lynch Group for assistance and advice in connection with the project to acquire the French government's shareholding in Autoroutes du Sud de la France. Merrill Lynch also supplies financial services to the Company;

- Serge Michel is Chairman of Soficot, a consultancy firm with which VINCI has entered into an agreement for consultancy. Serge Michel is also Chairman of Société Gastronomique de l'Etoile, a catering company with which an agreement for the provision of services has been entered into by the Company. Serge Michel is also a Director of Eiffage, a competitor of VINCI, and of Veolia Environnement, a group with which Group companies have business relationships;

- Alain Minc is Chairman and Chief Executive Officer of AM Conseil, a consultancy firm with which VINCI has entered into an agreement for consultancy. He is also Chairman of the Supervisory Board of a media group and Director of companies that could at some time have business relationships with VINCI or its subsidiaries;

- Yves-Thibault de Silguy, who has management responsibilities within the Suez Group, which is no longer a VINCI shareholder but which could at some time have business relationships with VINCI or its subsidiaries;

- Willy Stricker who is Senior Adviser at Ixis-CIB, a financial institution that could be involved in transactions entered into by the Company, its subsidiaries or its Management.

Henri Saint Olive, a Director of VINCI until 9 January 2006 and whose appointment to the Board of Directors will be proposed at the next Shareholders Meeting, is Chairman of Banque Saint Olive, a financial institution that could be involved in transactions entered into by the Company, its subsidiaries or its Management.

It should be noted that all the Directors of VINCI have been able to perform their duties with full independence of judgement in 2005.

2.2.2 Provisions of the Board of Directors' internal rules

The Board of Directors' internal rules, adopted on 14 May 2003, set out the rules applicable to the functioning of Board and its committees, and the behaviour expected of each of its members.

In this respect, the rules provide for:
– an obligation on all Directors to maintain, under all circumstances, their independence in analysing, making judgments, taking decisions, and acting, and to reject all pressure, whether direct or indirect, under which they may come and that may come from other Directors, particular groups of shareholders, creditors, suppliers and any outside parties generally, and to advise the Board of any conflicts of interest, even if they are potential or future, with which they may find themselves confronted;
– an obligation on the Board each year to examine the position of each of its members as regards their independence, a Director being considered independent whenever there is no commercial or financial relationship (other than that of an insignificant shareholder) with the Company, its Group or its Management, that could compromise the free exercise of judgement;
– an obligation on each Company Officer to declare to the Company all transactions entered into by them directly or through another person in relation to the Company's shares or derivative financial instruments.
– the prohibition on each Company Officer from entering into transactions to purchase or sell the Company's shares or derivative financial instruments during the 15 days preceding the date of publication of the consolidated financial statements and during any period between the time when they obtain information on the state of the Group's business or its outlook which, if it were made public, could have a material effect on its share price, and the time when this information is made public.

2.3 POSITION OF COMPANY OFFICERS

There are no family links between any of VINCI's Officers.

To the Company's knowledge, none of VINCI's Officers has been found guilty of fraud in the last five years. None has been involved as a company officer in a bankruptcy, sequestration of assets or liquidation during the last five years and none has been incriminated or officially publicly punished by a statutory or regulatory authority. None has been disqualified by a Court from serving as a member of a Board of Directors or corporate management or supervisory body of an issuer of securities nor from being involved in the management or conduct of the affairs of an issuer of securities in the last five years.

3. FUNCTIONING OF THE BOARD OF DIRECTORS

This chapter is the Report of the Chairman on the work of the Board of Directors provided for in Article L.225-37 of the French Code of Commerce (amended by Article 117 of the French Financial Security Act).

3.1 THE BOARD OF DIRECTORS

The Board of Directors' internal rules require that the Board examines and gives prior approval to any significant transactions undertaken by the Company and in particular determination of its strategic choices, material acquisitions and disposals of financial holdings and assets that are likely to alter the structure of the Company's balance sheet and, in any case, all acquisitions and disposals of financial holdings and assets of €200 million or more, as well as any transactions that fall outside the Company's announced strategy.

In 2005, the Board of Directors discussed all major matters relating to the Group's activities. The Board met eight times and the average attendance rate at its meetings was 88%.

In particular, the Board:
- approved the financial statements for 2004 prepared under French GAAP and those of the first half of 2005 under IFRS;
- examined the 2004 financial statements restated under IFRS and the various budget updates;
- discussed the main acquisition projects and the Group's strategy in its various business lines. In particular, in connection with the process undertaken by the French government to dispose of its shareholding in ASF, the Board has examined and approved the terms of the offers submitted to the government and the method of financing the transaction;
- regularly examined the Group's financial position and changes in its borrowings;
- approved the objectives of the share buy-back programme, monitored its implementation and cancelled the treasury shares held by reducing the share capital;
- set the dividend distribution policy to be proposed to the shareholders;
- examined the Group's position with regard to internal control and studied the work undertaken in connection with the French Financial Security Act;
- decided to issue new shares reserved for employees under the Group savings plan and implemented a new share subscription option plan;
- set, as proposed by the Remuneration Committee, the amount and manner of remuneration of the Company's Officers;
- launched an external evaluation process of the work of the Audit Committee.

3.2 THE BOARD COMMITTEES

The terms of reference and the manner of functioning of the committees are governed by the internal rules of the Board of Directors.

Each committee has a role to play in analysing and preparing certain of the Board's discussions falling within its field of competence and in studying topics and /or projects that the Board or its Chairman may submit to it for examination. It has consultative powers and acts under the authority of the Board of which it is a committee and to which it is answerable.

The Board of Directors of VINCI decided on 13 December 2005, accepting a proposal made by its Chairman, Antoine Zacharias, to form two new committees of Directors – an Appointments Committee and a Strategy and Investments Committee – which are in addition to the existing Remuneration Committee and Audit Committee.

3.2.1 The Audit Committee

Terms of reference

The Audit Committee helps the Board monitor the accuracy and fair presentation of VINCI's consolidated and individual financial statements and the quality of the information given. In particular, its duties are:
- in respect of the financial statements: to examine the Group's annual and half-yearly, consolidated and parent company financial statements before they are submitted to the Board, to satisfy themselves that the accounting policies and methods are appropriate and consistently applied and to prevent any non-compliance with these rules and monitor the quality of the information given to the shareholders;
- in respect of the Company's external audit: to assess proposals on the appointment of the Company's Statutory Auditors and their remuneration and to examine with the Statutory Auditors their work programmes, conclusions and recommendations, as well as actions taken as a result;

– in respect of the Company's internal control: to assess the Group's internal control systems with the managers of the internal audit function and to examine with them the internal audit work programme and actions, their conclusions and recommendations arising and the actions taken as a result;
– in respect of risks, to review regularly the main financial risks to which the Group is exposed and in particular its off balance sheet commitments.

Composition:
The Audit Committee comprises at least three and at most five Directors designated by the Board. All the members of the Audit Committee must be competent in finance or accounting. At least one of the members must have a perfect understanding of the accounting standards, practical experience in the preparation of financial statements and the application of the accounting standards in force. The Chief Financial Officer attends the meetings of the Audit Committee and acts as its Secretary.

The Committee is chaired by Dominique Bazy. Until 13 December, its other members were Henri Saint Olive and Quentin Davies. Since 13 December 2005, the Committee's members have been Dominique Bazy, François David and Bernard Huvelin.

Activities in 2005:
The Audit Committee met five times in 2005, with a participation rate of 100%. In particular, in addition to the accounts prepared during the period, it examined:
– the 2004 financial statements restated under IFRS;
– the debt position of the Company and of the Group and the holding company's investments of surplus cash;
– the statements of provisions and off-balance sheet commitments;
– the work on formalising and assessing the internal control procedures undertaken under the French Financial Security Act;
– the Group's policy in respect of insurance.

In order to carry out these duties, the Audit Committee has in particular interviewed the Chief Financial Officer, the Senior Executive Vice-Presidents, the Internal Auditor, the Statutory Auditors, the Insurance Manager, and the financial officers of several business lines to which particular attention was paid in connection with the assessment of internal control procedures.

3.2.2 The Strategy and Investments Committee

Terms of reference
This Committee was formed by the Board of Directors on 13 December 2005 and helps the Board develop the Group's strategy. It examines proposed contracts, investments and divestments that could have a material impact on the Company's scope, activities, results or stock market performance before they are presen¬ted to the Board.

In particular, its duties are to:
– examine the Group's three-year plan;
– prepare the Board's discussions on the Group's strategy;
– to formulate an opinion, for the benefit of General Management, on proposed acquisitions or disposals of shareholdings of a value of more than €50 million that do not come under the Board's direct terms of reference.

The Committee is also informed by the General Management of the state of progress of multi-year projects that involve, so far as concerns the VINCI Group's share, a total investment, in equity or debt, of more than €100 million.

Composition:
The Strategy and Investments Committee comprises at least three and at most five Directors designated by the Board. The Chairman of the Board chairs this committee.

The Chief Executive Officer and the Chief Financial Officer of VINCI attend the Committee's meetings. The Chief Financial Officer acts as its Secretary.

At the date of this document, this Committee is chaired by Antoine Zacharias and the other members are Alain Dinin, Patrick Faure, Bernard Huvelin and Denis Vernoux.

3.2.3 The Remuneration Committee

Terms of reference
The Remuneration Committee proposes the terms and conditions of remuneration of the Company Officers to the Board. Its duties are:
– to make recommendations to the Chairman concerning the remuneration, pension and health and death benefit plans, benefit in kind and miscellaneous pecuniary rights, including any bonus shares or share purchase or subscription options granted to the Chairman, the Chief Executive Officer, the Senior Executive Vice-Presidents and if necessary any salaried employees of the Board;
– to propose to the Board the determination of an overall package of bonus shares and / or share subscription or purchase options relating to the Company's shares and the general and specific conditions applicable to these allocations;
– to express an opinion on General Management's proposals regarding the number of beneficiaries;
– to propose to the Board an aggregate amount of Directors' fees and the manner of their allocation.

Composition:
The Remuneration Committee comprises at least three and at most five Directors designated by the Board. The Chairman of the Board attends the Committee's meetings. One of the Committee's members acts as its Secretary.

At the date of this document, the Committee is chaired by Quentin Davies and the other members are Alain Dinin and Dominique Ferrero.

The Committee met five times in 2005 with an average attendance rate of 93%.

3.2.4 The Appointments Committee

Terms of reference

This Committee was formed by the Board of Directors on 13 December 2005 and:
- prepares the Board's discussions on the assessment of the Company's General Management;
- examines, on a consultative basis, the General Management's proposals relating to the appointment and dismissal of the Group's main executives (heads of branches and functional departments);
- is informed of the policy drawn up by General Management on the management of the Group's executives;
- makes proposals on the selection of Directors;
- examines all candidacies for appointments to the Board and expresses an opinion or recommendation to the Board on these candidacies;
- prepares at the appropriate time recommendations and opinions on the appointment or succession to the posts of Chairman of the Board, Chief Executive Officer and Senior Executive Vice-Presidents.

Composition:

The Appointments Committee comprises at least three and at most five Directors designated by the Board. The Chairman of the Board chairs this committee.

The Chief Executive Officer attends the Committee's meetings, except when it assesses the General Management's performance. One of the Committee's members acts as its Secretary.

At the date of this document, the Appointments Committee is chaired by Antoine Zacharias and the other members are Quentin Davies, Bernard Huvelin and Alain Minc.

3.3 ASSESSMENT OF THE BOARD OF DIRECTORS' METHOD OF OPERATION

The Board of Directors' internal rules provide that every year it should include on its agenda a discussion on its functioning in order to improve its effectiveness. On this occasion, the Board assesses itself, entrusting if need be one of the Directors with the task of co-ordinating this assessment, under the following three headings:
- a review of the manner of functioning;
- verification that important questions are suitably prepared and discussed;
- measurement of the effective contribution of each Director to the Board's work, on the basis of the Director's competence and involvement in discussions.

The Board's internal rules also provide that a formalised assessment of the Board should be conducted every three years, and this may be under the direction of one Director and /or with the assistance of an external consultant. The objective of this assessment is to verify compliance with the Board's operating principles set out in its internal rules and to identify proposals intended to improve its operations and effectiveness. Such an external assessment is planned for the end of 2006. Furthermore, an external assessment of the work of the Audit Committee in respect of 2005 was started at the beginning of 2006.

4. THE GROUP'S GENERAL MANAGEMENT

The general management of the Company is performed by the Executive Committee. This has nine members in 2006, of which the list is given on page 6. It met twelve times in 2005, an average of once a month.

The Coordination and Strategy Committee consists of the members of the Executive Committee and the Group's main operational and functional executives. Its purpose is to ensure broad consultation on VINCI's strategy and development and on policies that affect several Group entities. This committee has 26 members in 2006, whose names are given on page 6. It met twice in 2005.

5. REMUNERATION OF COMPANY OFFICERS

5.1 DIRECTORS' FEES

The Shareholders Meeting of 4 May 2004 set the aggregate amount of Directors' fees at €800,000 as from the financial year starting on 1 January 2004.

As proposed by the Remuneration Committee, the Board of Directors allocated the Directors' fees as follows at its meeting on 4 May 2004:
- €80,000 to the Chairman and Chief Executive Officer;
- €30,000 for each Director;
- a supplementary amount of €15,000 for the members of the Audit Committee and €10,000 for the members of the other committees;
- a supplementary amount of €20,000 for the Chairman of the Audit Committee and €15,000 for the Chairmen of the other committees. Of the amount paid to each Director, €20,000 is variable and depends on the presence at Board Meetings.

The aggregate amount of Directors' fees paid in 2005 by the Company (for the second half of 2004 and the first half of 2005) amounted to €624,000 (78% of the authorised total). Some company officers also received Directors' fees in 2005 from companies controlled by VINCI.

The following table shows the Director's fees received in 2005 by VINCI's 15 Directors and 2 Senior Executive Vice-Presidents.

(in euros)	Directors' fees paid in 2005 by VINCI	Directors' fees paid in 2005 by companies controlled by VINCI
Directors		
Antoine Zacharias	80,000	44,847
Bernard Huvelin	30,000	32,742
Dominique Bazy	50,000	—
François David	40,000	—
Quentin Davies	60,000	—
Guy Dejouany	30,000	—
Alain Dinin	34,000	—
Patrick Faure	30,000	—
Dominique Ferrero	55,000	—
Serge Michel	30,000	—
Alain Minc	30,000	—
Henri Saint Olive	45,000	—
Yves-Thibault de Silguy	40,000	—
Willy Stricker	40,000	—
Denis Vernoux	30,000	—
Senior Executive Vice-Presidents		
Xavier Huillard	—	26,056
Roger Martin	—	34,608
Total	**624,000**	**138,253**

5.2 SHARES AND SHARE OPTIONS HELD BY THE COMPANY OFFICERS

In accordance with the Company's corporate statutes, the minimum number of VINCI shares that each Director (except the Director representing employee shareholders) must hold is 500 which, on the basis of the share price at the end of January 2006, amounts to a minimum amount of €38,275 invested in VINCI shares. At 31 January 2006, the 15 members of the Board of Directors held 4,013,922 VINCI shares between them. The table below summarises the number of shares and share subscription or share purchase options relating to VINCI shares held by the Company Officers at 31 January 2006.

	Number of VINCI shares	Share subscription or share purchase options relating to VINCI shares
Directors		
Antoine Zacharias	2,322,672 [(1)]	3,589,000
Bernard Huvelin	1,468,832 [(1)]	—
Xavier Huillard	139,100	643,500
Dominique Bazy	850	—
François David	500	—
Quentin Davies	1,010	—
Guy Dejouany	74,800	—
Alain Dinin	1,210	—
Patrick Faure	2,000	—
Dominique Ferrero	500	—
Serge Michel	872	—
Alain Minc	500	—
Yves-Thibault de Silguy	576	—
Willy Stricker	500	—
Denis Vernoux	—	—
Total	**4,013,922**	**4,232,500**
Senior Executive Vice-President		
Roger Martin	30,250	850,000
Total Company Officers	**4,044,172**	**5,082,500**

[(1)] *Including shares pledged for the financing of their acquisition: 2,232,682 (Antoine Zacharias), 810,000 (Bernard Huvelin).*

5.3 REMUNERATION OF EXECUTIVE COMPANY OFFICERS

The remuneration of the Chairman and Chief Executive Officer, and of the Senior Executive Vice-Presidents is determined by the Board of Directors on proposal by the Remuneration Committee. The remuneration paid during the last three years by VINCI and Group companies to the company officers of VINCI was as follows:

(in euros)	Antoine Zacharias	Bernard Huvelin	Xavier Huillard	Roger Martin
Gross fixed salary	—	195,114	354,307	355,172
Gross variable salary	3,461,506	951,366	380,000	437,823
Director's fees paid by VINCI SA	80,000	30,000	—	—
Director's fees paid by subsidiaries of VINCI	44,847	32,742	26,056	34,608
Benefits in kind	8,974	1,401	3,432	3,344
Total received in 2005	**3,595,327**	**1,210,623**	**763,795**	**830,947**
Gross fixed salary	—	405,286	318,354	354,960
Gross variable salary	3,317,296	457,350	330,000	425,000
Director's fees paid by VINCI SA	80,000	25,000	—	—
Director's fees paid by subsidiaries of VINCI	31,768	27,837	28,127	31,759
Total received in 2004	**3 429,064**	**915,473**	**676,481**	**811,719**
Gross fixed salary	1,263,284	416,292	308,243	336,918
Gross variable salary	1,676,940	457,350	362,000	389,170
Director's fees paid by VINCI SA	80,000	20,000	—	—
Director's fees paid by subsidiaries of VINCI	13,051	16,101	16,948	12,480
Total received in 2003	**3,033,275**	**909,743**	**687,191**	**738,568**

5.3.1 Remuneration of Antoine Zacharias

On 7 September 2004, the Board of Directors agreed, as proposed by the Remuneration Committee, the principle of a completely variable remuneration for the Chairman and Chief Executive Officer, as from 1 January 2004. Antoine Zacharias' remuneration is therefore determined since this date on the basis of the changes, from one period to the next, in six equally weighted indicators: net earnings per share, cash flow from operations per share, return on capital employed, the share price, the share price performance relative to the CAC 40 index and a basket of European companies in the construction and concessions sector, and the dividends paid by the Company.

Applying this formula, Antoine Zacharias' gross remuneration in respect of 2005 was €4,290,265 of which payment has been spread across 2005 and 2006.

When he ceased to be Chief Executive Officer in January 2006, Antoine Zacharias received a leaving bonus in accordance with the Board of Directors' decision of 12 July 2000 (see paragraph 5.3.5).

5.3.2 Remuneration of Bernard Huvelin

Bernard Huvelin retired on 7 June 2005; he continues to act as Vice-Chairman of the Board of Directors and receives no remuneration from the Company other than the Directors' fees referred to in paragraph 5.1.

Between 1 January and 7 June 2005, he received total remu¬neration from the Company of €1,146,480 of which €951,366 was his variable remuneration in respect of 2004. This variable part was determined, as proposed by the Remuneration Committee, on the basis of the same criteria as for Antoine Zacharias and of an assessment of his individual performance during the year.

When he retired, he received €1,276,024 corresponding to the lump-sum payable on retirement provided for in the national collective bargaining agreement for managers in the civil engineering industry in lieu of the bonus referred to in paragraph 5.3.5, to which he has waived his claim.

5.3.3 Remuneration of Xavier Huillard and Roger Martin

The remuneration of Xavier Huillard and Roger Martin comprises a fixed part and a variable part.

For 2004 and 2005, the variable part was determined on the basis of trends in indicators measuring the performance of the relevant Division (VINCI Energies for Xavier Huillard, who was its Chairman until 9 December 2005, and Eurovia for Roger Martin) and of the VINCI share price, and on an assessment of their individual performance during the year.

The variable remuneration for 2005 (paid in 2006) was set at €700,000 for Xavier Huillard and at €440,000 for Roger Martin.

5.3.4 Benefits in kind

Antoine Zacharias, Bernard Huvelin, Roger Martin and Serge Michel have a company car with chauffeur, Xavier Huillard has a company car.

5.3.5 Bonuses on joining or leaving

No bonuses are paid to the company officers on joining.

On 12 July 2000, the Board of Directors granted Antoine Zacharias and Bernard Huvelin a leaving bonus equal to three times their last annual remuneration.

5.3.6 Supplementary specific retirement commitments

Some of the Group's executives who meet certain eligibility conditions are members of a supplementary retirement benefit scheme that guarantees them a total pension of between 40% and 50% of their final year's remuneration or of the average of their final three years' remuneration, the rate being determined on the basis of their length of service and their age.

Antoine Zacharias and Bernard Huvelin, who retired on 9 January 2006 and 7 June 2005 respectively, are members of this scheme, as is Roger Martin. This supplementary scheme was closed in 2003.

Xavier Huillard is a member, on the same basis as a certain number of Group executives who meet the scheme's eligibility conditions, of a supplementary retirement benefit scheme that guarantees him a supplementary pension of between 20% and 35% of the average of his final three years' remuneration, with a maximum of €80,315 a year.

At 31 December 2005, the provisions for retirement benefit obligations to executive company officers amounted to €45.2 million of which €11.7 million was recognised in 2005.

6. SHARE SUBSCRIPTION OR SHARE PURCHASE OPTION PLANS

6.1 TERMS OF GRANTING AND FOR THE EXERCISE OF OPTIONS

In accordance with the authorisations granted to it by the Shareholders Meeting, VINCI's Board of Directors defines the conditions for the granting of share subscription options and the list of beneficiaries.

Each option gives the holder the right to subscribe to or purchase one VINCI share. Beneficiaries may exercise two-thirds of their options two years after receiving them and all of their options after three years. Options lapse if they are not exercised at the end of a period of 7 years or 10 years, depending on the plans, or if the beneficiaries leave the Group before the end of the granting period, unless specifically authorised otherwise by the Board of Directors.

Options may be exercised in their totality at an earlier date in one of the following cases:

– if a holding of more than 10% of the shares representing VINCI's share capital is acquired by a person acting alone or in concert;
– if the beneficiaries need to present, by way of guarantee, the shares subscribed to or acquired in this way, in order to allow them to acquire VINCI shares or securities giving a future right to shares;
– in the event of a public bid to buy or exchange VINCI shares.

No subsidiary controlled by VINCI grants options to subscribe to or purchase shares to Group employees or officers.

6.2 RECORD OF SHARE SUBSCRIPTION AND SHARE PURCHASE PLANS AT 31 DECEMBER 2005

	Date of		Original number of		Of which, options granted to		Dates	
	Shareholders Meeting	Board Meeting	Beneficiaries	Options	Company officers	Top 10 employee beneficiaries[1]	from which option may be exercised	of expiry of option
GTM 1997	—	—	194	714,000	36,000	87,600	27/06/99	26/03/05
VINCI 1998	18/06/93	04/03/98	66	481,000	—	90,000	01/01/99	04/03/08
GTM 1998	—	—	211	714,720	40,800	99,600	25/03/00	24/03/06
VINCI 1999 n° 1	25/05/98	09/03/99	88	1,304,000	120,000	350,000	09/03/01	08/03/09
VINCI 1999 n° 2	25/05/98	07/09/99	590	2,006,382	313,334	340,000	07/09/01	06/09/09
GTM 1999	—	—	369	1,385,736	84,000	180,000	24/03/01	23/03/07
VINCI 2000 n° 1	25/10/99	11/01/00	40	1,950,000	500,000	680,000	11/01/02	10/01/10
VINCI 2000 n° 2	25/10/99	03/10/00	999	3,535,000	90,000	265,600	03/10/02	02/10/10
GTM 2000	—	—	355	1,128,240	84,000	122,400	24/01/02	23/05/08
VINCI 2001	25/10/99	08/03/01	3	465,000	465,000	—	08/03/03	07/03/11
VINCI 2002 n° 1	25/10/99	17/12/02	287	4,901,000	1,310,000	606,000	25/01/04	17/12/12
VINCI 2002 n° 2	25/10/99	17/12/02	409	5,000,000	1,380,000 [2]	510,000	17/12/04	17/12/12
VINCI 2003	14/05/03	11/09/03	126	2,804,000	700,000	648,000	11/09/05 [3]	11/09/13
VINCI 2004	14/05/03	07/09/04	142	3,172,000	820,000	710,000	07/09/06 [3]	07/09/14
VINCI 2005	14/05/03	01/03/05	158	2,540,568	1,134,000	588,000	16/03/07 [3]	16/03/12
Total subscription plans			**1,743**	**32,101,646**	**7,077,134**	**5,277,200**		
VINCI 1999 n° 2	25/05/98	07/09/99	590	4,012,618	626,666	680,000	07/09/01	06/09/09
VINCI 2000	25/10/99	03/10/00	999	3,535,000	90,000	265,600	03/10/02	02/10/10
VINCI 2001	25/10/99	08/03/01	3	465,000	465,000	—	08/03/03	07/03/11
VINCI 2002	25/10/99	25/01/02	7	99,000	—	99,000	25/01/04	24/01/12
Total purchase plans			**1,181**	**8,111,618**	**1,181,666**	**1,044,600**		
Total			**1,743**	**40,213,264**	**8,258,800**	**6,321,800**		

(1) *Not company officers.*

(2) *The exercise of approximately two thirds of these options is subject to terms relating to the stock market price of the VINCI share.*

(3) *This refers to two-thirds of the options, the last third being exercisable three years after the grant date.*

Note: the number of options and the exercise price are adjusted for the two-for-one share split in May 2005.

	Options exercised in 2005	Options cancelled	Options exercised/cancelled at 31/12/05 (cumulative)	Options not exercised at 31/12/2005	Exercise price in euros	Number of remaining beneficiaries
GTM 1997	60,400	13,200	714,000	—	9.37	—
VINCI 1998	29,786	—	467,316	13,684	12.81	5
GTM 1998	70,160	—	631,720	83,000	12.71	30
VINCI 1999 n° 1	73,386	—	1,230,798	73,202	18.99	10
VINCI 1999 n° 2	286,454	1,667	1,734,921	271,461	21.15	150
GTM 1999	223,485	—	1,102,255	283,481	16.47	95
VINCI 2000 n° 1	905,750	—	1,680,750	269,250	25.00	9
VINCI 2000 n° 2	976,982	667	2,147,088	1,387,912	28.50	485
GTM 2000	387,519	—	719,459	408,781	17.82	142
VINCI 2001	133,625	—	380,000	85,000	28.50	2
VINCI 2002 n° 1	333,832	—	683,832	4,217,168	31.83	269
VINCI 2002 n° 2	908,292	—	1,239,984	3,760,016	26.45	400
VINCI 2003	100,798	—	300,798	2,503,202	30.70	124
VINCI 2004	—	—	—	3,172,000	41.20	142
VINCI 2005	—	—	—	2,540,568	49.40	158
Total subscription plans	**4,490,469**	**15,534**	**13,032,921**	**19,068,725**	**33.34**	**1,109**
VINCI 1999 n° 2	572,871	3,333	3,469,302	543,316	21.83	150
VINCI 2000	1,020,607	667	2,147,088	1,387,912	24.02	485
VINCI 2001	90,000	—	380,000	85,000	28.50	2
VINCI 2002	—	5,000	65,000	34,000	31.83	4
Total purchase plans	**1,683,478**	**9,000**	**6,061,390**	**2,050,228**	**23.75**	**565**
Total	**6,173,947**	**24,534**	**19,094,311**	**21,118,953**	**32.41**	**1,109**

6.3. OPTIONS GRANTED OR EXERCISED IN 2005

Options granted to or exercised by each company officer

	Number of options granted/shares subscribed to or purchased	Weighted average price in euros
Options granted by VINCI during the period to each company officer		
Antoine Zacharias	894,000	49.40
Xavier Huillard	120,000	49.40
Roger Martin	120,000	49.40
Options exercised during the period by each company officer		
Antoine Zacharias	635,000	26.99
Xavier Huillard	131,500	26.62
Roger Martin	165,000	21.60

Note: the number of options and the exercise price are adjusted for the two-for-one share split in May 2005.

Options granted to or exercised by the ten employees, other than company officers, who received or exercised the most options

	Number of options granted/shares subscribed to or purchased	Weighted average price in euros
Total number of options granted by VINCI during the period to the ten employees, other than company officers, to whom the largest number of options were granted	588,000	49.40
Total number of VINCI options exercised during the period by the ten employees, other than company officers, who purchased or subscribed to the largest number of shares through exercise of options	960,130	26.87

Note: the number of options and the exercise price are adjusted for the two-for-one share split in May 2005.

6.4. SHARE OPTION PLAN DEVELOPMENTS IN 2006

On 9 January 2006, the Board of Directors decided to implement a share subscription plan covering 1,315,000 options, including 925,000 granted to company officers, at an exercise price of €72.65.

Between 1 January and 31 January 2006, 442,004 options were exercised, of which 325,736 were subscription options and 116,268 purchase options.

Taking all this into account, the number of options not exercised at 31 January 2006 was 21,991,949 at an average exercise price of €34.97 (comprising 20,057,989 subscription options at an average price of €36.05 and 1,933,960 purchase options at an average price of €23.78).

REPORT OF THE CHAIRMAN ON THE WORK OF THE BOARD OF DIRECTORS AND ON INTERNAL CONTROL PROCEDURES, AS REQUIRED BY THE FINANCIAL SECURITY ACT

Article L. 225-37 of the French Business Code (modified by Article 117 of the French Financial Security Act of 17 July 2003) requires the Chairman of the Board of Directors of VINCI to report on:
– how the Board of Directors' work is prepared and organised; and
– the internal control procedures put in place by the Group.

The Chairman's report on the work of the Board of Directors is given in paragraph 3 of the Corporate Governance chapter, on page 152. The section below relates to the internal control procedures.

1. PRINCIPLES GOVERNING CONDUCT AND BEHAVIOUR

The businesses in which VINCI operates require the personnel involved to be geographically close to customers in order to provide them promptly with solutions suited to their needs. In order to enable each profit centre manager to take the required operational decisions rapidly, a decentralised organisation has been implemented in each of the four business lines (Construction, Roads, Energy and Concessions).

This organisation entails delegation of authority and responsibility to operational staff at all levels.

This obligation is carried out in compliance with the following principles of conduct and behaviour, to which VINCI has resolved to make a strong commitment:
– rigorous compliance with the rules common to the whole Group, in particular in respect of delegation (see paragraph 3.3), acceptance of business (see paragraph 4.1) and financial, accounting and management information (see paragraph 4.2). These common rules, which are deliberately restricted in number given the range of the Group's activities, must be strictly applied by the staff concerned;
– transparency and loyalty of managers towards their line management superiors and towards functional departments and the holding company. In particular, all managers must inform their superiors of any difficulties encountered in the performance of their duties (e.g. with respect to carrying out work on sites, relations with customers, government departments and suppliers, internal relationships, personnel management, safety, etc). Although an integral part of operational managers' duties is to take decisions alone on matters falling within their area of competence, any difficulties encountered must be handled with the assistance, if necessary, of their line management superiors or divisional or holding company functional departments;
– compliance with the laws and regulations in force in the countries where the Group operates;
– responsibility of operational executive managers to communicate the Group's principles governing conduct and behaviour to their staff by appropriate means and to set an example. This responsibility cannot be delegated to functional managers;
– safety of persons (employees, suppliers, sub-contractors, etc.);
– a culture of financial performance.

Operational and functional managers at all levels, including the highest within the Group, regularly carry out field visits or specific assignments in order, in particular, to satisfy themselves that these principles are applied effectively.

2. THE OBJECTIVES OF INTERNAL CONTROL

2.1. DEFINITION

Pending publication of the recommendation being prepared under the aegis of the AMF, VINCI again in 2005 adopted the definition of the Committee of Sponsoring Organisations (COSO), which is the most commonly accepted definition internationally:

"Internal control is a process, effected by an entity's Board of Directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:
– effectiveness and efficiency of operations;
– reliability of financial reporting;
– compliance with applicable laws and regulations."

2.2. LIMITS OF INTERNAL CONTROL

One of the objectives of internal control is the prevention and control of risks arising from an enterprise's activities and the risks of error and fraud, in particular in the areas of accounting and finance.

However, like any control system, internal control, however well designed and implemented, cannot provide an absolute guarantee that these risks have been completely eliminated.

3. GENERAL ORGANISATION AND THE ENVIRONMENT OF INTERNAL CONTROL

3.1. THE BOARD OF DIRECTORS AND THE AUDIT COMMITTEE

The VINCI Board of Directors represents all the shareholders collectively and commits itself to act in all circumstances in the enterprise's corporate interest. It considers all major matters arising in the Group's business, in particular its major strategic choices.

The Board of Directors has delegated certain specific tasks to the Audit Committee regarding internal control and risk management, such as for example the monitoring of provisions and off-balance sheet commitments.

3.2. THE EXECUTIVE COMMITTEE

The Executive Committee is in charge of executing the Group's strategy and of defining and implementing its management policies relating to finances, human resources, safety, insurance, etc.

In 2005, the Executive Committee had seven members: the Chairman and CEO, who was also the Chairman of VINCI Concessions, the Director and Co-Chief Operating Officer who became Vice-Chairman of the Board of Directors at the beginning of 2005, the two Co-Chief Operating Officers (who are also the Chairmen of the Energy and Roads business lines), the Chairman of the Construction business line, the Group's Vice-President, Chief Financial Officer and its Vice-President, Corporate Communication, Human Resources and Synergies.

As from 9 January 2006, the members of the Executive Committee are: the Group's Chief Executive Officer, the Chairmen of the Construction, Energies and Roads divisions, the Chief Executive Officer of VINCI Concessions, the Executive Vice-President, Chief Financial Officer and its Executive Vice-President, Corporate Communications, Human Resources and Synergies.

3.3. GUIDELINES

The Chairmen of the companies heading business lines (VINCI Energies, Eurovia and VINCI Construction) and the Chief Executive Officer of VINCI Concessions exercise the powers given to them by law. Under the Group's internal organisation, they are also required to comply with the guidelines issued by VINCI's Chief Executive Officer. These guidelines apply to the following areas:

– acceptance of new business, replies to tenders, offers of services and for projects, studies, provision of services, concessions (including public private-partnerships) and project organisation;
– real-estate investments;
– financial investments and divestments;
– employment matters;
– financial and banking relations, tax, insurance;
– guarantees, collateral and security;
– external and internal communication;
– major risks.

In particular, these guidelines require compliance with the holding company's procedures regarding the acceptance of new business or the making of investments. These procedures define the thresholds above which specific authorisation has to be obtained or prior information submitted to the Chairman and Chief Executive Officer or certain VINCI functional departments or both.

3.4. INTERNAL AUDIT

The internal audit department's role is to draw up and distribute the holding company's general procedures and to supervise the improvement of procedures in place in divisions, while ensuring that they are adapted to the Group's situation and organisation, in compliance with the demands of the Financial Security Act. It also organises the meetings of the VINCI Risk Committee charged with examining and authorising the acceptance of new business that exceeds certain thresholds (see paragraph 4.1). It records and follows up the Risk Committee's decisions. Lastly, it undertakes specific assignments requested either by the Group's General or Financial Management or the Management of the various business lines. The internal audit department works with business lines' internal audit staff, with whom it undertakes joint assignments, personnel seconded for this purpose by the operational department concerned and personnel from certain of the holding company's functional departments.

3.5. THE ROLE OF THE HOLDING COMPANY IN RELATION TO THE BUSINESS LINES

The holding company has staff restricted to some 150 people, suited to the Group's decentralised structure. The holding company's various functional departments have to ensure that the Group's rules and procedures and General Management's decisions are applied. Furthermore, and depending on needs expressed, these departments advise business lines on technical matters without interfering in operational decisions, which remain the business lines' responsibility.

4. THE MAIN INTERNAL CONTROL PROCEDURES

The main procedures described below are common to all companies in the Group. There are specific procedures within each business line, in particular for the monitoring of projects and forecasting of results, especially for contracts spanning several years.

4.1. PROCEDURES FOR AUTHORISATION OF NEW BUSINESS: THE VINCI RISK COMMITTEE

Strict procedures are applied before orders are accepted. All replies to tenders that exceed set thresholds must be authorised in accordance with the Group's procedures.

The VINCI Risk Committee has to assess:
– acquisitions and disposals of activities;
– the terms and conditions of submitting offers and in particular the related technical, legal and financial commitments;
– all transactions relating to property development, concessions or long-term commitments, including the associated financing.

This procedure covers all public- or private-sector business whatever the manner in which the enterprise is contacted (e.g. directly, or through an invitation to tender, project organisation, a public-private partnership or a concession), both in France and in foreign countries.

It applies to all contracts of an amount exceeding a threshold set in the procedures; this amount relates to the operation in question taking all lots together, whatever the share obtained by Group entities.

Other thresholds, lower than those necessitating consideration by the Risk Committee, trigger submission of prior information to VINCI General Management on an alert form. Lastly, under the system of delegation and sub-delegation in place, other thresholds trigger a requirement for a formal agreement from the business line's General Management, under the procedure specific to and defined by each business line.

The Risk Committee's objective is to examine business that, particularly because of its size, financial structure, location or specific nature, bears a special risk; other factors may be adopted as criteria for examination, in particular regarding tenders that involve a large technical risk.
Submission to the Risk Committee constitutes formalisation of the commitment made by the manager of the subsidiary in question as to the expected level of profit on the project presented.
The Committee is usually composed of the Chief Executive Officer or Co-Chief Operating Officer, the Chief Financial Officer, and the Chief Audit Officer (for the holding company); the Chairman of the business line concerned and representatives from the operational staff (the general manager, project manager, design office manager, etc.) and functional departments (legal, insurance, finance, etc.) of the company presenting the project. Moreover, the composition of the Risk Committee may be altered depending on the purpose of its meeting (e.g. examination of property transactions, acquisitions of companies, or long-term concessions contracts).
Submission to the Risk Committee is obligatory whenever the thresholds determined on the basis of the business line and the nature of the business are exceeded.

The holding company's Risk Committee, in its various configurations, met on average three times a week in 2005.

4.2. INTERNAL CONTROL WITH RESPECT TO FINANCIAL AND ACCOUNTING INFORMATION

The Budgets and Consolidation Department, part of the Finance Department, is responsible for the production and analysis of the financial information distributed inside and outside the Group, which it must ensure is reliable. In particular, the Department is in charge of:
– preparing, agreeing and analysing VINCI's half-year and annual individual company and consolidated financial statements and forecasts (consolidation of budgets, budget updates and three year forecasts), applying the same procedures as for the preparation of the consolidated financial statements;
– the definition and monitoring of Group accounting procedures and the transition to IFRS as from 1 January 2005;
– co-ordination of the "Vision" Group financial information system, which incorporates the consolidation process and which is used to unify the various VINCI reporting systems (accounting and financial information, human resources information, commercial data, borrowing).

The budget procedure is common to all business lines and their subsidiaries. It is built around five key dates in the year: the budget for the next year in November followed by four updates in March, May, September and November. For each of these stages, management committees meet to examine each business line's position and financial data, in the presence of the Group's Chief Executive Officer and its Chief Financial Officer.

A monthly report on business, new orders taken, the Group's order book and consolidated net borrowing position is prepared by the Finance Department on the basis of detailed information provided by the business lines, and is distributed to the General Management.
The Management of each business line prepares a specific report on the month's key events.

The Budgets and Consolidation Department lays down a timetable and closure instructions for the preparation of the half-year and annual accounts. These instructions, sent to the business line Finance Departments, are presented in detail to the staff in charge of consolidation in the entities in question.

The line items entered in the consolidation pack by divisions through the "Vision" system are defined beforehand by the Budgets and Consolidation Department. The Group's accounting rules and methods are also laid down in the form of widely distributed procedures. Specific monitoring is carried out for some areas, e.g. provisions, deferred tax and off-balance sheet commitments.
At each accounts closure, business lines send the Budgets and Consolidation Department a dossier with analysis and comments on the consolidated data submitted.

The Group Finance Department presents the accounting treatment it intends using for any complex transactions to the Statutory Auditors in order to receive their prior opinion.

The Statutory Auditors present their observations on the half-year and annual accounts to the Audit Committee before they are presented to the Board of Directors and after they have been presented to the Management of the business lines in question and the VINCI holding company.

Before signing their reports, the Statutory Auditors request letters of representation from Group Management and business line management. In these representations, Group Management and business line managements confirm that they consider that the effects of any still unresolved anomalies noted by the Statutory Auditors, either individually or in aggregate, do not have a material impact on the financial statements taken as a whole.

Business lines have management accounting systems tailored to their own business. Specific budgetary control tools have been installed in the Construction, Roads and Energy business lines and each of the concession activities (motorways, car parks and airports) and allow regular monitoring of the progress of sites and contracts.

5. ACTIONS UNDERTAKEN TO STRENGTHEN INTERNAL CONTROL

5.1. WORK CARRIED OUT BEFORE 2005

In 2003, VINCI initiated an action plan intended to enhance the quality of the internal control system, without bringing into question its features adapted to the management organisation in force in the Group, which combines an entrepreneurial culture, the autonomy of operational staff, transparency and loyalty, and network-based operations.

The project comprised several stages, of which the first, completed in 2003, was to identify the main risks and the associated controls for the main Group entities and processes.

The second stage related to determining and describing the current organisation of internal control, the aim being to describe the internal control arrangements put in place by the various divisions. Self-assessment questionnaires on the internal control environment, approved by the Executive Committee, were sent in 2003 and 2004 to managers of a sample of entities, selected from the largest and most representative entities. Their replies were analysed and a list was drawn up of the main procedures in existence.

The third step, in 2003 and 2004, involved listing the risks and associated controls. The objective here was to use the self-assessment questionnaires and the interviews conducted with VINCI's General Management, the managers of the main business lines and VINCI's functional departments to list the main risks and corresponding controls existing within the Group and the business lines. This resulted in the identification of the processes that the various entities should assess from an internal control viewpoint. Acceptance of new business was identified as the main area to be assessed as a priority. The main risks inherent in the Group's activities are analysed in the "Risk Management" section of the annual report.

In 2004, the decisions taken in 2003 on the improvement of the internal control environment were implemented:

– distribution of the Chief Executive's guideline (see paragraph 3.3) to all the operational and functional managers of business lines in France and abroad;
– harmonisation and fine-tuning of the formalisation of certain procedures (through the creation of working groups and specific dedicated resources), including in particular cash management and accounting at holding company level and a complete revision of operational procedures in the Roads business line; holding company procedures have also been made available on the Group's intranet;
– implementation in certain foreign subsidiaries of management methods and procedures complying with Group policy;
– creation of internal audit functions in those business lines where none existed (Concessions and Energies) and an increase of business lines' head-office management control staff;
– implementation of a charter in the largest operational entity of the Construction business line (Sogea Construction), covering its ten internal operating rules (on risk taking, financial engineering, outside appointments or functions, acquisition or disposal of securities and reorganisation, property and other tangible assets, human resources, budgetary management, banking relations and financial commitments, administrative management, media – brands and logos);

5.2. WORK PERFORMED IN 2005

The survey made in 2005 to assess the quality of internal control under the Financial Security Act covered 193 Group entities (including 38 foreign entities) which replied to 120 questions grouped into three self-assessment questionnaires (internal control of operations and monitoring business; control of financial information; the control environment and risk assessment). The three questionnaires used in previous years were first simplified and clarified by a working group of experts from the Group's various business lines. Analysis was made using various criteria: division, business line, geographical area, revenue.
This survey showed that satisfaction with the quality of internal control increased on average by 8% for the Group against 2004.

Furthermore, an assessment of the operation of the information systems has been launched in a representative sample of entities. These will complete a self-assessment questionnaire comprising four sections:

– the information systems environment;
– acquisition, development and deployment of software and hardware;
– operation;
– information systems security;

This work will continue in 2006.

Internal control in the **Construction division** is performed at the level of each of its sub-divisions: Sogea Construction, GTM Construction, VINCI Construction Grands Projets, VINCI Construction Filiales Internationales, Freyssinet, VINCI PLC (UK) and CFE (Belgium). Each sub-division sets up its own system adapted to its organisation and business, the area where it operates and the size of its sites. Internal control arrangements are therefore well suited to a given entity but in general scarcely applicable to another one. An entity such as VINCI Construction Grands Projets, which is certified ISO 9001 and 14001, has long since implemented rigorous procedures that are applied well. Purely French entities, such as Sogea Construction, have made great efforts to strengthen their internal control, in particular as regards the formalisation and appropriate dissemination of operating rules. The procedures also now include constant verification of compliance with the terms of the charter (see paragraph 5.1 above). In 2005, VINCI Construction has sought to strengthen internal control in its Central and Eastern European subsidiaries (in Poland, Hungary, the Czech Republic, etc.) and this will continue in 2006.

The **Energies** division has finished drawing up the first part of a set of rules applicable to all its entities. This relates in particular to the internal control policy and organisation within the division. A second part, involving the drafting of procedures on 18 processes it considers have priority (e.g. acceptance of orders and debt collection), will be completed in 2006.

The VINCI Energies internal audit department formed at the end of 2004 carried out 27 assignments in 2005.

VINCI Concessions formed its internal audit department at the end of 2004. While following each of the division's specific activities, the initial internal audit work programme looked at those entities that were considered as having the greatest autonomy rather than the sectors making the largest contribution to profits. The objective of these first assignments was therefore to determine the situation in entities that were sometimes far from the centre. Future assignments will focus more on monitoring implementation of the division's procedures on a recurring basis.

VINCI Concessions conducted 12 internal audits in 2005, at Cofiroute (1), VINCI Park (4), Airport Services (4) with 3 in the other concessions. In general, the audits confirmed the implementation, within the entities audited, of the division's internal control procedures regarding development (authorisation of new business) and the production and reliability of financial and accounting information.

In 2005, **Eurovia's** objectives were to:

– harmonise and fine-tune formalisation of certain procedures, in particular in the area of operations;
– improve internal control by continuing the deployment of the division's management methods and procedures in certain foreign subsidiaries;
– progressively deploy the division's computer system in foreign subsidiaries.

With the completion of the project, it is evident that:

– the division's organisational structure, with its shared service centres, provides a balanced share of power between operational and functional responsibilities that is favourable to the performance of internal control;
– the management methods have been formalised (in the form of a management manual, written procedures and guides);
– an internal audit charter has been prepared and distributed within the division; the internal audit department carried out 32 assignments in 2005, resulting in recommendations that will be followed up;
– the procedures for the acquisition of companies and control over tendering are correctly defined and followed;
– the involvement of the division's General Management in the execution of management control and internal audit functions strengthens their effectiveness.

In its international subsidiaries, Eurovia started deployment in 2005 of the Kheops management information system, which is a version of the Khepra system already used in France as adapted for the foreign entities. Eurovia's management principles will therefore be gradually implemented across the whole division.

5.3. WORK TO BE DONE IN 2006 AND BEYOND

VINCI's various business lines now have an awareness of internal control and are organised to make progress in this area. The two priorities for the coming years have been defined as follows:
– to strengthen the degree of internal control in foreign subsidiaries, in particular by appointing full time financial controllers and deploying the management tools used in France;
– to assess internal control, in particular by sampling during specific internal audit assignments.

The annual internal control survey based on self-assessment questionnaires will be introduced in more operational or functional entities abroad. The information collected will result in the preparation of annual action plans for each country and division.

While striving to continue to improve the organisation of internal control within the Group, VINCI intends maintaining light command structures, at both holding company and divisional level. The Group's operating principles, based on the autonomy of operational entities, will be widely disseminated and compliance with them will be imperative, the objectives being to:

– ensure the correct application of the Group's rules and procedures;
– monitor changes in regulatory requirements;
– maintain effective management of the main risks; and
– guarantee financial information of quality.

REPORT OF THE STATUTORY AUDITORS IN APPLICATION OF ARTICLE L.225-235 OF THE FRENCH CODE OF COMMERCE

ON THE REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS OF VINCI ON INTERNAL CONTROL PROCEDURES RELATING TO THE PREPARATION AND TREATMENT OF ACCOUNTING AND FINANCIAL INFORMATION

YEAR ENDED 31 DECEMBER 2005

As the Statutory Auditors of VINCI, and in application of Article L.225-235 of the French Code of Commerce, we present our report on the report prepared by the Chairman of your Company in accordance with the last subsection of Article L.225-37 of the French Code of Commerce, for the period ended 31 December 2005.

The Chairman is required to report to you in particular on the conditions under which the work of the Board of Directors is prepared and organised and on the internal control procedures implemented within the Company.

Our role is to communicate to you any comments required by the information and declarations contained in the Chairman's report concerning internal control procedures relating to the preparation and treatment of accounting and financial information.

We conducted our review in accordance with the professional standards applicable in France. Those standards require us to plan and perform our work so as to obtain reasonable assurance that the information presented in the Chairman's report, with respect to the internal control procedures relating to the preparation and treatment of accounting and financial information, is free of material misstatement. Those standards notably require that we:

- inform ourselves of the objectives and the general organisation of internal control, and of the internal control procedures relating to the preparation and treatment of accounting and financial information, presented in the Chairman's report;
- inform ourselves of the work underlying the information thereby provided in the Report.

On the basis of our work, we have no comments to make on the description of the Company's internal control procedures relating to the preparation and treatment of accounting and financial information, contained in the report of the Chairman of the Board of Directors, prepared in application of the provisions of the last subsection of Article L.225-37 of the French Code of Commerce.

Neuilly-sur-Seine and Paris, 2 March 2006
The Statutory Auditors

Deloitte & Associés	Salustro Reydel
	Member of KPMG International
Thierry Benoit	Bernard Cattenoz Benoît Lebrun

Free translation of the original French text. For information purposes only.

REPORT OF THE BOARD OF DIRECTORS

A. REPORT ON THE FINANCIAL STATEMENTS FOR THE YEAR

Note: the 2005 consolidated financial statements have been prepared for the first time in accordance with IFRS. For purposes of comparison, the 2004 financial statements have been restated under the same standards.

1. CONSOLIDATED FINANCIAL STATEMENTS

The good trends seen in 2004 continued in 2005: business in the various segments of the construction sector was very buoyant in France in most regions; the infrastructure market in the new EU Member states in Central and Eastern Europe grew strongly and; many Public-Private Partnerships were being studied in many European countries, particularly in France.

Following an excellent year in 2004, for VINCI, this favourable environment resulted in a new increase in orders taken in all its businesses, with order books continuing to be renewed on good terms.

Overall, the Group's activities increased by more than 10%, beating the initial forecasts. This was accompanied by a further improvement in operating margins.

1.1 REVENUE

VINCI's 2005 consolidated revenue amounted to €21.54 billion, a 10.4% increase against 2004 (€19.5 billion).
Whereas in recent years the growth in VINCI's activities was driven by the French market, this year activity increased in a comparable manner in France and abroad. In particular, the Roads and Construction business lines reported strong growth both in France and abroad.
This good trend was mainly due to organic growth, the positive effects of changes in consolidation scope and currency fluctuations accounting for only 2%. New acquisitions (in 2005 and those of 2004 for a full year) contributed an extra €380 million of revenue, which was partially offset by that of entities disposed of (€105 million).

In France, revenue increased by 9.7% to €13.3 billion (8.5% on a like-for-like basis).

Outside France, revenue increased by 11.5% to €8.25 billion (8.5% on a like-for-like basis) and accounted for 38% of the total activity.
ASF, in which VINCI had a 23% holding at 31 December 2005, is accounted for in the Group's consolidated financial statements using the equity method. In consequence, its revenue, which amounted to €2.5 billion in 2005, is not included in VINCI's consolidated revenue for this period.

Concessions: €2,055 million (+5.8% actual scope; +3% like-for-like)

Cofiroute's revenue increased by 3.2% to €900 million. This trend reflects the increase in toll receipts, which benefited from the combination of a 0.9% increase in traffic (of which 0.1% is accounted for by the satisfactory start of operations on the Ecommoy-Tours section of the A28, which entered service on 14 December 2005) and prices changes for 2.2%.
Following a first half year that was marked by the adverse effects of the calendar – 2004 was a leap year, Whit Monday was a working day in 2005

– light vehicle traffic has shown a favourable trend from the summer onwards, ending the year with a 0.8% increase over the full twelve months. Heavy vehicle traffic increased regularly over the whole year, by 1.2%.

VINCI Park's revenue was €494 million, a 1.8% increase. This reflects the effects of organic growth in France (+0.9%) and a more sustained increase abroad (+4.2%), in particular due to new acquisitions.

Revenue from other infrastructure assets under concession was strongly up, by 29%, at €161 million. This includes €41 million from a full year's operation of the Charilaos Trikoupis Bridge (Rion-Antirion) in Greece, which was opened in August 2004.

Airport services booked revenue of €505 million, the 8% increase being accounted for mainly by the inclusion of France Handling, acquired during the year. At constant consolidation scope and exchange rates, revenue fell 2% despite a good level of activity in cargo services, as a result of the measures taken to reduce the activity in the USA.

Energy: €3,508 million (+5.1% actual; +3.8% like-for-like)

In France, VINCI Energies' revenue was €2.6 billion, an increase of 6.5% (6.6% like-for-like).

Activity was particularly dynamic in the telecommunications infrastructure sector, which benefited from telephone operators' capital expenditure, in the energy transport infrastructure sector and in the services sector (commercial property).

Outside France, VINCI Energies' revenue remained almost stable (up 1.3%) at €940 million despite the very significant reduction in the activity of the Austrian subsidiary TMS from €162m to €101m, a 38% fall, in a badly-hit automobile production engineering market.
The other foreign subsidiaries had a good year in 2005, reporting growth of approximately 10% in a European market where trading conditions were better overall.

Roads: €6,457 million (+12.2% actual scope; +9.1% like-for-like)

In France, Eurovia's revenue was more than €3.6 billion, reflecting growth of 10.6% (9.6% like-for-like).

Following a difficult start to the year, marked by unfavourable weather conditions, activity was at a strong level in the second half, in particular as a result of increased workloads on several major urban infrastructure projects, such as those for the tramways in Valenciennes, Nice, Montpellier and Marseille.

Outside France, revenue was €2.8 billion, a 14.3% increase, and included the contribution by the UK firm TE Beach, present for the first time.

Foreign subsidiaries' growth remained high on a like-for-like basis, at 8.4%. In particular, this reflects the excellent performances in the Czech Republic and the United Kingdom, and a recovery in Germany (up 3.5%), where business was brisk in the second half.

Construction: €9,399 million (+13.5% actual; +12.3% like-for-like)

In France, VINCI Construction's revenue was €5.4 billion, an increase of 14.1% (12.5% at constant consolidation scope and exchange rates).

Following a first half that saw very strong growth, business remained brisk in the second half of the year, but at a more moderate rate of growth. The network of Sogea Construction and GTM Construction enterprises, with their firm bases across the territory, benefited from growing markets, in both the Paris region and the rest of France, with in particular continuing strong demand in the building sector and prospects of new large-scale infrastructure projects. Business was also particularly dynamic in French overseas territories.

Outside France, revenue was up by 12.6% (12% like-for-like) at nearly €4 billion.

This good performance reflects the strong growth booked in Central and Eastern Europe and by Norwest Holst in the United Kingdom. The Belgian subsidiary CFE booked revenue of €965 million, up 17%, reflecting the good prospects of its dredging subsidiary Deme.

Revenue by business line [1]

(in € millions)	2005	2004	Change 2005/2004 at actual consolidation and exchange rates	Change 2005/2004 at constant consolidation scope and exchange rates
Concessions and services	2,055	1,943	5.8%	3.0%
Energy	3,508	3,338	5.1%	3.8%
Roads	6,457	5,755	12.2%	9.1%
Construction	9,399	8,284	13.5%	12.3%
Property	409	428	(4.3%)	(4.3%)
Eliminations	(285)	(228)		
Total	**21,543**	**19,520**	**10.4%**	**8.5%**

(1) The above data is for each business line and is stated before elimination of transactions between business lines.

Revenue by geographical area

(in € millions)	2005	% revenue	2004	Change 2005/2004
France	**13,292**	**62%**	**12 ,118**	**9.7%**
Germany	1,583	7%	1,635	(3.2%)
United Kingdom	1,775	8%	1,532	15.9%
Central and Eastern Europe	1,560	7%	1,096	42.4%
Belgium	636	3%	625	1.8%
Spain	328	2%	314	4.4%
Other European countries	540	3%	547	(1.3%)
Europe excluding France	6,422	30%	5,749	11.7%
North America	764	3%	831	(8.0%)
Rest of the world	1,065	5%	822	29.4%
Total	**21,543**	**100%**	**19,520**	**10.4%**

1.2 OPERATING PROFIT FROM ORDINARY ACTIVITIES / OPERATING PROFIT

Operating profit from ordinary activities is the operating profit before share-based payment expenses (IFRS 2), goodwill impairment losses and any material non-recurring items.

Operating profit from ordinary activities was €1,568 million in 2005, an increase of nearly 21% against 2004. The operating margin was 7.3% against 6.7% in 2004. All business lines, but especially Construction, contributed to this new increase in operating profitability.

Concessions
Operating profit for the Concessions business line rose to €633 million from €580 million in 2004 and accounted for 40% of the Group's total operating profit. Cofiroute's operating profit rose by 1.4% to €469 million. At VINCI Park, operating profit increased by 8.3% to €127 million. The other infrastructure concessions contributed €55 million in 2005, an increase of €25 million over the year. This figure includes the impact of a full year's operation of the Charilaos Trikoupis Bridge (Rion-Antirion) which entered service in August 2004, for €17 million.
The contribution from airport services improved this year by €9 million and is now positive, following 2004 which was marked by continuing restructuring measures in the USA.

Energy
VINCI Energies' operating profit from ordinary activities was €178 million, up 8.5% against the previous year. This is a 5.1% margin, compared with 4.9% in 2004. The continuing high earnings reported by the French subsidiaries should be underlined, as should the good performances by European operations especially those in Germany. TMS's operating loss has been strongly reduced, to €10 million, as a result of the restructuring undertaken.

Roads
Eurovia's operating profit from ordinary activities was €235 million, an 8.2% increase, with an operating margin of 3.6% (against 3.8% in 2004). This margin was affected by the increase in energy costs. In France, the profit trend is in line with the increase in activity levels, with operating margins remaining at a satisfactory level. Outside France, the situation is more varied. Business is good in the UK and the Czech Republic, conditions are improving in Germany, and recovery is under way in Spain and the USA.

Construction
VINCI Construction saw its operating profit from ordinary activities increase strongly to €460 million, up 42.5%. The operating margin was 4.9%, against 3.9% in 2004. These excellent results reflect the further very marked improvement in the performance of the French subsidiaries Sogea Construction and GTM Construction and of most of the Division's other units (subsidiaries in France's overseas territories and foreign countries, major projects and Freyssinet's specialised business lines).

Property
VINCI Immobilier made a contribution to operating profit from ordinary activities of €33 million (compared with €27 million in 2004).

Operating profit from ordinary activities by business line / Operating profit

(in € millions)	2005	% revenue	2004	% revenue	Chang 2005/2004
Concessions and services	633	30.8%	580	29.8%	+9.1%
Energy	178	5.1%	164	4.9%	+8.5%
Roads	235	3.6%	218	3.8%	+8.2%
Construction	460	4.9%	323	3.9%	+42.5%
Property	33	8.2%	27	6.3%	+23.6%
Holding companies	29		(12)		
Operating profit from ordinary activities	**1,568**	**7.3%**	**1,300**	**6.7%**	**+20.6%**
Share-based payment expenses	(71)		(36)		
Goodwill impairment expense	(13)		(46)		
Non-recurring items	—		(10)		
Operating profit	**1,484**	**6.9%**	**1,208**	**6.2%**	**+22.9%**

After taking account of the expenses related to share-based payments and goodwill impairment, for a total of €84 million, operating profit was €1,484 million in 2005, 6.9% of revenue and up 22.9% against 2004.

1.3 NET PROFIT

Net profit attributable to equity holders of the parent was €871 million for the period, up 19% against 2004 (€732 million). Earnings per share rose 11.5% to €5.08 from €4.56 in 2004, while diluted earnings per share rose 11% to €4.46, compared with €4.02 in 2004. VINCI Concessions was the business line that made the biggest contribution to the Group's income, ahead of VINCI Construction. Both divisions recorded significant growth in earnings. VINCI Energies and Eurovia also improved their contributions. In 2004, the holding companies' net profit included income of €62 million net of tax from the equity swap relating to ASF, mentioned previously.

Net profit by business line

(in € millions)	2005	2004	Change 2005/2004
Concessions and services	336	233	+ 44.6%
Energy	106	95	+ 11%
Roads	159	139	+ 14.2%
Construction	323	248	+ 30.1%
Property	21	17	+ 23.9%
Holding companies	(74)	—	
Total	**871**	**732**	**+ 19.1%**

Net financial expenses were €158 million against €242 million in 2004. This decrease is the result of the improvement in operating cash flows in most operating entities, except for Cofiroute, which continued to carry out its major investment programme. It also takes account of a better return on cash surpluses invested by the holding company and the positive effects of a change in the estimated maturity of the 2002-2018 OCEANE bond.

Other financial income and expenses amounted to €52 million, against €238 million in 2004. The 2004 figure included both exceptional income of €96 million arising on the unwinding of an equity swap relating to approximately 4% of the share capital of ASF, and the dividend received from ASF for €32 million.

This item also includes capitalised borrowing costs related to concession operating companies' capital expenditure programmes in progress (€63 million against €77 million in 2004), the impact of discounting retirement obligations to present value (an expense of €28 million against an expense of €24 million in 2004) and of asset disposals (€24 million in 2005).

The tax expense was €462 million (€380 million in 2004). This corresponds to an effective tax rate of 31.6%, which is higher than the 29.6% in 2004 because of the larger contribution in 2005 made by French subsidiaries, which overall are more heavily taxed than foreign subsidiaries.

The Group's share of the profit or loss accounted for by the equity method was €87 million, strongly up against 2004 (€14 million) because of the impact of equity-accounting ASF for a full year, for €77 million.

Minority interest of €132 million essentially represents shares not owned by VINCI in Cofiroute (34.7%) and in the Belgian construction company CFE (54.6%).

1.4 CASH FLOWS FROM OPERATIONS (1)

Cash flow from operations came to €2,150 million in 2005, up 6.5% from 2004. This figure included €96 million from the unwinding of the equity swap on ASF. If we strip out this non-recurring item, the rise came to 12%. VINCI Construction and VINCI Concessions were the main drivers of this growth in cash flow from operations.

Cash flows by business line

(in € millions)	2005	% revenue	2004	% revenue	Change 2005/2004
Concessions and services	857	41.5%	791	40.7%	+ 8,4%
Energy	215	6.4%	221	6.6%	(2.7%)
Roads	379	6.2%	368	6.4%	+ 3%
Construction	656	6.9%	516	6.2%	+ 27.1%
Property	34	8.4%	29	6.7%	+ 19.8%
Holding companies	9		93		
Total	**2,150**	**10%**	**2,018**	**10.3%**	**+ 6.5%**

(1) *Before financing costs and tax.*

1.5 OTHER CASH FLOWS

After taking account of the change in working capital requirement (an increase of €120 million against an increase of €370 million in 2004), the cost of financing and taxes paid, **cash flows from operating activities** amounted to €1,676 million, a decrease of €168 million from the previous year.

When the increase in investments in operating assets required by the growth in activities (€604 million in 2005 against €476 million in 2004) is taken into account, **free operating cash flow, before growth investments,** amounted to €1,072 million (€1,368 million in 2004).

Growth investments in concessions increased by 43%, or €243 million, to €811 million. This was mainly the result of the acceleration of the pace of Cofiroute's capital expenditure (€736 million in 2005, €454 million in 2004).

Financial investments (excluding share buy-backs) totalled €191 million (€442 million in 2004). The main acquisitions in 2005 related to TE Beach (€24 million) and France Handling (€35 million).

Share disposals amounted to €105 million. These related mainly to the sale of the Group's minority shareholdings in airport operations: airports in Northern Mexico (SETA) for €18 million and Beijing (BCIA) for €40 million.

Free cash flow after financing growth was therefore €289 million, against €574 million in 2004.

Financing activities in the period affecting the net financial debt accounted for a net cash inflow of €565 million.
This takes account of dividends paid by the parent company for €390 million (comprising the final 2004 dividend of €1.15 per share and the 2005 interim dividend of €0.7 per share) and the dividends paid by subsidiaries to minority shareholders (mainly in Cofiroute).
Cash flow also included changes in share capital: share buy-backs (a cash outflow of €370 million for the purchase of 6.3 million shares at an average price of €58.7 per share) and the issue of 8.9 million new shares (a cash inflow of €270 million). These activities gave rise to a net outflow of €100 million for the year.
Lastly, the early conversion of the 2001-2007 and 2002-2018 OCEANE bonds generated an increase in equity of €1,096 million, which was offset by an equivalent amount to redeem the loan.

1.6. BALANCE SHEET

VINCI's **net financial debt** was €1.6 billion at 31 December 2005, an improvement of €854 million compared with the previous year despite the increase in Concession subsidiaries' debt, from €3.3 billion to €3.8 billion, which was mainly attributable to the increase in Cofiroute's capital expenditure. The other business lines showed a net cash surplus of €2.8 billion, up by nearly €200 million against 2004. Holding companies reduced their debt by nearly €1.2 billion, mainly as a result of the conversion of the OCEANE bonds.

Net financial (debt) / surplus

(in € millions)	2005	2004	Change 2005/2004
Cofiroute	(2,544)	(1,989)	(555)
VINCI Park	(391)	(487)	+96
Other concessions	(703)	(674)	(29)
Airport services	(190)	(129)	(61)
Concessions and services (excl. holdings)	(3,828)	(3,279)	(549)
Energy, Roads, Construction	2,760	2,572	+188
Investment in ASF	(1,483)	(1,483)	—
Holding companies and property	972	(243)	+1,215
Net financial debt	**(1,579)**	**(2,433)**	**+854**

The Group's financial structure continued to strengthen in 2005, with **equity** (including minority interest) up from €3.6 billion to €5.3 billion and gearing (the net borrowing to total equity ratio) of 30%, against 67% in 2004.

Provisions reported under liabilities (both current and non-current) remained at a level equivalent to that of 31 December 2004, at €1.6 billion at 31 December 2005. Provisions for retirement obligations amounted to €667 million.

Lastly, the working capital surplus remained at the very high level reached in 2004, at €1.6 billion at 31 December 2005.

1.7 RETURN ON CAPITAL

Return on equity (ROE)

ROE, calculated on the basis of consolidated shareholders' equity (excluding minority interest) at the start of the period, was 28.9% overall for 2005, an improvement against the previous period. This reflects the high profitability of the construction and civil engineering business lines, which are not capital intensive.

(in € millions)	2005	2004
Shareholders' equity at previous year-end	3,016	2,662
Net profit for the year	871	732
ROE	**28.9 %**	**27.5 %**

Return on capital employed (ROCE)

ROCE also increased against the level in 2004 despite the increase in capital employed, as a result of continuing the Group's policy of investing in concessions. This positive trend takes account of the effect of equity accounting for ASF over a full year in 2005.

The Group's ROCE is the result of two very different activity profiles:

– very high ROCE in activities other than concessions (262% in 2005), due to the combination of their low capital intensity (which is even negative for VINCI Construction) and high operating profitability;

– a lower ROCE in Concession businesses (6.4% in 2005), which is effected by the size of investments that are at the construction stage and by concessions in their start-up phase (€1.6 billion in total), where profitability is still low.

(in € millions)	2005	2004
Capital employed at previous year-end	7,562	7,640
Capital employed at this year-end	8,481	7,562
Average capital employed	**8,022**	**7,601**
Operating profit from ordinary activities	1,568	1,300
Other items (1)	91	66
Theoretical tax expense (2)	(496)	(387)
NOPAT	**1,163**	**979**
ROCE	**14.5 %**	**12.9 %**

(1) *Group's share of earnings of equity-accounted companies, dividends received and other financial items (excluding financing costs, depreciation, amortisation and provisions, foreign exchange gains and losses, disposal gains and losses, capitalised borrowing costs, cost of discounting retirement obligations, and income from the equity swap in 2004).*

(2) *On the basis of the effective rate for the period (31.6% in 2005; 29.6% in 2004)..*

2. PARENT COMPANY FINANCIAL STATEMENTS

The parent company's net profit was €716 million in 2005, compared with €330 million in 2004.

Expenses referred to in Article 39.4 of the French Tax Code amounted to €15,062 in 2005.

3. DIVIDENDS

The net dividend proposed to the Shareholders Meeting is €2.0 per share, up 14% against the €1.75 per share paid in respect of 2004 (€3.50 per share before the two-for-one share split in May 2005). This represents a yield, including tax credit, of 2.6% on the basis of the share price at 24 February 2006. The final dividend of €1.30 will be paid on 18 May 2006.

The total amount that will be distributed to shareholders in respect of 2005 is estimated at €382 million. This is an increase of 33% against the distribution in respect of 2004 (€287 million) and represents 44% of the 2005 net consolidated profit (40% in 2004).

B. RISK FACTORS

1. OPERATING RISKS

1. 1 CONSTRUCTION, ROADS, ENERGY

In general, VINCI Construction's, Eurovia's and VINCI Energies' businesses are dependent on the economic climate and public-sector orders. If these decrease, pressure on business volumes and prices may result.

In fulfilling orders, Group companies are also exposed to the risk that the actual time and / or cost of construction will be different from the estimate made when the contract was awarded. Time and cost depend on a certain number of factors that are difficult or impossible to forecast such as changes in raw material prices, labour and sub-contracting costs, difficulties connected with the technical complexity of the project to be built, and climatic and geological conditions.

Group companies are also exposed to the risk of customer insolvency.

The risks described above are lessened by the fact that Group companies' revenue arises from a large number of contracts. These are estimated to number approximately 300,000 a year. They are generally of a modest size and last a few months, involving a very diverse range of skills, geographical locations and customers.

The major projects carried out by VINCI Construction Grands Projets account for less than 7% of the Construction division's revenue and less than 3% of the Group's consolidated revenue. In this area, the Group's policy is to favour projects with high technical value added, allowing its know-how to be leveraged in countries where the environment is known and manageable. These major projects are also usually carried out with outside companies in consortia in order to limit the Group's risk exposure.

Regarding order-taking, the Group has set up a policy for selecting new business. Procedures to monitor commitments at an early stage have been implemented for a long time. The budgetary procedures and reporting and internal control systems in each business line and at holding company level also enable regular (usually monthly) monitoring of key management indicators and a periodic review of each entity's results. All these procedures are described in the "Report of the Chairman on the work of the Board of Directors and on internal control procedures", page 169.

1. 2 PROPERTY

The Group's property development activities are exposed to a number of risks connected in particular to administrative, technical and commercial factors that could result in delays (or the abandoning of some projects), budget over-runs and uncertainties regarding the sales price of properties.

VINCI's exposure to property risks is limited. The Group's property development activities are mainly carried out through its specialised subsidiary, VINCI Immobilier. This company's activities are concentrated in the Paris Region and France's main conurbations. In 2005, they accounted for less than 2% of the Group's revenue.

Some VINCI subsidiaries may also participate in isolated property development operations in connection with the Group's construction activities, mainly in France, Belgium and Luxemburg.

Property development projects are submitted to the Risk Committee for prior examination and agreement. The Group's policy is to undertake new projects only if all risks are under control and if the property is sufficiently pre-sold.

1.3 CONCESSIONS

The main risks in connection with Concession projects relate to design and construction (which are, however, usually borne by the undertakings in charge of the construction), to factors that can affect traffic levels and to financial variables (interest rates, inflation, etc).

Concession projects are systematically submitted to the Risk Committee for examination and agreement. In order to limit the risk capital invested by the Group, these projects are generally developed in partnership with outside enterprises and are financed so as to maximise the amount of debt, which is generally with no or limited recourse against VINCI.

1.4 ACQUISITIONS

To control the risks connected with the integration of newly acquired companies and to be able to apply the Group's management principles in them, VINCI's policy is to acquire a majority interest in acquirees.

Any proposed acquisition or disposal is submitted to the Risk Committee for agreement. The largest are also submitted to the Board of Directors after examination by the Strategy and Investment Committee (see paragraph 3.2.2 of the Corporate Governance section).

2. MARKET AND LIQUIDITY RISKS

2.1 LIQUIDITY RISK

The Group's exposure to liquidity risk relates to its obligations to repay its existing debt, in addition to the supplementary debt arising from the acquisition in progress of ASF and, ASF's own debt. In particular, the financing of this transaction includes a 7-year acquisition loan of €4.2 billion that provides for a financial ratio that must be met throughout the period of the loan, failing which, the loan will become repayable.

Details of these obligations and the Group's resources enabling it to meet them (cash flow surpluses, unused confirmed credit lines, financial ratings) are given in Notes 25 and 26.2 to the consolidated financial statements.

2.2 MARKET RISK (INTEREST RATE, CURRENCY AND EQUITY)

VINCI is exposed to interest rate risk in connection with its floating-rate debt, and to currency risk in connection with its activities in foreign countries. However, as approximately 80% of the Group's activities in foreign countries are in the eurozone, VINCI's exposure to currency risk remains limited.

Management of interest rate and currency risks is explained in Note 26 to the consolidated financial statements.

VINCI has no exposure to equity risk. The Group no longer has any material unconsolidated holding in a listed company and the investment vehicles used to manage its cash surpluses are mainly monetary UCITS and negotiable debt securities.

3. EXPOSURE TO RAW MATERIAL PRICES

VINCI is potentially exposed to a rise in the prices of some raw materials used in the construction and road activities of VINCI Construction, Eurovia and VINCI Energies. However, the Group believes that such rises are unlikely to have a material unfavourable impact on its earnings. This is because many of the Group's construction contracts include clauses providing for price revision to allow selling prices to be adjusted during the course of the contract as commodity prices change. Furthermore, the Group's construction activities are carried out via a large number of contracts, mostly short-term. Even if they do not include price revision clauses, their short duration limits the impact of a rise in raw material prices.

The large rise in oil prices therefore did not have a material unfavourable impact on the Group's results in 2005. This rise mainly affected Eurovia, which uses bitumen, fuel oil in its industrial plants and petrol and diesel oil in its vehicles and machinery. It proved possible to limit the estimated impact on Eurovia's 2005 operating profit to about €30 million, as most of the extra costs were passed on through selling prices, either when first agreed or during the execution of contracts by virtue of price revision clauses.

4. LEGAL AND REGULATORY RISKS

Given the great diversity of its activities and geographical locations, the Group operates within a complex legal and regulatory environment governed by the place where the service is provided and the sector involved. In particular, rules relating to public- and private-sector contracts and tenders, competition and market concentration, commercial, financial and stock market law are applicable. These activities could lead to the Group incurring civil or criminal liabilities in France and in foreign countries. Civil liability risks relate in particular to construction companies. The financial risks relating to any invoking of Group companies' civil liability are covered by insurance policies described in paragraph C.

It should also be noted that, with respect to concession operations in France, the Group finds itself dependent on the authorities, which, in accordance with French law applicable to government bodies, can alter the terms and conditions of public service outsourcing contracts during their execution, subject to compensation.

Detailed information on the principal disputes in which the Group is involved is given in section G of the Notes to the consolidated financial statements, page 260.

5. INDUSTRIAL AND ENVIRONMENTAL RISK

See the "A responsible company" section, page 140.

6. TECHNOLOGICAL RISK

See the "A responsible company" section, page 140.

C. INSURANCE

1. GENERAL POLICY

Given VINCI's decentralised organisation, this policy is defined at several levels of responsibility:
- VINCI's Executive Committee lays down the general framework and rules, and in particular the standards applicable to all subsidiaries;
- Within this framework, and after identifying and rigorously analysing the risks relating to their activities, the managers of the business lines or major subsidiaries define the optimum trade-off between the level and extent of the guarantees likely to meet the range of insurable risks, and a cost (comprising premiums and uninsured losses) which allows operational entities to remain competitive in their sector.

With a view to optimising costs and preventing accidents, uninsured losses are defined on a subsidiary-by-subsidiary basis and are often as high as €75,000. Using the same approach, self-insurance budgets have been allocated, as in Civil Liability or in the automobile sector at Eurovia, GTM Construction or VINCI Energies – with a maximum amount lower than or equal to €4 million for each of these entities and each risk.

Subsidiaries' specific cover is in addition to that taken out by VINCI SA on behalf of all its subsidiaries together, in particular regarding:
- civil liability of company officers;
- disaster risks under civil liability;
- professional liability of engineering and design offices;
- liability for environmental damage.

After studying its advisability, the Group has decided not to set up a captive reinsurance company, as the financial benefit was not proven. Only a part of VINCI's activity in the United Kingdom is insured through a captive insurance company based in Guernsey, for historical reasons. A reinsurance mechanism restricts its exposure at a level defined on the basis of market conditions. This was €6 million in 2005.

The Group's main insurers are SMABTP and AXA. VINCI has set up its own brokerage firm, VINCI Assurances, charged with taking out policies and harmonising cover within the Group. With a few exceptions, VINCI Assurances acts as a broker for French subsidiaries. As a simple intermediary, it bears no financial risk as an insurer.

2. LOSS PREVENTION AND CLAIMS RECORD

Loss prevention arrangements are systematically adopted on construction sites and operating sites. This policy, which gives a major role to training, is in line with the efforts made by VINCI companies in terms of quality assurance and prevention of work-place accidents.

The Group's claims record is marked, on the basis of available statistics and data and without prejudging any actual responsibility, by the low number of incidents of more than €1 million (around ten in five years), by a few medium-sized incidents of between €75,000 and €1 million (about 30 in 2005), and, lastly, by a relatively irreducible number of small incidents, of less than €75,000 each, borne directly by subsidiaries as uninsured losses. Only two incidents of an individual amount of more than €1 million, but less than €2 million, were declared in 2005.

3. INSURANCE IN THE CONSTRUCTION, ROADS AND ENERGY BUSINESS LINES

3.1 CIVIL LIABILITY

Subsidiaries are exposed to their responsibility for bodily, physical or consequential damage caused to third parties, including customers and principals.

The civil liability cover taken out in this respect comprises a first line that combines the cover in place at subsidiary level, intended to cover usual incidents, and a set of complementary lines taken out for the common benefit. To date, no claim has been settled under these further lines of insurance in the business lines concerned.

In addition to this basic cover, specific insurance is taken out as a result of legal or contractual requirements or management decisions in the following areas:
- ten-year warranty (in France);
- automobile third-party cover;
- transport.

3.2 DAMAGE INSURANCE

Office buildings and fixed production facilities are covered for a contractual rebuilding value, either value as new or an estimate of the maximum insurable loss. Site equipment is covered on a case-by-case basis if financially worthwhile, depending on value, type and age. Road vehicles, which are mostly pooled within fleets by country, are only exceptionally covered on a comprehensive basis.

All risks insurance is, as a general rule, taken out in respect of major construction sites. In particular, this covers physical damage arising from accidents or natural events up to the value of the project.

4. INSURANCE IN CONCESSIONS AND SERVICES

4.1 DAMAGE INSURANCE

Concession operation involves a potential exposure of the Group to damage to assets under concession, whether accidental or not, that could result in an obligation to rebuild (bearing the related costs), in financial consequences due to the interruption of operations, and in obligations to providers of finance relating to debt servicing.

As a general rule, constructions presenting a concentration of risk, such as bridges, tunnels and car parks, are insured from their entry into service for their cost of reconstruction in the event of accidental destruction. This is not, however, the case for constructions of a "linear" nature, such as motorways, where complete destruction is not envisaged.

4.2 CIVIL LIABILITY

Assets made available to VINCI subsidiaries in France and other countries under concessions are also covered by specific civil liability insurance arrangements, which are co-ordinated with complementary cover at Group level. As in the Construction, Roads and Energy business lines, no claim has been settled to date under these complementary lines. These arrangements are specifically designed to meet local legal requirements and those laid down in concession agreements. Concession operations in which VINCI is a minority shareholder do not automatically benefit from the Group's complementary civil liability cover taken out on behalf of all entities.

Airport activities are covered by a separate "aviation civil liability" policy, applicable to all relevant operations (assistance services and airport management).

4.3 BUSINESS INTERRUPTION INSURANCE

Business interruption insurance is intended to allow concession operators to restore an income stream interrupted by an accidental event affecting the normal operation of an asset, thus enabling the operator to meet any financial commitments towards lenders and cover ordinary operating overheads during the reconstruction period.

Such operating losses are covered subject to various levels of uninsured loss. These may be expressed as an amount or as a number of days of interruption. Operations that have a low exposure to this risk, in particular motorways, are not insured against such losses, as an extended or complete halting of operations is not taken into consideration. Uninsured amounts are determined on a case-by-case basis to ensure that the concession's earnings are not materially affected by an accidental interruption of traffic. To date, no claims have been made under such policies.

D. OTHER INFORMATION

1. INVESTMENT COMMITMENTS

Under their concession contracts, Cofiroute and Arcour are committed to making investments over the next five years of €1.8 billion and €600 million respectively (see Note 13.2 to the consolidated financial statements).

Cofiroute's investments will be financed by drawing on its available credit lines of €1 billion (see Note 25.3 to the consolidated financial statements) and by new loans from the European Investment Bank (EIB) and on the bond market.

Arcour's investments will initially be financed by a capital injection from VINCI and by borrowing from VINCI and from financial institutions. The Group plans to make use of refinancing opportunities on the bond market once the construction and the operational start-up phases have been completed.

VINCI's undertaking to acquire the French government's 50.4% shareholding in ASF and subsequently to make a public bid for the remaining 26.6% represents a potential maximum investment of €9.1 billion (see Notes A.1.1.1.2 and 29 to the consolidated financial statements). The financing of this transaction is described in Notes A.1.1.2 and 25.3 to the consolidated financial statements.

VINCI envisages a partial refinancing of the loan relating to this acquisition by reallocating part of it to certain concession operating subsidiaries, including ASF. The Group does not rule out the possibility of disposing of non-strategic assets.

2. INFORMATION ON TRENDS

Other than the post-balance sheet events reported in section F of the Notes to the consolidated financial statements, there has been no material change in the Group's financial and trading position since 31 December 2005.

An order book representing nearly 10 months' activity, up 14% year-on-year, provides VINCI with good visibility over 2006. The Group's revenue should therefore record a further increase. However, in accordance with its constantly reaffirmed policy of selectivity, the Group does not set itself a growth target.

Order book

(in € millions)	31/12/2005	31/12/2004	Change
Energy	1,445	1,322	9%
Roads	4,289	3,694	8%
Construction	10,155	8,880	14%
Total (1)	**15,857**	**13,896**	**14%**
In months' activity	9.8	9.6	

(1) *after eliminations.*

3. THE GROUP'S MARKETS: SEASONAL NATURE OF BUSINESS

As far as its works activities are concerned, and particularly in road-building and civil engineering, VINCI is subject to the vagaries of the weather. Furthermore, the level of traffic recorded by certain concessions, in particular light vehicles on Cofiroute's intercity network, is generally higher during summer months than in the winter.
As a result, business activity is usually higher in the second half of the year.
In 2005, the difference between the two six-month periods was approximately 14%,(15% in 2004).
This situation is reflected by lower absorption of fixed costs in the first half – and thus generally lower operating margins than in the full year – as well as strains on operating cash flow because of lower cash receipts from customers.

4. PROPERTY, PLANT AND EQUIPMENT

The Group's property, plant and equipment mainly comprises site equipment, technical installations and fittings, and buildings.
No single items are of a material size in relation to the size of the Group.

The sections entitled "Stock market and shareholders" (pages 14 to17), "A responsible company" (pages 106 to 147), "Corporate governance" (pages 152 to 168), "Report of the Chairman on the work of the Board of Directors and on internal control procedures" (pages 169 to 175), "Information on VINCI's share capital" (pages 299 to 303) and Notes A.3, B and 22.2 to the consolidated financial statements form an integral part of the Report of the Board of Directors.

CONSOLIDATED FINANCIAL STATEMENTS

KEY FIGURES

(in € millions)	2005	2004
Revenue	**21,543.0**	**19,520.2**
of which revenue outside France	8,250.7	7,402.7
% of revenue	38.3%	37.9%
Operating profit from ordinary activities	1,567.6	1,300.1
% of revenue	7.3%	6.7%
Net profit attributable to equity holders of the parent	**871.2**	**731.6**
Earnings per share (in euros)	5.08	4.56 (**)
Diluted earnings per share (in euros)	4.46	4.02 (**)
Dividend per share, excluding tax credit (in euros)	2.00	1.75 (**)
Equity including minority interest	5,318.5	3,614.6
Provisions (current and non-current) (*)	1,588.7	1,548.2
Net financial debt	(1,579.0)	(2,433.1)
Cash flows (used in)/from operations before tax and financing costs	**2,149.8**	**2,018.4**
Net investments in operating assets	(604.4)	(476.3)
Investments in concession assets	(811.0)	(568.3)
Net financial investments	(86.2)	(241.0)

(*) *Excluding provisions for retirement benefit obligations and other employee benefits*

(**) *Restated following the two-for-one share split in May 2005.*

CONSOLIDATED IFRS INCOME STATEMENT

(in € millions)	Notes	2005	2004
Revenue	1-2-3	**21,543.0**	**19,520.2**
Revenue from ancillary activities	5	179.4	255.0
Operating expenses	5	(20,154.9)	(18,475.2)
Operating profit from ordinary activities	2-3-5	**1,567.6**	**1,300.1**
Share-based payment expense (IFRS 2)	5-22	(70.1)	(36.3)
Restructuring costs			(10.1)
Goodwill impairment expense	11-12	(13.2)	(45.5)
Operating profit	5	**1,484.3**	**1,208.2**
Cost of gross financial debt		(275.5)	(320.8)
Financial income from cash management investments		117.0	79.2
Cost of net financial debt	6	**(158.5)**	**(241.6)**
Other financial income and expenses	7	52.5	238.2
Income tax expense	8	(462.5)	(380.4)
Share of profit/(loss) of associates	17	87.0	14.0
Net profit for the period (including minority interest)		**1,002.8**	**838.3**
Minority interest	22	(131.6)	(106.7)
Net profit attributable to equity holders of the parent		**871.2**	**731.6**
Earnings per share (in euros)	9	5.08	4.56 (*)
Diluted earnings per share (in euros)	9	4.46	4.02 (*)

(*) *Restated following the two-for-one share split in May 2005.*

CONSOLIDATED IFRS BALANCE SHEET

Assets

(in € millions)	Notes	2005	2004
Non-current assets			
Intangible assets	2-3-10	103.7	82.0
Goodwill	2-3-11-12	813.1	776.9
Concession intangible fixed assets	2-3-4-13	5,741.0	5,024.1
Property, plant and equipment	2-3-4-14	2,214.8	2,006.7
Investment property	16	47.2	41.9
Investments in associates	2-3-17	1,595.5	1,558.5
Other non-current financial assets	18	240.4	288.0
Fair value of derivative financial instruments (non-current assets)	25	199.6	244.7
Deferred tax assets	8	210.5	167.2
Total non-current assets		**11,165.7**	**10,190.0**
Current assets			
Inventories and work in progress	19	540.7	542.8
Trade and other operating receivables	19	8,334.3	7,279.8
Other current assets	19	218.6	157.3
Current tax assets	8	62.5	24.4
Other current financial assets	18	39.9	129.6
Fair value of derivative financial instruments (current assets)	25	47.9	104.4
Cash management financial assets	21-25	4,340.4	3,687.4
Cash	21-25	1,144.0	830.4
Total current assets		**14,728.1**	**12,756.1**
Total assets		**25,893.9**	**22,946.0**

Equity and liabilities (in € millions)	Notes	2005	2004
Equity			
Share capital		983.2	838.1
Share premium		2,247.5	1,231.5
Treasury shares		(335.8)	(130.3)
Consolidated reserves		849.4	350.1
Currency translation reserves		31.3	(5.7)
Net profit for the period attributable to equity holders of the parent		871.2	731.6
Net income recognised directly in equity		(0.0)	0.6
Equity attributable to equity holders of the parent		**4,646.8**	**3,015.9**
Minority interest		671.7	598.6
Total equity	22	**5,318.5**	**3,614.6**
Non-current liabilities			
Provisions for retirement benefit obligations and other employee benefits	23	654.0	677.6
Non-current provisions	24	143.3	165.4
Bonds	25	3,588.3	4,619.9
Other loans and borrowings	25	1,831.8	1,520.8
Fair value of derivative financial instruments (non-current liabilities)	25	8.6	34.6
Other non-current liabilities		32.0	14.4
Deferred tax liabilities	8	210.6	169.6
Total non-current liabilities		**6,468.7**	**7,202.3**
Current liabilities			
Current provisions	2-3-24	1,445.4	1,382.8
Trade payables	19	5,002.3	4,619.2
Fair value of derivative financial instruments (current liabilities)	25	3.5	45.5
Other current payables	19	5,498.6	4,743.6
Current tax payables	8	253.9	213.6
Current borrowings	25	1,903.1	1,124.6
Total current liabilities		**14,106.7**	**12,129.2**
Total equity and liabilities		**25,893.9**	**22,946.0**

CONSOLIDATED IFRS CASH FLOW STATEMENT

(in € millions)		Notes	2005	2004
Net profit for the period (including minority interest)			**1,002.8**	**838.3**
Depreciation and amortisation			689.5	630.1
Net increase/(decrease) in provisions (*)			16.6	71.7
Share-based payments (IFRS 2) and other restatements			33.6	36.3
Gain or loss on disposals			(68.6)	(36.1)
Change in fair value of foreign currency derivative financial instruments			10.0	(10.7)
Share of profit or loss of associates and dividends received from unconsolidated entities			(91.8)	(55.8)
Capitalised borrowing costs			(63.3)	(77.3)
Cost of net financial debt recognised			158.5	241.6
Current and deferred tax expense recognised			462.5	380.4
Cash flows (used in)/from operations before tax and financing costs		2-3	**2,149.8**	**2,018.4**
Changes in working capital requirement and current provisions		2-3-19	119.9	369.9
Income taxes paid			(484.4)	(333.4)
Net interest paid			(109.0)	(210.8)
Net cash flows (used in)/from operating activities	**I**	2-3	**1,676.2**	**1,844.1**
Purchases of property, plant and equipment, and intangible assets		2-3-4	(732.5)	(556.2)
Proceeds from sales of property, plant and equipment, and intangible assets			128.1	80.0
Purchases of concession fixed assets *(net of grants received)*			(811.0)	(568.3)
Purchases of shares in subsidiaries and associates (consolidated and unconsolidated)			(191.0)	(442.0)
Proceeds from sales of shares in subsidiaries and associates (consolidated and unconsolidated)			104.9	201.0
Net effect of changes in scope of consolidation			6.6	3.1
Dividends received from associates and unconsolidated entities			65.6	44.4
Other			27.8	(31.5)
Net cash flows (used in)/from investing activities	**II**	2-3	**(1,401.6)**	**(1,269.5)**
Increases in share capital			270.4	259.6
Purchases of treasury shares			(369.8)	(492.1)
Minority interest in share capital increases of subsidiaries			(0.0)	1.4
Sums collected during the period on exercise of share options			39.4	95.2
Dividends paid				
– to shareholders of VINCI SA			(321.7)	(287.2)
– to minority interest			(68.7)	(55.5)
Proceeds from new long-term borrowings			743.5	633.7
Repayments of borrowings			(129.5)	(420.8)
Change in cash management assets			(377.2)	(225.0)
Net cash flows (used in)/from financing activities	**III**	2-3	**(213.7)**	**(490.6)**
Net change in net cash	**I + II + III**		**61.0**	**84.0**
Net cash at beginning of period			**449.9**	**363.5**
Effect of changes in foreign exchange rates			28.1	2.4
Net cash at end of period			**538.9**	**449.9**

Increase / (decrease) of cash management financial assets	377.2	225.0
(Proceeds from) / repayment of loans	(614.0)	(212.9)
Conversion of OCEANE bonds	1,096.5	
Other	(94.6)	(39.6)
Change in net debt	**854.1**	**58.9**
Net debt at beginning of period	**(2,433.1)**	**(2,492.0)**
Net debt at end of period	**(1,579.0)**	**(2,433.1)**

(*) *Including changes in provisions for retirement benefit obligations and other employee benefits.*

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

	Capital and reserves attributable to equity holders of the parent									
(in € millions)	**Share capital**	**Share premium**	**Treasury shares**	**Consolidated reserves**	**Currency translation reserves**	**Net profit for the period**	**Net income recognised directly in equity**	**Total**	**Minority interest**	**Total**
Balance at 31 December 2004	**838.1**	**1,231.5**	**(130.3)**	**350.1**	**(5.7)**	**731.6**	**0.6**	**3,015.9**	**598.6**	**3,614.6**
Changes in share capital	145.0	1,016.0		52.5				1,213.6	(0.0)	1,213.5
Changes in treasury shares			(205.5)					(205.5)		(205.5)
Allocation of net income and dividend payments				409.9		(731.6)	0.0	(321.7)	(68.7)	(390.4)
Net profit for the period (a)						871.2		871.2	131.6	1,002.9
Financial instruments: changes in fair value (b)							(4.9)	(4.9)	(2.8)	(7.8)
including:										
available-for-sale financial instruments							0.2	0.2	(0.5)	(0.3)
cash flow hedges							(5.1)	(5.1)	(2.4)	(7.5)
Currency translation differences					39.8			39.8	4.7	44.5
Changes in equity of associates recognised directly in equity							1.2	1.2		1.2
Share-based payments (IFRS 2)				64.0				64.0		64.0
Changes in consolidation scope				0.4	(2.8)		3.7	1.3	8.0	9.3
Miscellaneous				(27.4)	0.1		(0.6)	(27.9)	0.4	(27.6)
Balance at 31 December 2005	**983.2**	**2,247.5**	**(335.8)**	**849.4**	**31.3**	**871.2**	**(0.0)**	**4,646.8**	**671.7**	**5,318.5**
of which total recognised income and expense for the period (a) + (b)						871.2	(4.9)	866.3		

The reconciliation of shareholders' equity as at 1 January 2004 with that at 31 December 2004 (French Gaap/IFRS) is presented in Note H, "The main impacts of the IFRS" in paragraph 2.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

A. KEY EVENTS IN 2005

1. ASF (AUTOROUTES DU SUD DE LA FRANCE)

1.1 ACCOUNTING FOR THE HOLDING IN ASF USING THE EQUITY METHOD IN 2005

Following the appointment of a Director representing VINCI on the Board of Directors of ASF, VINCI has used the equity method to account for its 22.99% shareholding in ASF since 15 December 2004.

The net effect of equity accounting for ASF on VINCI's 2005 profit amounts to €76.8 million. This is determined after taking account of an amortisation charge of €24.9 million in respect of goodwill arising on first consolidation, amortised on a straight-line basis over its remaining useful period of 28 years from the date when the shareholding in ASF was first accounted for using the equity method.

In total, the equity-accounted shares in ASF represent an asset of €1,512 million in VINCI's consolidated financial statements, to be compared with a stock market value of €2,654.7 million at 31 December 2005.

1.2 DECISION BY THE FRENCH GOVERNMENT TO SELL ITS 50.4% SHAREHOLDING IN ASF TO VINCI

On completion of the process it undertook for the sale of its shareholdings in motorway companies, the French Government decided on 14 December 2005 to sell its 50.4% shareholding in ASF to VINCI. The transaction will allow the emergence of a French world leader in the construction and operation under concession of transport infrastructures, a rapidly expanding market.

Price

The acquisition will be paid for in cash at a price of €50 per share, making a total of €8.9 billion for the remaining 77% of ASF shares, given that VINCI already owns 23%. This price will be increased to €51 per share if the inclusion in the scope of the ASF concession of the Lyon Balbigny section of the A89 motorway, which is in progress, is confirmed. The total would then be €9.1 billion for the 77% of ASF shares remaining to be acquired. On 23 February 2006, the National Assembly approved the law validating the Lyon Balbigny inclusion.

Financing

The transaction will be financed as follows:
- €2.6 billion from existing resources (available cash and medium-term credit lines);
- €4.2 billion from an acquisition loan for 7 years from 7 November 2005;
- €2.3 billion from a bridging loan for 20 months from 7 November 2005.

An issue of new shares for cash, to which VINCI shareholders will have a preferential subscription right, will be made within a maximum of 18 months, depending on market conditions. This issue will not exceed 30% of the total amount of the transaction.

The sale by the French Government of its majority holding to VINCI is subject to the authorisation of the monopoly regulatory authorities.
This will be followed by the launch by VINCI of a public offer for the remaining 26.6% of ASF shares, in the form of a standing market offer. Finalisation of this transaction is expected during the first half of 2006.

2. OCEANE BONDS

2.1 EARLY REDEMPTION OF THE 2001-2007 OCEANE BONDS

Following the strong increase in its share price, VINCI has decided to redeem early all the OCEANE bonds issued on 20 July 2001 maturing in January 2007.

The early redemption was proposed on 22 August 2005 at €103.19 per bond plus accrued interest since 1 January 2005 of €0.57, making a total of €103.76 per bond.

Conversion into shares was requested for almost all the bonds (99.72%), leading to the issue of 11,468,262 shares resulting in an increase in the consolidated equity of €586.5 million.

2.2 EARLY REDEMPTION OF THE 2002-2018 OCEANE BONDS

VINCI decided in November also to redeem early all the OCEANE bonds issued on 2 May 2002 maturing in January 2018.

The early redemption was proposed on 1 January 2006 at €96.52 per bond plus accrued interest at 1 January 2006 of €1.80, making a total of €98.32 per bond.

Conversion into shares was requested for almost all the bonds (99.90%) during the fourth quarter, leading to the issue of 11,105,716 shares resulting in an increase in the consolidated equity of €510 million.

Overall, these two transactions have resulted in a reduction during 2005 on the net financial debt of the order of €1.1 billion and a strengthening of consolidated equity by the same amount.

3. SHARE BUYBACK POLICY

Between 1 January 2005 and 6 June 2005, the Company purchased 6,299,788 shares at an average price of €58.70 per share. During this same period, 2,500,000 shares were cancelled, by a reduction of the share capital.

Given its development projects, VINCI has not bought any treasury shares since June 2005.

Also, 1,683,478 shares were sold in 2005 in connection with the exercise of share purchase options.

As a result, VINCI's holding of treasury shares amounted to 6,835,016 shares at 31 December 2005 (representing 3.5% of the share capital), of which 2,059,228 shares allocated to covering share option plans. The balance, of 4,775,788 shares, is intended either to be used as consideration in external growth transactions or to be sold.

4. OTHER FINANCIAL TRANSACTIONS

4.1 CONCESSIONS AND SERVICES

VINCI Airport's 3.4% shareholding in Beijing airport (BCIA) was sold in January 2005 for €40 million. The net disposal gain recognised was €1.1 million.
In August 2005, VINCI Services Aéroportuaires agreed to acquire all the issued shares of France Handling, the French leader in cargo assistance to airlines and freight forwarders. This company's consolidated revenue in 2004 was €91 million.
VINCI sold its 37.25% shareholding in SETA, the manager of 13 airports in north east Mexico, to ICA, a Mexican construction group, which was already a shareholder in SETA, at a selling price of €18 million.

On 31 March 2005, the French Government and Arcour, a member of the VINCI Group, signed a concession agreement to design, build, finance and operate the A19 motorway which will link Artenay and Courtenay, two towns south of Paris by 2009. Arcour, a subsidiary of VINCI Concessions, will act as principal and finance this project, worth €618 million, under a 65-year concession contract.

In June 2005, VINCI Park finalised the sale of its activities in Chile for a total price of €3.8 million, close to the net gain recognised.

4.2 ROADS

In January 2005, Eurovia acquired the UK company TE Beach (Contractors) Limited, based at Dartford, near London, for €25 million. This company, engaged in road surfacing and road building in London, employs 359 people and booked sales of €68 million in 2004.

In September 2005, Eurovia acquired assets from Crowder Construction, based in Charlotte, North Carolina (USA), through its US subsidiary Blythe Construction. This acquisition related to Crowder's two coating stations, which have an annual production capacity of more than 600,000 tonnes of asphalt mix, and to its laying equipment.

4.3 ENERGIES

VINCI Energies has continued its external growth policy and acquired:

– in March 2005, the German company NK Networks & Services, specialised in network infrastructure integration, ToIP (telephone on internet) and network security;
– in June 2005, 80% of the Portuguese company Sotécnica, a Portuguese leader in the design, construction and maintenance of technical installations in industry, services, airports and energy infrastructures;
– in July 2005, IDF Thermic, which installs refrigerated equipment for warehouses and commercial premises, as well as air-conditioning and air treatment plants in cold stores.

4.4 CONSTRUCTION

In January 2005, a consortium comprising VINCI Construction Grands Projets, Hochtief (Germany), American Bridge (USA), Besalco (Chile) and Tecsa (Chile) won the concession contract for the Chiloé Bridge in Chile, worth €400 million. The Chiloé Bridge contract provides for 32 months of technical engineering – this time also being used to finalise the project's financing – followed by 65 months for construction and a 30-year operation period.

4.5 VINCI IMMOBILIER

The reorganisation of the Group's property activities has led to the formation of the VINCI Immobilier division, bringing together the property development and project organisation operations of the subsidiaries Sorif and Elige. These entities merged legally on 31 August 2005, with effect from 1 January 2005.

5. ASSESSMENT BY RATING AGENCIES

In connection with the French Government's disposal of its shareholdings in the motorway concession operating companies, Standard & Poor's placed VINCI's BBB+ rated long-term note under negative surveillance on 25 August 2005 (while confirming the A-2 rated short-term note) and Cofiroute's long-term A rated notes and short-term A-1 rated notes on 9 September 2005.

On 14 December 2005, following the French Government's decision to sell its 50.4% stake in ASF to VINCI, Standard & Poor's confirmed the BBB+ rating for VINCI's long-term notes and the A-2 rating for its short- term notes. However, the BBB+ rated long-term note remains under negative surveillance until completion of the share capital increase intended to partially finance the transaction.

Following the announcement on 14 December, Standard & Poor's also lowered ASF's long-term note from A+ to BBB+ and its short-term note from A-1 to A-2. These notes remain under negative surveillance until completion of VINCI's share capital increase.

On 14 December 2005, Moody's confirmed the Baa1/P-2 outlook stable rating of the VINCI notes. Neither Cofiroute nor ASF are rated by Moody's.

B. ACCOUNTING POLICIES AND VALUATION METHODS

1. GENERAL PRINCIPLES

In application of European Regulation 1606/2002 of 19 July 2002 on international accounting standards, VINCI's consolidated financial statements for the period ended 31 December 2005 have been prepared, for the first time, in accordance with the IFRS and interpretations published by the IASB, applicable for the 2005 financial year and as endorsed by the European Union. The 2004 comparative financial information has been prepared using the same standards and interpretations. In particular, the 2004 IFRS data has been prepared taking account of IAS 39 *Financial Instruments: Recognition and Measurement* and IAS 32 *Financial Instruments: Disclosure and Presentation*. The Group has opted for application of these two standards as from 1 January 2004 in order to ensure better comparability between the 2004 and 2005 financial statements. The provisions of IAS 39 that were rejected by the European Commission are not applicable within the Group.

1.1 FIRST-TIME ADOPTION OF IFRS - METHODS APPLIED

The 2004 IFRS financial information, presented for comparative purposes, has been prepared in accordance with the provisions of IFRS 1 *First-time Adoption of International Financial Reporting Standards* and following the IFRS standards applicable at 1 January 2004, as endorsed for the preparation of financial statements for the period ending 31 December 2005.

1.1.1 General principles

VINCI has applied the accounting policies in force at the balance sheet date of its first IFRS financial statements (31 December 2005) retrospectively to its opening balance sheet at 1 January 2004, as if these standards had always been applied.

1.1.2 Elections made by VINCI

IFRS 1 provides for the retrospective application of standards, with the exception of certain obligatory provisions and some limited exemptions. VINCI has made the following elections:

Retirement benefit obligations: the actuarial gains and losses existing at 1 January 2004, not recognised under French GAAP, are recorded under provisions for retirement benefit obligations with a corresponding reduction of equity. Actuarial gains and losses arising after 1 January 2004 are recognised prospectively.

Translation gains and losses in relation to a foreign entity: VINCI has elected to reclassify cumulative translation gains and losses at 1 January 2004 under consolidated reserves. This reclassification has no impact on the total amount of equity. The new IFRS amount of translation gains and differences is therefore taken to zero at 1 January 2004. If these subsidiaries are subsequently disposed of, the disposal gain or loss will not include the reversal of translation gains and losses prior to 1 January 2004 but will however include those recognised after that date.

Business combinations: VINCI has elected not to restate, as provided by IFRS 3, business combinations prior to 1 January 2004.

Property, plant and equipment and intangible assets: VINCI has elected not to measure certain items of property, plant and equipment and intangible assets at the transition date at their fair value.

Share-based payments: VINCI has elected to apply IFRS 2 in respect of share option plans granted since 7 November 2002 for which rights had not yet vested at 1 January 2005.

In order to explain the effects of the transition to IFRS on the 2004 financial information, sections H and I of the Notes describe the main impacts of the transition on equity at 1 January 2004 and 31 December 2004, and on the balance sheet, income statement and cash flow statement for 2004.

1.2 IFRS STANDARDS OR PROJECTS IN PROGRESS FOR WHICH EARLY APPLICATION IS POSSIBLE FROM 2005

VINCI's financial statements at 31 December 2005 do not include the possible impacts of:
– standards and interpretations published at 31 December 2005 but of which application is only compulsory for periods starting on or after 1 January 2006;
– draft IFRIC interpretations on the accounting treatment of concession contracts.

1.2.1 Draft interpretations relating to concession contracts

In March 2005, the IFRIC published three draft interpretations relating to the accounting treatment of concession contracts (drafts D12, D13 and D14), which are still under discussion:
– the first draft defines the application scope of concession contracts and the criteria for determining the accounting model to apply. The application scope covers public service concession contracts in which the concession grantor is considered to exercise control over the assets operated. The method of remunerating the concession operator is the only criterion adopted, at present, for determining the nature of the assets to be recognised in the balance sheet and the resulting accounting treatment.
– the other two drafts deal with the two accounting models proposed:
  - the intangible asset model: the asset under concession would be recognised as an intangible asset whenever the concession operator is paid directly by the users.
  This asset is considered as being a right to receive tolls, granted to the concession operator in consideration for financing and constructing the infrastructure. This treatment would apply to most infrastructure concessions that are today managed by VINCI, in particular Cofiroute's

motorway network, the A19, the Rion-Antirion bridge in Greece, and most of the parking facilities managed under concessions by VINCI Park;
- the financial asset model: the asset under concession would be recognised as an amortisable interest-bearing financial receivable whenever the concession operator is remunerated directly by the concession grantor and not by users. This model would apply to partnership contracts of the "PPP" type ("PFI" in the UK), and to certain infrastructure concessions for which the Group is remunerated by the concession grantor under either an "availability scheme" (such as the Newport bypass for which part of the remuneration depends on availability of the asset), or a "shadow toll" (e.g. the "A Modell" in Germany), under which the remuneration received by the operator is set on the basis of the level of traffic but is paid by the concession grantor.

Application in 2006 of the IFRIC definitive interpretations relating to concession contracts to be published could alter the accounting treatment currently used in VINCI's consolidated financial statements.

The methods currently used by VINCI are not in contradiction with the IFRSs applicable at 31 December 2005 and have not been altered on transition to IFRS. Concession contracts are recognised in the consolidated financial statements as concession intangible fixed assets in accordance with the methods described in paragraph 3 below.

1.2.2 Amendment to IAS 19 – Employee Benefits

The amendment to IAS 19 Employee Benefits relating to the recognition of actuarial gains and losses is applicable as from 1 January 2006, earlier application being encouraged. VINCI has not yet made a decision on the option that it will adopt at that date, in particular as regards the possibility of recognising all actuarial gains and losses directly in equity.

1.2.3 IFRIC 4 (Determining whether an Arrangement contains a Lease)

At this stage, VINCI has not decided to apply IFRIC 4 Determining whether an Arrangement contains a Lease, applicable from 1 January 2006, early. The consequences related to the application of IFRIC 4 and their financial impact are being assessed.

1.2.4 Financial instruments: IAS 39 Amendments "The Fair Value Option", "Financial Guarantee Contracts" and "Cash Flow Hedge Accounting of Forecast Intragroup Transactions"

VINCI has elected to apply the IAS 39 amendments in its financial statements as from 1 January 2006 only. Application of these amendments in the financial statements at 31 December 2005 would not have changed the current accounting treatment materially.

1.2.5 IFRS 7 Financial Instruments: Disclosures

VINCI has not chosen to apply this Standard, applicable from 1 January 2007, early.

2. CONSOLIDATION METHODS

Consolidation scope

Companies of which the Group holds, directly or indirectly, the majority of the voting rights are fully consolidated. Companies that are less than 50% owned, but in which VINCI exercises a *de facto* control – i.e. has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities – are consolidated using this same method. This relates in particular to CFE, of which VINCI owns 45.38%.
Companies over which the Group exercises significant influence are accounted for using the equity method.
Proportionate consolidation is used for jointly controlled entities, regardless of the percentage of ownership. This relates in particular to Consortium Stade de France, of which VINCI owns 66.67%. This company is consolidated using the proportionate method by virtue of an agreement that provides that any decision on financial and operating policy requires the agreement of VINCI and of the other shareholder, which owns 33.33% of the company's shares.

The consolidated financial statements include the financial statements of all companies with revenue of more than €2 million, and the financial statements of subsidiaries whose revenue is below this figure but whose impact on VINCI's financial statements is material.

Joint venture partnerships created for specific construction projects and that manage revenue of over €45 million (on a 100% basis) are consolidated proportionately.

The other joint venture partnerships are consolidated by recording VINCI's share of revenue and expenses in the income statement, but the full current accounts of joint venturers in the balance sheet.

	31 December 2005			31 December 2004		
	Total	**France**	**Foreign**	**Total**	**France**	**Foreign**
Full consolidation	**1,364**	928	436	**1,347**	913	434
Proportionate consolidation	**302**	146	156	**291**	139	152
Equity method	**38**	16	22	**38**	18	20
	1,704	1,090	614	**1,676**	1,070	606

Intragroup transactions

Reciprocal operations and transactions relating to assets and liabilities, income and expenses between consolidated or equity-accounted companies are, in general, eliminated in the consolidated financial statements. This is done:

– for the full amount if the transaction is between two fully consolidated entities;
– applying the percentage of consolidation of an entity if the transaction is between a fully consolidated entity and a proportionately consolidated entity;
– applying the percentage owned of an equity-accounted entity in the case of internal profits or losses realised between a fully consolidated entity and an equity-accounted entity.

Revenue realised in the context of concession infrastructure projects which are included in the consolidated balance sheet is, in conformity with the Group's rules in connection with construction contracts, retained in the statement of income (see below – Construction contracts).

Translation of the financial statements of foreign subsidiaries

In most cases, the functional currency of foreign subsidiaries and establishments is their local currency.
The financial statements of foreign entities where the functional currency is other than that used in preparing the Group's consolidated financial statements are translated using the closing rate method. Balance sheet items are translated at the exchange rate at the balance sheet date and income statement items are translated at the average rate for the period. Any resulting translation differences are recognised under translation differences in consolidated reserves. Goodwill relating to foreign entities is considered as comprising part of the assets and liabilities acquired and is therefore translated at the exchange rate in force at the balance sheet date.

Foreign currency transactions

Transactions in foreign currencies are translated into euros at the exchange rate at the transaction date. At the balance sheet date, financial assets and monetary liabilities expressed in foreign currencies are translated at the closing rate. Resulting exchange gains and losses are recognised under foreign exchange gains and losses and are shown under other financial income and expenses in the income statement.

Foreign exchange gains and losses arising on loans denominated in foreign currency or on foreign currency derivatives used to hedge investments in foreign subsidiaries are recorded under translation differences in equity.

Business combinations

VINCI applies the so-called purchase method for business combinations made as from 1 January 2004. In application of this method, VINCI recognises the identifiable assets, liabilities and certain contingent liabilities at their fair value at the dates when control was acquired.
The cost of a business combination is the fair value, at the date of exchange, of assets given, liabilities incurred, and/or equity instruments issued by the acquirer in exchange for control of the acquiree, plus any costs directly attributable to the acquisition. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, VINCI includes the amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.
The Group has 12 months from the date of acquisition to finalise recognition of the business combination in question.

3. MEASUREMENT RULES AND METHODS

Use of estimates

The preparation of the financial statements under the IFRSs requires estimates to be used and assumptions to be made that affect the amounts shown in these financial statements, in particular as regards the following items:

– the period over which assets are depreciated;
– the measurement of provisions and retirement benefit obligations;
– the measurement of construction contract profit or loss using the stage of completion method;
– values used in impairment tests;
– the valuation of financial instruments at fair value;
– the measurement of share-based payment expenses under IFRS 2.

These estimates assume the operation is a going concern and are made on the basis of the information available at the time. Estimates may be revised if the circumstances on which they were based alter or if new information becomes available. Actual results may be different from these estimates.

Revenue

The consolidated revenue of the Energies, Roads and Construction business lines represents the total of the work, goods and services produced by the consolidated subsidiaries as their main activity. It includes the Group's revenue from concession infrastructure shown in the VINCI balance sheet as concession intangible fixed assets. The method for recognising revenue in respect of construction contracts is explained in the note on construction contracts below.

The Concession and services business line's consolidated revenue comprises tolls for the use of road infrastructures operated under concessions, revenue booked by car parks and airport service concessions, and ancillary income such as fees for the use of commercial installations, rental of telecommunication infrastructure and advertising space.
In the property sector, revenue arising on lots sold is recognised as the property development proceeds, using the incurred cost method (cost of land, of work, etc.).

Revenue from ancillary activities

Revenue from ancillary activities comprises rental income, sales of equipment, materials and merchandise, study work and fees other than those generated by concession operators.

Construction contracts

VINCI recognises construction contract income and expenses using the stage of completion method defined by IAS 11.
For the Construction business line, the stage of completion is usually determined on a physical basis. For the other business lines (Roads and Energies), the stage of completion is determined on the basis of the percentage of total costs incurred to date.
For construction projects in which VINCI's share is less than €10 million, it is considered that the profit or loss recognised on the basis of work completed is in line with that determined on a stage of completion basis, other than in exceptional cases.
If the estimate of the final outcome of a contract indicates a loss, a provision is made for the loss on completion regardless of the stage of completion, based on the best estimates of income, including any rights to additional revenue or claims if these are probable and can be reliably estimated. Provisions for losses on completion are shown under liabilities.

Revenue, including the margin on the construction (profit or loss), realised in the context of concession contracts shown under concession intangible fixed assets is recorded in the income statement using the stage of completion method described above.

Part-payments received under construction contracts before the corresponding work has been carried out are recognised under liabilities under advances and payments on account received.

Share-based payments

The measurement and recognition methods for share subscription and purchase plans and the Plans d'Epargne Groupe – Group Savings Scheme – are defined by IFRS 2 Share-based Payment. The granting of share options and offers to subscribe to the Group Savings Scheme represent a benefit granted to their beneficiaries and therefore constitute supplementary remuneration borne by VINCI. Because such transactions do not give rise to monetary transactions, the benefits granted in this way are recognised as expenses in the period in which the rights are acquired, with a corresponding increase in equity. Benefits are measured on the basis of the fair value of the equity instruments granted.

Share subscription option plans

Options to subscribe to shares are granted to Group employees and officers. The fair value of the options granted is determined at the grant date using a binomial valuation model, of the "Monte Carlo" type, adjusting for the probability of the vesting conditions of the rights to exercise the option not being met.

Group Savings Scheme

Under the Group Savings Scheme, the Group issues new shares three times a year reserved for its employees with a subscription price that includes a discount against the average stock market price of the VINCI share during the last 20 business days preceding the authorisation by the Board of Directors. This discount is considered as a benefit granted to the employees; its fair value is determined using a binomial valuation model, of the "Monte Carlo" type, at the date on which the Board of Directors sets the subscription price. As certain restrictions apply to the shares acquired by the employees under these plans regarding their sale or transfer, the fair value of the benefit to the employee takes account of the fact that the shares acquired cannot be freely disposed of for five years.

Cost of net financial debt

The cost of net financial debt comprises:
- the cost of gross financial debt, which includes the interest expense calculated at the effective interest rate, gains and losses on interest rate hedges in respect of gross financial debt, and net changes in the fair value of interest rate derivatives that are not used for hedging.
- financial income from investments comprises the return on cash investments (interest income, dividends from UCITS, disposal gains and losses, etc.), the impact of interest rate hedges related to these investments and changes in their fair value.

Other financial income and expenses

Other financial income and expenses mainly comprise foreign exchange gains and losses, the effects of discounting to present value, dividends received from unconsolidated entities, capitalised borrowing costs and changes in the value of derivatives not allocated to interest rate risk management.

Borrowing costs borne during the construction of assets are included in the cost of the assets. They are determined as follows:
- to the extent that funds are borrowed specifically for the purpose of constructing an asset, the borrowing costs eligible for capitalisation on that asset are the actual borrowing costs incurred during the period less any investment income arising from the temporary investment of those borrowings;

– when borrowing is not intended to finance a specific project, the interest eligible for capitalisation on an asset is determined by applying a capitalisation rate to the expenditure on that asset. This capitalisation rate is equal to the weighted average of the costs of borrowing funds other than those specifically intended for the construction of given assets.

Income tax

Income tax is computed in accordance with the tax legislation in force in the countries where the income is taxable.

In accordance with IAS 12, deferred tax is recognised on the differences between the carrying amount and the tax base of assets and liabilities, using the latest tax rates known. The effects of a change in the tax rate from one period to another are recognised in the income statement in the period in which the change occurs.
Deferred tax relating to items recognised directly under equity is also recognised under equity.
A deferred tax liability is recognised in respect of the differences relating to shareholdings in equity-accounted or proportionately consolidated entities, unless:
– the group can control the date at which the temporary difference will reverse; and
– the difference is not expected to reverse in the foreseeable future.

Net deferred tax is determined on the basis of the tax position of each entity or group of entities included in the tax group under consideration and is shown under assets or liabilities for its net amount per taxable entity.
Deferred tax is reviewed at each balance sheet date to take account in particular of the impact of changes in tax law and the prospects for recovery. Deferred tax assets are only recognised if their recovery is probable.
Deferred tax assets and liabilities are not discounted.

Earnings per share

Earnings per share (non-diluted) is the net profit for the period after minority interests, divided by the weighted average number of shares outstanding during the period less treasury shares.
In calculating diluted earnings per share, the average number of shares outstanding is adjusted for the dilutive effect of equity instruments issued by the Company, such as convertible bonds and share subscription or purchase options.

Intangible assets

Intangible assets mainly comprise operating rights, quarrying rights of finite duration and computer software. Purchased intangible fixed assets are recorded in the balance sheet at acquisition cost and are amortised on a straight-line basis over their useful life.

Goodwill

Goodwill is the excess of the cost of a business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and any contingent liabilities at the date(s) of acquisition, recognised on first consolidation.
Goodwill relating to controlled entities is shown under the balance sheet assets under goodwill. Goodwill relating to entities accounted for using the equity method is reported under investments in associates.
Goodwill is not amortised but is tested for impairment at least annually and whenever there is an indication that it may be impaired. Whenever an asset is impaired, the difference between its carrying amount and its recoverable amount is recognised as an operating expense in the period and is not reversible.
Negative goodwill is recognised directly in profit or loss in the year of acquisition.

Concession intangible fixed assets

The costs of concession contracts are shown on a specific line in the balance sheet as concession intangible fixed assets. They are amortised on a straight-line basis over the period of the contract, starting at the date of entry into service of the assets.
Renewable assets are depreciated on a straight-line basis over their useful life. Supplementary depreciation charges are made in respect of renewable assets that are returned for no consideration to the concession grantor, in order to bring their residual value to zero at the end of the contract.

Grants related to assets

Grants related to assets are presented in the balance sheet as a reduction of the amount of the asset for which they were received.

Property, plant and equipment

Items of property, plant and equipment are recorded at their acquisition or production cost less cumulative depreciation and any impairment losses recognised. They are not revalued.
Depreciation is generally calculated on a straight-line basis over the period of use of the asset. Accelerated depreciation may however be used when it appears more appropriate to the conditions under which the asset is used. For certain complex assets comprising various components, in particular buildings and constructions, each component of the asset is depreciated over its own period of use.

The main periods of use of the various categories of items of property, plant and equipment are as follows:

Constructions	
– structure	between 20 and 40 years
– general technical installations	between 5 and 20 years
Site equipment and technical installations	between 3 and 12 years
Vehicles	between 3 and 5 years
Fixtures and fittings	between 8 and 10 years
Office furniture and equipment	between 3 and 10 years

Depreciation commences as from the asset's entry into service.

Finance leases
Assets acquired under finance leases are recognised as fixed assets whenever the effect of the lease is to transfer to the Group substantially all the risks and rewards incidental to ownership of these assets. Assets held under finance leases are depreciated over their period of use.

Investment property
Investment property is property held to earn rentals or for capital appreciation. Such property is shown on a separate line in the balance sheet. Investment property is recorded at its acquisition cost less cumulative depreciation and any impairment losses recognised, in the same way as items of property, plant and equipment.

Impairment of non-financial non-current assets
Under certain circumstances, impairment tests must be performed on intangible and tangible fixed assets. For assets with an indefinite useful life, which is the case for goodwill, a test is performed at least annually and whenever there is an indication of a loss of value. For other fixed assets, a test is performed only when there is an indication of a loss of value.
Assets to be tested for impairment are grouped within cash-generating units that correspond to homogeneous groups of assets that generate identifiable cash flows from their use. Whenever the recoverable value of a cash-generating unit is less than its carrying amount, an impairment loss is recognised in operating profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit. The discount rate is determined for each cash-generating unit, taking account of its geographical location and the risk profile of its business.

Investments in associates
Equity-accounted investments in associates are initially recognised at cost of acquisition, including any goodwill arising. Their carrying amount is then increased or decreased to recognise the Group's share of the associate's profits or losses after the date of acquisition. Whenever losses are greater than the value of the Group's net investment in the equity-accounted associate, these losses are not recognised unless the Group has entered into a commitment to recapitalise the associate or made payments on its behalf.
If there is an indication of a loss of value, the value in use of equity-accounted investments in associates is tested as described in the note above on impairment of non-financial non-current assets.

Other non-current financial assets
Other non-current financial assets comprise available-for-sale securities and the part at more than one year of loans and receivables measured at their amortised cost. Purchases and sales of financial assets are recognised at their settlement date.

Available-for-sale securities
Available-for-sale securities comprise the Group's shareholdings in unconsolidated entities.

When these assets are first recognised, they are measured at their fair value, which is generally their cost of acquisition plus the transaction costs.

At the balance sheet date, available-for-sale securities are measured at their fair value. For shares in listed companies, fair value is determined on the basis of the stock market price at that balance sheet date.
For unlisted securities, fair value is determined on the basis of the present value of the expected cash flows, or failing that, on the basis of the Group's share of the company's equity.

Changes in fair value are recognised directly in equity and are only transferred to profit or loss when the securities in question are sold.
Whenever an impairment test leads to recognition of an unrealised loss as against the historic cost and whenever this is considered to be a material and/or durable loss of value, this loss is recognised in profit or loss and is irreversible.

If the fair value cannot be reliably determined, shares are recognised at cost. If there is an objective indication of durable impairment, an irreversible impairment loss is recognised in profit or loss.

Loans and receivables at amortised cost
Loans and receivables at amortised cost comprise mainly receivables connected with shareholdings, current account advances to associates or unconsolidated entities, guarantee deposits, collateralised loans and receivables and other loans and receivables.

When first recognised, these loans and receivables are recognised at their fair value plus the directly attributable transaction costs. At each balance sheet date, these assets are measured at their amortised cost using the effective interest rate method.

If there is an objective indication of durable impairment, an impairment loss is recognised. The impairment loss corresponding to the difference between the carrying amount and the recoverable amount (i.e. the present value of the expected cash flows discounted using the original effective interest rate) is recognised in profit or loss. It may be reversed if the recoverable amount changes favourably in the future.

Inventories and work in progress
Inventories and work in progress are recognised at their cost of acquisition or of production by the entity. At each balance sheet date, they are measured at the lower of cost and net realisable value.

Trade and other operating receivables
Trade and other operating receivables are current financial assets initially measured at their fair value, which is generally their nominal value, unless the effect of discounting is material. At each balance sheet date, receivables are measured at their amortised cost less any impairment losses taking account of any likelihood of non-recovery.

Other current financial assets
This category is the part at less than one year of the loans and receivables shown under other non-current financial assets.

Cash management financial assets

Cash management financial assets comprise investments in monetary and bond securities and units in UCITS, made from a short-term management viewpoint.
They are measured and recognised at their fair value. Changes in fair value are recognised in profit or loss, as the fair value option has been adopted.
Purchases and sales of cash management financial assets are recognised at their settlement date.

Their fair value is determined using commonly used valuation models or, for non-listed cash management assets, at the present value of future cash flows. In measuring the fair value of listed instruments, VINCI uses the market price at the balance sheet date or the cash-in value of UCITS.

Cash

This item comprises only current accounts at banks that are not subject to any restrictions. Bank overdrafts are not included in cash and are reported under current financial debt.

Treasury shares

Treasury shares held by the Group are booked as a deduction from equity at their cost of acquisition. Any gains or losses connected with the purchase, sale, issue or cancellation of treasury shares are recognised directly in equity without affecting the income statement.

Retirement and other employee benefit obligations

Defined benefit retirement obligations

Provisions are taken in the balance sheet for obligations arising from defined benefit retirement plans, for both current and former employees (people with deferred rights or who have retired). These provisions are determined using the projected unit credit method on the basis of actuarial assessments made at each balance sheet date. The actuarial assumptions used to determine the obligations vary depending on the economic conditions of the country where the plan is operated. Each regime's obligations are recognised separately.

For defined benefit plans financed under external management arrangements (i.e. pension funds or insurance policies), the surplus or shortfall of the fair value of the assets compared with the present value of the obligations is recognised as an asset or liability in the balance sheet, after deduction of cumulative actuarial gains and losses and any past service cost not yet recognised in profit or loss. However, surplus assets are only recognised in the balance sheet to the extent that they represent a future economic benefit for the Group.
Past service cost corresponds to the benefits granted either when an entity adopts a new defined benefit plan or when it changes the level of benefit of an existing plan. Whenever new rights to benefit are acquired as from the adoption of the new plan or the change of an existing plan, the past service cost is recognised immediately in the income statement. Conversely, whenever adoption of a new plan or a change in a plan gives rise to the acquisition of rights after its implementation date, past service costs are recognised as an expense on a straight-line basis over the average period remaining until the corresponding rights are fully vested.

Actuarial gains and losses result from changes in actuarial assumptions and from experience adjustments (the effects of differences between the actuarial assumptions adopted and what has actually occurred).
Actuarial gains and losses that exceed 10% of the greater of the present value of the defined benefit obligation and the fair value of the plan assets are recognised on a straight-line basis over the average expected remaining working lives of the employees participating in that plan.

For defined benefit plans, the expense recognised under operating profit or loss comprises the current service cost, the amortisation of past service cost, the amortisation of any actuarial gains and losses and the effects of any reduction or winding up of the plan. The interest cost (cost of discounting) and the expected yield on plan assets are recognised under other financial income and expenses.

Commitments relating to lump-sum payments on retirement for manual construction workers, which are met by contributions to an outside multi-employer insurance scheme (CNPO), are recognised as an expense as and when contributions are payable.

Provisions for other employee benefits

Provisions for other employee benefits are taken in the balance sheet. These benefits comprise obligations for long-service bonuses and jubilee bonuses, as well as for medical expense cover in certain subsidiaries. This provision is measured using the projected unit credit method.

The part at less than one year of provisions for retirement benefit obligations and for other employee benefits is shown under current liabilities.

Provisions

Provisions are liabilities of which the timing or amount cannot be accurately assessed. They are measured at the present value of the best estimate of the consumption of resources required to settle the obligation.

Provisions are recognised whenever the Group has a present obligation as a result of a past event and it is probable that an outflow of resources of which a reliable estimate can be made will be required to settle the obligation. The amount recognised as a provision must be the best estimate of the expenditure required to settle the present obligation at the balance sheet date. Obligations to be settled after one year are discounted whenever the effect of discounting is material.

Provisions for restructuring costs are recognised whenever the Group has a detailed formal plan of which the interested parties have been informed.

Current provisions

Current provisions are provisions directly linked to each business line's own operating cycle, whatever the expected time of settlement of the obligation.

Provisions for after-sales service cover Group entities' commitments under statutory warranties relating to completed projects, in particular ten-year warranties on building projects in France. They are estimated statistically on the basis of expenses incurred in previous years or individually on the basis of specifically 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, indicate a loss, and when work needs to be carried out in respect of completed projects under completion warranties.

Provisions for disputes connected with operations mainly relate to disputes with customers, sub-contractors, joint contractors or suppliers. Restructuring provisions include the cost of plans and measures for which there is a commitment whenever these have been announced before the year end.

Provisions for other current liabilities mainly comprise provisions for late delivery penalties, for individual dismissals and for other risks related to operations.

Non-current provisions
Non-current provisions are provisions not directly linked to the operating cycle and that are generally likely to reverse in more than one year. They include in particular provisions for disputes.

Provisions for major repairs are made in respect of contractual obligations to return assets operated under concessions to good condition. These are calculated at the end of each period on the basis of a work programme covering several years which is reviewed annually to take account of planned expenditure.

That part of non-current provisions that matures within less than one year is shown under current provisions.

Financial debt (current and non-current)

Financial debt comprises bonds and other loans and is recognised at amortised cost using the effective interest rate method. Under this method, the redemption premiums and issuance costs, shown as a deduction from the nominal amount of the liability, are included in the cost of borrowing. Under this method, the interest expense is recognised actuarially under the cost of gross financial debt.

This heading also includes the debt component of the OCEANE bonds. An OCEANE bond is a hybrid instrument that includes a "debt" component and an "equity" component that corresponds to the option for conversion into a set number of VINCI shares granted to the holder.

In accordance with IAS 32, the issue price of the hybrid instrument is apportioned between its debt component and its equity component, the equity component being defined as the difference between the issue price and the debt component. The debt component corresponds to the fair value of a debt having the same features but without the conversion option plus the fair value of issuers' calls and investors' puts, if any. The value attributed to the conversion option is not altered during the term of the loan. The debt component is measured using the amortised cost method over its estimated term. Issuance costs are allocated proportionately between the debt and equity components.

The part at less than one year of borrowings is included in current borrowings.

Fair value of derivative financial instruments (assets and liabilities)

The Group uses derivative financial instruments to hedge its exposure to market risks (interest rates, exchange rates, equity prices). Most interest rate and exchange rate derivatives used by VINCI may be considered as hedging instruments. Recognition as a hedging instrument is applicable if:
– the hedging relationship is clearly defined and documented at the date when it is set up;
– the effectiveness of the hedging relationship is demonstrated from the outset, and regularly while it is in place.

Financial instruments considered as hedging instruments
Derivative financial instruments considered as hedging instruments are systematically recognised in the balance sheet at fair value. Nevertheless, their recognition varies depending on whether they are considered as:
– a fair value hedge of an asset or liability or of a firm commitment to buy or sell an asset;
– a cash flow hedge; or
– a hedge of a net investment in a foreign entity.

– Fair value hedge
A fair value hedge enables the exposure to the risk of a change in the fair value of an asset, a liability such as fixed rate loans and borrowings, assets and liabilities denominated in foreign currency or firm commitments not recognised, to be hedged.

Changes in the fair value of the hedging instrument are recognised in profit or loss for the period. The impact of the revaluation of the hedged item is recognised symmetrically in profit or loss for the period. Except for the ineffective part of the hedge, these two revaluations offset each other within the same line items in the income statement.

– Cash flow hedge
A cash flow hedge allows the exposure to variability in future cash flows associated with a recognised asset or liability, or a highly probable forecast transaction, to be hedged.

Changes in the fair value of the derivative financial instrument are recognised net of tax under equity for the effective part and in profit or loss for the period for the ineffective part. Cumulative gains or losses in equity must be reclassified in profit or loss under the same line item as the hedged item – i.e. under operating income and expenses for cash flows from operations and under financial income and expense otherwise - whenever the hedged cash flow affects profit or loss.

If the hedging relationship is interrupted, in particular because it is no longer considered effective, the cumulative gains or losses in respect of the derivative instrument are retained in equity and recognised symmetrically with the cash flow hedged. If the future cash flow is no longer highly probable, the gains and losses previously recognised in equity are immediately taken to profit or loss.

– Hedge of a net investment in a foreign entity.
A hedge of a net investment denominated in a foreign currency hedges the foreign exchange risk relating to the net investment in a consolidated foreign subsidiary. In a similar way as for cash flow hedges, the effective portion of the changes in the value of the derivative instrument is recorded in equity under translation reserves and the portion considered as ineffective is recognised in profit or loss. The change in the value of the derivative instrument recognised under translation differences must be reversed in profit or loss when the foreign entity that was the object of the initial investment is disposed of.

Financial instruments not considered as hedging instruments
Derivative financial instruments that are not considered as hedging instruments are recognised in the balance sheet at fair value and changes in their fair value are recognised in profit or loss.

Derivative instruments considered as hedges of which the maturity is greater than one year are shown as non-current assets or liabilities. Other financial instruments are classified as current assets or liabilities.

The market value of interest rate and foreign exchange transactions is estimated on the basis of valuations provided by bank counterparties or financial models commonly used in financial markets, using market data at the balance sheet date.

Off balance sheet commitments

VINCI has defined and implemented a reporting procedure to list its off balance sheet commitments and identify their nature and purpose. This procedure provides for the submission by the consolidated subsidiaries as part of the consolidation procedures, of information relating to the following commitments given:
– personal sureties (securities, guarantees and other);
– collateral security (mortgages, pledges and other securities);
– joint and several guarantees covering unconsolidated partnerships;
– operating leases;
– purchase and capital expenditure obligations;
– other commitments.

C. INFORMATION BY SEGMENT

Segment information is presented by business line (primary reporting format) and geographical segment (secondary reporting format), based on the Group's internal organisation.

The main activities of each business line are:

- Concessions and services: management under concessions, tenancy agreements or service provision agreements of motorways and major infrastructures such as bridges and tunnels, car parks, and airports, and provision of airport support services.
- Energy: electrical works and engineering, information and communication technology, controlled temperature and atmosphere engineering, insulation.
- Roads: building of new roads, road maintenance, production of road-building materials, environmental work, demolition, and recycling.
- Construction: design and construction in the building, civil engineering, and hydraulic sectors, and multi-technical maintenance.
- Property: property development and promotion in the areas of housing, offices, hotels, commercial property, and urban development, carried out by VINCI Immobilier.

The segment financial information has been prepared using the same accounting rules as for the full financial statements.

Transactions between the various business lines are carried out at market conditions.

1. REVENUE

1.1 BREAKDOWN OF REVENUE BY BUSINESS LINE

			Change 2005/2004		
			consolidation basis		exchange rate basis
(in € millions)	**2005**	**2004**	**actual**	**comparable(*)**	**constant**
Concessions and services	2,054.8	1,943.1	5.8%	3.0%	5.6%
Energy	3,508.5	3,338.5	5.1%	3.8%	5.1%
Roads	6,457.0	5,755.2	12.2%	9.1%	11.3%
Construction	9,398.9	8,283.8	13.5%	12.3%	12.9%
Property	409.3	427.8	(4.3%)	(4.3%)	(4.3%)
Eliminations	(285.5)	(228.1)			
Total	**21,543.0**	**19,520.2**	**10.4%**	**8.5%**	**9.9%**

(*) *At constant consolidation scope and exchange rates.*

1.2 BREAKDOWN OF REVENUE BY GEOGRAPHICAL AREA

1.2.1 Breakdown of revenue by geographical market

(in € millions)	**2005**	**%**	**2004**	**%**
France	**13,292.4**	**61.7%**	**12,117.6**	**62.1%**
United Kingdom	1,774.6	8.2%	1,531.7	7.8%
Germany	1,583.2	7.3%	1,635.1	8.4%
Central and Eastern Europe	1,560.1	7.2%	1,095.8	5.6%
Belgium	636.2	3.0%	624.9	3.2%
Spain	327.5	1.5%	313.8	1.6%
Other European countries	540.8	2.5%	548.0	2.8%
Europe(*)	**19,714.6**	**91.5%**	**17,866.9**	**91.5%**
of which European Union	19,527.5	90.6%	17,725.2	90.8%
North America	764.0	3.5%	830.7	4.3%
Rest of the world	1,064.4	4.9%	822.6	4.2%
Total	**21,543.0**	**100.0%**	**19,520.2**	**100.0%**

(*) *Including the eurozone for €16,212 million at 31 December 2005 and €15,057 million at 31 December 2004.*

Revenue arising in foreign countries amounted to €8,250.7 million in 2005, 11.5% more than in 2004, and represents 38.3% of the total revenue.

1.2.2 Breakdown of revenue by location of operations

(in € millions)	2005	%	2004	%
France	**13,667.9**	**63.4%**	**12,345.3**	**63.2%**
United Kingdom	1,782.6	8.3%	1,533.4	7.9%
Germany	1,608.1	7.5%	1,617.4	8.3%
Central and Eastern Europe	1,378.4	6.4%	1,022.4	5.2%
Belgium	1,083.3	5.0%	982.6	5.0%
Spain	307.9	1.4%	301.5	1.5%
Other European countries	399.3	1.9%	462.8	2.4%
Europe(*)	**20,227.5**	**93.9%**	**18,265.4**	**93.6%**
of which European Union	20,132.8	93.5%	18,128.2	92.9%
North America	760.4	3.5%	820.7	4.2%
Rest of the world	555.1	2.6%	434.1	2.2%
Total	**21,543.0**	**100.0%**	**19,520.2**	**100.0%**

(*) *Including the eurozone for €16,915 million in 2005 and €15,525 million in 2004.*

2. OTHER SEGMENT INFORMATION BY BUSINESS LINE

The data below is for each business line separately and is stated before eliminations, at their own level, of transactions between the business lines. In order to maintain comparability between segment information for 2004 and 2005, the impacts of share-based payments (IFRS 2) are shown at the level of the VINCI holding company.

FY 2005

(in € millions)	Concessions and services	Energy	Roads	Construction	Property	Holding companies	Eliminations	Total
31 December 2005								
Income statement								
Revenue	2,054.8	3,508.5	6,457.0	9,398.9	409.3		(285.5)	**21,543.0**
Elimination of inter-segment sales	(0.7)	(55.8)	(48.6)	(178.3)		(2.0)	285.5	
Revenue invoiced to outside parties	2,054.2	3,452.7	6,408.3	9,220.6	409.3	(2.0)		**21,543.0**
Operating profit from ordinary activities	632.8	178.1	235.4	460.2	33.4	27.6		**1,567.6**
% of revenue	30.8%	5.1%	3.6%	4.9%	8.2%	ns		7.3%
Share of profit / (loss) of associates	81.6		2.9	2.8		(0.2)		**87.0**
Net profit attributable to equity holders of the parent	336.3	105.8	158.8	322.6	20.8	(73.1)		**871.2**
% of revenue	16.4%	3.0%	2.5%	3.4%	5.1%	ns		4.0%
Cash flow statement								
Cash flows (used in) / from operations before tax and financing costs	**856.8**	**215.2**	**379.2**	**655.9**	**34.4**	**8.3**		**2,149.8**
% of revenue	41.7%	6.1%	5.9%	7.0%	8.4%	ns		10.0%
Including net depreciation and amortisation	238.8	59.1	176.3	207.9	0.5	6.9		689.5
Including provisions	(5.1)	16.1	(6.0)	(1.4)	0.5	12.5		16.6
Changes in working capital requirement and current provisions	1.4	27.2	57.9	92.2	(31.3)	(27.6)		**119.9**
Income taxes paid	(225.3)	(64.5)	(72.3)	(120.4)	(13.6)	11.7		**(484.4)**
Net interest paid	(168.3)	8.5	6.7	19.3	(0.5)	25.3		**(109.0)**
Net cash flows (used in) / from operating activities	**464.6**	**186.4**	**371.5**	**647.1**	**(11.0)**	**17.6**		**1,676.2**
Purchases of property. plant and equipment and intangible assets	(65.2)	(54.3)	(248.9)	(342.9)	(0.5)	(20.7)		**(732.5)**
Purchases of concession intangible fixed assets	(808.7)			(2.3)				**(811.0)**
Purchases of shares in subsidiaries and associates (consolidated and unconsolidated)	(44.6)	(46.3)	(69.3)	(30.9)				**(191.0)**
Other	178.8	35.3	41.9	53.9	(8.3)	31.4		**332.9**
Cash flows (used in) / from investing activities	**(739.6)**	**(65.3)**	**(276.3)**	**(322.2)**	**(8.8)**	**10.7**		**(1,401.6)**
Increases and reductions in share capital						(99.5)		**(99.5)**
Loan proceeds and repayments	165.8	(86.9)	(44.7)	6.3	35.3	538.2		**614.0**
Other	144.4	(17.4)	(25.0)	(311.0)	(21.7)	(497.4)		**(728.2)**
Net cash flows (used in) / from financing activities	**310.2**	**(104.3)**	**(69.7)**	**(304.7)**	**13.5**	**(58.8)**		**(213.7)**
Net change in cash	**35.1**	**16.8**	**25.5**	**20.2**	**(6.2)**	**(30.4)**		**61.0**
Balance sheet								
Segment assets	**8,518.9**	**1,856.5**	**2,983.4**	**5,614.1**	**436.8**	**199.1**		**19,608.8**
Intangible assets	6.6	5.4	78.6	11.3	0.0	1.8		**103.7**
Goodwill	458.0	142.9	77.7	98.1	0.2	36.3		**813.1**
Property. plant and equipment	336.8	218.4	764.0	845.3	2.0	95.6		**2,262.1**
Concession intangible fixed assets	5,729.3			11.6				**5,741.0**
Investments in associates	1,554.0		28.1	13.4				**1,595.5**
Other current segment assets	434.2	1,489.9	2,035.0	4,634.4	434.7	65.5		**9,093.5**
Segment liabilities	**595.1**	**1,861.1**	**2,653.2**	**6,271.8**	**301.2**	**263.8**		**11,946.2**
Current provisions	74.4	230.3	265.2	746.3	5.9	123.2		**1,445.4**
Other current segment payables	520.7	1,630.8	2,387.9	5,525.5	295.3	140.7		**10,500.8**
Capital employed	8,171.2	137.1	539.9	(506.5)	133.7	5.3		**8,480.8**
Equity including minority interests	3,429.1	421.1	835.4	817.0	82.1	(266.1)		**5,318.5**
Net financial (debt) / surplus	(4,240.8)	518.0	631.2	1,611.1	(55.6)	(42.9)		**(1,579.0)**
Return on capital								
Net operating profit after tax (NOPAT)	502.0	122.3	163.4	326.0	22.1	26.7		**1,162.6**
Return on capital employed (ROCE)	6.4%	75.8%	34.7%	(61.3%)	20.0%	ns		**14.5%**
Return on equity	11.6%	32.0%	23.0 %	53.3%	30.6%	ns		**28.9%**
Employees at 31 December	**19,170**	**26,907**	**38,303**	**48,662**	**176**	**295**		**133,513**

FY 2004

(in € millions)	Concessions and services	Energy	Roads	Construction	Property	Holding companies	Eliminations	Total
31 December 2004								
Income statement								
Revenue	1,943.1	3,338.5	5,755.2	8,283.8	427.8		(228.1)	**19,520.2**
Elimination of inter-segment sales	(0.6)	(47.4)	(45.6)	(134.5)			228.1	
Revenue invoiced to outside parties	1,942.4	3,291.2	5,709.6	8,149.3	427.8			**19,520.2**
Operating profit from ordinary activities	580.0	164.2	217.5	322.9	27.0	(11.5)		**1,300.1**
% of revenue	29.8%	4.9%	3.8%	3.9%	6.3%	ns		6.7%
Share of profit / (loss) of associates	9.8		3.0	1.7		(0.5)		**14.0**
Net profit attributable to equity holders of the parent	232.6	95.2	139.0	248.0	16.8	(0.1)		**731.6**
% of revenue	12.0%	2.9%	2.4%	3.0%	3.9%	ns		3.7%
Cash flow statement								
Cash flows (used in) / from operations before tax and financing costs	**790.7**	**221.2**	**368.0**	**515.9**	**28.7**	**93.9**		**2,018.4**
% of revenue	40.7%	6.6%	6.4%	6.2%	6.7%	ns		10.3%
Including net depreciation and amortisation	211.2	61.3	160.9	192.2	0.4	4.0		630.1
Including net provisions,	15.9	11.8	13.8	12.4	2.2	15.5		71.7
Changes in working capital requirement and current provisions	(26.5)	(7.7)	154.5	276.0	(22.3)	(4.2)		**369.9**
Income taxes paid	(190.5)	(64.0)	(75.6)	(94.4)	(10.6)	101.7		**(333.4)**
Net interest paid	(187.4)	5.8	4.0	12.5	(0.7)	(44.9)		**(210.8)**
Net cash flows (used in) / from operating activities	**386.4**	**155.4**	**450.9**	**710.0**	**(5.0)**	**146.4**		**1,844.1**
Purchases of property. plant and equipment and intangible assets	(79.8)	(58.7)	(164.3)	(227.3)	(0.3)	(25.8)		**(556.2)**
Purchases of concession intangible fixed assets	(568.3)							**(568.3)**
Purchases of shares in subsidiaries and associates (consolidated and unconsolidated)	(357.2)	(40.6)	(16.1)	(27.9)		(0.1)		**(442.0)**
Other	313.9	(92.3)	(48.6)	(272.9)	19.9	377.0		**297.0**
Cash flows (used in) / from investing activities	**(691.4)**	**(191.6)**	**(229.1)**	**(528.1)**	**19.6**	**351.2**		**(1,269.5)**
Increases and reductions in share capital						(232.5)		**(232.5)**
Loan proceeds and repayments	156.4	10.3	(42.1)	(60.2)	(2.2)	150.6		**212.9**
Other	146.0	2.3	(193.5)	(50.7)	(9.1)	(366.1)		**(471.1)**
Net cash flows (used in) / from financing activities	**302.5**	**12.6**	**(235.6)**	**(110.9)**	**(11.3)**	**(447.9)**		**(490.6)**
Net change in cash	**(2.6)**	**(23.6)**	**(13.8)**	**71.0**	**3.3**	**49.7**		**84.0**
Balance sheet								
Segment assets	**7,761.3**	**1,756.2**	**2,545.2**	**4,808.1**	**416.4**	**182.8**		**17,470.0**
Intangible fixed assets	10.3	5.6	51.1	13.4		1.7		**82.0**
Goodwill	447.8	131.4	67.3	92.1		38.3		**776.9**
Property, plant and equipment	322.8	234.4	658.7	742.7	2.2	87.8		**2,048.6**
Concession intangible fixed assets	5,019.6			4.5				**5,024.1**
Investments in associates	1,536.2		16.0	6.2				**1,558.5**
Other current segment assets	424.7	1,384.7	1,752.1	3,949.3	414.2	55.0		**7,979.9**
Segment liabilities	**642.4**	**1,740.0**	**2,345.9**	**5,555.0**	**322.7**	**139.6**		**10,745.5**
Current provisions	97.2	192.8	249.2	761.1	3.2	79.2		**1,382.8**
Other current segment payables	545.2	1,547.2	2,096.6	4,793.9	319.5	60.4		**9,362.7**
Capital employed	7,400.9	185.6	402.0	(557.4)	87.3	44.1		**7,562.4**
Equity including minority interest	3,343.4	332.4	734.9	706.3	68.5	(1,570.9)		**3,614.6**
Net financial (debt) / surplus	(3,685.2)	416.1	657.6	1,498.5	(30.8)	(1,289.2)		**(2,433.1)**
Return on capital								
Net operating profit after tax (NOPAT)	401.8	102.8	156.4	244.8	61.3	11.8		**978.7**
Return on capital employed (ROCE)	5.7%	58.7%	31.9%	(72.9%)	69.1%	ns		**12.9%**
Return on equity (ROE)	8.7%	39.2%	21.1%	51.4%	29.6%	ns		**27.5%**
Employees at 31 December	**18,948**	**27,212**	**36,805**	**45,016**	**174**	**278**		**128,433**

3. OTHER SEGMENT INFORMATION RELATING SPECIFICALLY TO THE CONCESSIONS AND SERVICES BUSINESS LINE

FY 2005

(in € millions)	Cofiroute (*)	ASF	VINCI Park	Other Concessions	Airport services	VINCI Concessions holdings companies	Total
31 December 2005							
Income statement							
Revenue	900.0		493.7	161.0	505.0	(4.9)	**2,054.8**
Operating profit from ordinary activities	468.7		126.6	54.8	4.4	(21.7)	**632.8**
% of revenue	52.1%		25.7%	34.0%	0.9%	ns	**30.8%**
Share of profit / (loss) of associates	0.5	76.8		4.3			**81.6**
Net profit attributable to equity holders of the parent	186.8	76.8	75.6	10.0	2.3	(15.2)	**336.3**
% of revenue	20.7%		15.3%	6.2%	0.5%	ns	**16.4%**
Cash flow statement							
Cash flows (used in) / from operations before tax and financing costs	**604.6**		**176.7**	**82.5**	**12.7**	**(19.7)**	856.8
% of revenue	67.2%		35.8%	51.2%	2.5%	ns	**41.7%**
Including net depreciation and amortisation	129.6		60.1	33.4	15.6	0.1	**238.8**
Including net provisions	3.8		(3.7)	1.0	(7.0)	0.9	**(5.1)**
Changes in working capital requirement and current provisions	(28.8)		17.7	14.3	(1.0)	(0.8)	**1.4**
Income taxes paid	(177.8)		(36.1)	(2.7)	(4.2)	(4.7)	**(225.3)**
Net interest paid	(103.6)		(17.6)	(32.5)	(4.9)	(9.7)	**(168.3)**
Net cash flows (used in) / from operating activities	**294.4**		**140.8**	**61.6**	**2.6**	**(34.9)**	464.6
Purchases of property, plant and equipment and intangible assets, net	(0.8)		(25.6)	(6.6)	(32.2)		**(65.2)**
Purchases of concession fixed assets	(735.4)		(41.6)	(31.8)	0.1		**(808.7)**
Purchases of shares in subsidiaries and associates (consolidated and unconsolidated)			(0.8)	(1.6)	(34.9)	(7.3)	**(44.6)**
Other	0.1	55.2	52.4	1.8	6.3	62.9	**178.8**
Cash flows (used in) / from investing activities	**(736.1)**	**55.2**	**(15.6)**	**(38.2)**	**(60.7)**	**55.7**	(739.6)
Increases and reductions in share capital							
Loan proceeds and repayments	353.1		(73.6)	(20.9)	(56.3)	(36.5)	**165.8**
Other	93.6	(55.2)	(42.6)	(6.6)	120.2	35.0	**144.4**
Net cash flows (used in) / from financing activities	**446.7**	**(55.2)**	**(116.2)**	**(27.5)**	**63.9**	**(1.5)**	310.2
Net change in cash	**5.1**		**9.0**	**(4.1)**	**5.8**	**19.3**	35.1
Balance sheet							
Segment assets	**4,160.1**	**1,512.0**	**1,473.9**	**971.6**	**391.9**	**10.5**	8,518.9
Intangible assets			2.6	2.1	1.9		**6.6**
Goodwill	5.2		355.4	5.0	92.4		**458.0**
Property, plant and equipment	10.1		183.0	4.0	139.2	0.4	**336.8**
Concession intangible fixed assets	4,038.0		827.0	864.3			**5,729.3**
Investments in associates		1,512.0		43.0			**1,554.0**
Other current segment assets	106.8		105.8	53.1	158.3	10.1	**434.2**
Segment liabilities	**115.3**		**238.4**	**90.3**	**142.6**	**8.4**	595.1
Current provisions	31.9		6.1	9.8	21.0	5.6	**74.4**
Other current segment payables	83.4		232.3	80.5	121.6	2.8	**520.7**
Capital employed	4,067.1	1,512.0	1,303.6	885.1	394.0	9.5	**8,171.2**
Equity including minority interest	1,346.9	1,512.0	773.7	184.2	52.1	(439.7)	**3,429.1**
Net financial (debt) / surplus	(2,543.8)		(390.9)	(703.2)	(190.3)	(412.6)	**(4,240.8)**
Employees at 31 December	**2,116**		**4,960**	**1,069**	**11,025**		**19,170**

(*) On 100% basis.

FY 2004

(in € millions)	Cofiroute (*)	ASF	VINCI Park	Other Concessions	Airport services	VINCI Concessions holdings companies	Total
31 December 2004							
Income statement							
Revenue	872.2		485.2	124.8	467.7	(6.8)	**1,943.1**
Operating profit from ordinary activities	462.2		116.9	30.3	(4.4)	(25.0)	**580.0**
% of revenue	53.0%		24.1%	24.3%	ns	ns	**29.8%**
Share of profit / (loss) of associates	0.5	3.6	0.1	4.6		1.0	**9.8**
Net profit attributable to equity holders of the parent	165.5	35.5	67.0	12.1	(46.0)	(1.4)	**232.6**
% of revenue	19.0%		13.8%	9.7%	ns	ns	**12.0%**
Cash flow statement							
Cash flows (used in) / from operations before tax and financing costs	**579.7**		**178.9**	**49.7**	**5.0**	**(22.5)**	790.7
% of revenue	66.5%		36.9%	39.8%	1.1%	ns	**40.7%**
Including net depreciation and amortisation	121.3		55.5	22.1	12.2	0.1	**211.2**
Including net provisions	(17.1)		5.0	1.5	23.3	3.2	**15.9**
Changes in working capital requirement and current provisions	(34.4)		(4.0)	20.3	2.6	(11.0)	**(26.5)**
Income taxes paid	(145.6)		(31.0)	(2.8)	(6.4)	(4.7)	**(190.5)**
Net interest paid	(111.5)		(20.4)	(44.9)	(5.0)	(5.6)	**(187.4)**
Net cash flows (used in) / from operating activities	**288.1**		**123.5**	**22.3**	**(3.9)**	**(43.7)**	386.4
Purchases of property, plant and equipment and intangible assets, net	(3.2)		(40.9)	(4.6)	(30.9)	(0.2)	**(79.8)**
Purchases of concession fixed assets	(450.0)		(41.2)	(77.2)			**(568.3)**
Purchases of shares in subsidiaries and associates (consolidated and unconsolidated)	(34.5)		(5.8)			(316.8)	**(357.2)**
Other	2.5	31.9	43.0	(7.5)	(88.4)	322.4	**313.9**
Cash flows (used in) / from investing activities	**(485.3)**	**31.9**	**(45.0)**	**(89.2)**	**(119.3)**	**15.4**	**(691.4)**
Increases and reductions in share capital						0.0	
Loan proceeds and repayments	124.2		(51.2)	55.4	28.6	(0.6)	**156.4**
Other	73.6	(31.9)	(36.6)	(3.6)	116.3	28.1	**146.0**
Net cash flows (used in) / from financing activities	**197.9**	**(31.9)**	**(87.8)**	**51.8**	**144.9**	**27.6**	**302.5**
Net change in cash	**0.7**		**(9.3)**	**(15.1)**	**21.7**	**(0.7)**	**(2.6)**
Balance sheet							
Segment assets	**3,553.1**	**1,488.8**	**1,515.9**	**901.5**	**291.5**	**10.6**	**7,761.3**
Intangible assets	0.2		5.6	2.1	2.4		**10.3**
Goodwill	5.7		356.2	0.5	85.4		**447.8**
Property, plant and equipment	15.3		215.9	3.6	87.2	0.7	**322.8**
Concession intangible fixed assets	3,373.7		835.6	809.9	0.4		**5,01 9.6**
Investments in associates		1,488.8		47.4			**1,536.2**
Other current segment assets	158.0		102.6	37.9	116.2	9.9	**424.7**
Segment liabilities	**212.5**		**235.7**	**79.5**	**107.1**	**7.6**	**642.4**
Current provisions	47.0		19.2	11.9	18.6	0.4	**97.2**
Other current segment payables	165.5		216.5	67.5	88.4	7.2	**545.2**
Capital employed	3,349.1	1,488.8	1,350.7	825.1	325.9	61.4	**7,400.9**
Equity including minority interest	1,217.9	1,488.8	737.6	158.1	45.7	(304.6)	**3,343.4**
Net financial (debt) / surplus	(1,989.3)		(487.3)	(673.6)	(129.1)	(406.1)	**(3,685.2)**
Employees at 31 December	**2,193**		**5,061**	**419**	**11,258**	**17**	**18,948**

(*) *On 100% basis.*

Reconciliation between segment information and financial statements

(in € millions)	31/12/2005	31/12/2004
Other segment assets		
Inventories and work in progress	540.7	542.8
Trade and other operating receivables	8,334.3	7,279.8
Other current assets	218.6	157.3
Other segment assets	**9,093.5**	**7,979.9**
Other segment liabilities		
Trade payables	5,002.3	4,619.2
Other current payables	5,498.6	4,743.6
Other segment liabilities	**10,500.8**	**9,362.7**
Capital employed		
Segment assets	19,608.8	17,470.0
Segment liabilities	(11,946.2)	(10,745.5)
Other non-current financial assets	240.4	288.0
Loans and collateralised receivables *(part at more than one year)*	(23.5)	(45.5)
Goodwill impairment	792.7	784.5
Current tax assets	62.5	24.4
Current tax payable	(253.9)	(213.6)
Capital employed	**8,480.8**	**7,562.4**
NOPAT		
Operating profit from ordinary activities	1,567.6	1,300.1
Other financial income and expenses	(1.0)	10.0
Theoretical tax charge (*)	(495.7)	(387.4)
Dividends paid	4.7	42.0
Profit of associates	87.0	14.0
NOPAT	**1,162.6**	**978.7**
Capital employed at previous year-end	7,562.4	7,639.5
Capital employed at this year-end	8,480.8	7,562.4
Average capital employed	8,021.6	7,601.0
ROCE (*Average capital employed / NOPAT*)	**14.5%**	**12.9%**
Equity attributable to equity holders at previous year-end	3,015.9	2,662.2
Net profit attributable to equity holders of the parent at this year-end	871.2	731.6
ROE (*Net profit / equity*)	**28.9%**	**27.5%**

(*) *Calculated on the basis of the effective tax rate as restated for the impact of share-based payments and goodwill impairment:* 31.6% in 2005; 29.6% in 2004.

4. SEGMENT INFORMATION BY GEOGRAPHICAL SEGMENT

(in € millions)	France	Germany	United Kingdom	Central and Eastern Europe	Belgium	Spain	Other European countries	Europe	North America	Rest of the world	Total
31 December 2005											
Concession intangible fixed assets	4,837.6		73.3	4.4	18.2	48.5	410.7	5,392.7	95.4	252.8	**5,741.0**
Property, plant and equipment - gross	3,089.0	331.4	190.8	75.5	484.7	80.3	461.0	4,712.8	304.6	471.4	**5,488.8**
Depreciation and amortisation	(1,835.2)	(222.0)	(90.8)	(33.9)	(298.0)	(43.0)	(276.3)	(2,799.3)	(167.6)	(259.9)	**(3,226.8)**
Property, plant and equipment - net	1,253.8	109.4	100.0	41.7	186.7	37.3	184.7	1,913.6	137.0	211.5	**2,262.0**
Other	8,509.2	467.8	428.1	485.6	674.1	189.8	311.9	11,066.5	245.6	366.8	**11,678.9**
Total segment assets	**14,600.5**	**577.2**	**601.4**	**531.7**	**878.9**	**275.7**	**907.3**	**18,372.8**	**478.0**	**831.1**	**19,681.9**
Investments (PPE & intangible)	(416.6)	(26.3)	(28.0)	(42.8)	(105.9)	(6.2)	(33.9)	(659.8)	(45.7)	(27.0)	**(732.5)**
Investments (concession intangible)	(796.2)		(4.5)	(0.1)	(0.4)	0.7	(1.5)	(801.9)	(0.1)	(9.0)	**(811.0)**
Employees at 31 December	76,254	9,256	8,598	8,195	4,495	2,141	2,819	111,758	12,061	9,694	**133,513**
31 December 2004											
Concession intangible fixed assets	4,150.0		70.1	4.3	19.1	50.5	429.5	4,723.4	82.8	217.9	**5,024.1**
Property, plant and equipment - gross	2,963.8	346.3	187.1	268.5	691.8	91.2	89.5	4,638.1	237.0	136.7	**5,011.8**
Depreciation and amortisation	(1,767.4)	(231.8)	(72.9)	(150.8)	(421.2)	(42.3)	(57.7)	(2,744.0)	(133.1)	(86.1)	**(2,963.2)**
Property, plant and equipment - net	1,196.4	114.5	114.1	117.6	270.7	48.9	31.8	1,894.1	103.9	50.6	**2,048.6**
Other	7,781.5	412.0	384.5	330.4	508.8	194.1	269.5	9,880.8	198.0	318.5	**10,397.3**
Total segment assets	**13,127.9**	**526.5**	**568.7**	**452.4**	**798.6**	**293.5**	**730.7**	**16,498.2**	**384.8**	**587.0**	**17,470.0**
Investments (PPE & intangible)	(349.7)	(45.1)	(33.8)	(30.1)	(47.3)	(4.5)	(6.2)	(516.6)	(22.2)	(17.4)	**(556.2)**
Investments (concession intangible)	(496.0)		(10.4)	(0.1)	(0.4)		(55.3)	(562.2)	(2.3)	(3.8)	**(568.3)**
Employees at 31 December	73,560	9,758	7,699	7,728	4,005	2,296	2,304	107,350	10,418	10,665	**128,433**

D. NOTES TO THE INCOME STATEMENT

5. OPERATING PROFIT

(in € millions)	2005	2004
Revenue	**21,543.0**	**19,520.2**
Revenue from ancillary activities	**179.4**	**255.0**
Purchases consumed	(5,443.9)	(5,065.8)
External services	(2,707.3)	(2,387.3)
Temporary employees	(825.3)	(679.0)
Subcontracting	(4,916.6)	(4,289.3)
Taxes and levies	(391.3)	(351.1)
Employment costs	(5,271.8)	(5,070.5)
Other income and expenses	108.1	11.8
Amortisation	(688.9)	(628.5)
Net provision charge	(17.8)	(15.4)
Operating expenses (before non-recurring items and IFRS 2)	**(20,154.9)**	**(18,475.2)**
Operating profit from ordinary activities	**1,567.6**	**1,300.1**
Share-based payment expense (IFRS 2)	(70.1)	(36.3)
Restructuring costs		(10.1)
Goodwill impairment expense (*)	(13.2)	(45.5)
Operating expenses	**(20,238.1)**	**(18,567.1)**
Operating profit	**1,484.3**	**1,208.2**

(*) *Including amortisation of goodwill related to assets with finite useful life.*

Operating profit was €1,484.3 million in 2005 (6.9% of revenue) against €1,208.2 million in 2004 (6.2% of revenue), a 22.9% increase from one period to the next.

Operating profit from ordinary activities, which measures the Group's subsidiaries' operating performance before the effects of share-based payments (IFRS 2), restructurings (closures or disposals of activities) and goodwill impairment losses, was €1,567.6 million in 2005 against €1,300.1 in 2004, an increase of 20.6%.

5.1 REVENUE FROM ANCILLARY ACTIVITIES

Revenue from ancillary activities amounted to €179.4 million in 2005. It mainly consisted of sales of equipment, materials and goods (€68.6 million), studies, engineering and fees invoiced in the context of construction contracts (€68.2 million) and rental income (€41.0 million).

5.2 AMORTISATION

These break down as follows:

(in € millions)	2005	2004
Amortisation		
Intangible assets	(24.9)	(23.4)
Concession intangible fixed assets	(204.1)	(182.4)
Property, plant and equipment	(458.2)	(421.3)
Investment properties	(1.7)	(1.4)
	(688.9)	**(628.5)**

5.3 SHARE-BASED PAYMENTS

The expense relating to the benefits granted to employees has been assessed at €70.1 million for 2005. Of this, €34.8 million is in respect of share options and €35.3 million in respect of Group Savings Scheme, compared with €19.6 million and €16.7 million respectively in 2004, making a total of €36.3 million. (See Note 22.4 Share-based payments)

6. COST OF FINANCIAL DEBT

(in € millions)	2005	2004
Cost of gross financial debt (*)	(275.5)	(320.8)
Financial income from cash management investments	117.0	79.2
Cost of net financial debt	**(158.5)**	**(241.6)**

(*) *Calculated using the effective interest rate.*

The cost of financial debt amounted to €158.5 million in 2005 (against €241.6 million in 2004).
Concessions accounted for - €165.5 million of this (against - €171.0 million in 2004), of which - €99.3 million was in Cofiroute (- €99.6 million in 2004).
The holding companies accounted for - €91.9 million, (- €27.3 million in 2004).
This trend takes account of the positive effect (amounting to €25.6 million, or €16.5 million after tax) of a change in the probable maturity date of the 2002-2018 OCEANE bond. This was initially set at 2006 on the basis of the then prevailing market conditions. In the first half of 2005, the maturity was taken to 2018 as it had become very unlikely that the investors' puts would be exercised in 2006, 2010 and 2014 given the strong increase in the VINCI share price. The interest saving in the second half year resulting from the lower interest rate applicable to the OCEANE bonds (4.5% against 6.4%) amounted to €5 million.
Apart from these aspects, the cost of the net financial debt also improved because of the holding company's reduced interest expense due, on the one hand, to a €13 million saving following the conversion of the OCEANE 2007 bonds (see Key Events §2) and, on the other, to the positive effects of the variable interest rate policy applied to debts, combined with an improved return on funds invested.
The Construction, Roads and Energy business lines generated net financial income of €34.2 million (against €21.2 million in 2004), reflecting mainly the improvement in the operating cash position.

7. OTHER FINANCIAL INCOME AND EXPENSES

7.1 OTHER FINANCIAL INCOME

(in € millions)	2005	2004
Capitalised borrowing costs	63.3	77.3
Dividends received from unconsolidated companies	4.7	41.8
Foreign exchange gains	9.5	11.7
Gains on disposals	36.0	36.3
Other financial income (including provision reversals)	14.9	114.7
Other financial income	**128.5**	**281.9**

Other financial income fell from €281.9 million in 2004 to €128.5 million in 2005. Financial income in 2004 included the dividend of €32 million received from ASF, which was not in the scope of consolidation at that time, and the positive impact of the fair value of a swap relating to 4.2% of ASF's shares, for €95 million at 31 December 2004.
Capitalised borrowing costs relating to concession assets in construction amounted to €63.3 million in 2005, capitalised at an average rate of 4.29%, against €77.3 million in 2004 (at an average rate of 5.13%). The gains on disposal derive essentially from the disposal by VINCI Concessions of several of its holdings, including BCIA (a 3.5% holding in Beijing Airport), SETA (airports in northern Mexico), the SMPTC subordinated convertible stock and also the Chilean subsidiary of VINCI Park.

7.2 OTHER FINANCIAL EXPENSES

(in € millions)	2005	2004
Change in present values	(27.5)	(27.8)
Exchange losses	(13.9)	(10.8)
Losses on disposals	(11.5)	(1.8)
Other financial expenses (including provisions)	(23.2)	(3.3)
Other financial expenses	**(76.0)**	**(43.7)**

The change in the present values of retirement benefit obligations, net of the expected return on assets, amounts to €27 million for 2005.
The losses on disposals and other financial expenses include in particular the impact of the disposal of the subsidiaries of TMS by VINCI Energies. This totals - €28 million after taking into account the provisions related to warranties in respect of liabilities and to future disposals.

8. INCOME TAX

8.1 ANALYSIS OF NET TAX EXPENSE

(in € millions)	2005	2004
Current tax	(495.2)	(436.0)
Deferred tax	32.7	55.6
temporary differences	15.7	38.8
tax losses and tax credits	17.1	16.8
	(462.5)	**(380.4)**

The tax expense for the period comprises:
– the tax recognised by French subsidiaries for €406 million (€339.7 million in 2004), which includes €129.6 million current tax for Cofiroute (against €153 million in 2004) and €257.5 million current tax for the VINCI holding company, the lead company of a tax group comprising 587 French subsidiaries (against €197.8 million in 2004);
– the tax recognised by foreign subsidiaries, amounting to €56.5 million.

Tax relating to items recognised directly in equity amounts to - €25.3 million.
The parent company and its subsidiaries are regularly subject to inspection by the tax authorities.

8.2 EFFECTIVE TAX RATE

The difference between the tax calculated using the standard tax rate in force in France and the amount of tax effectively recognised in the period can be analysed as follows:

(in € millions)	2005	2004
Profit before tax and profit or loss of associates	1,378.3	1,204,7
Theoretical tax rate in France	34.93%	35.43%
Theoretical tax charge expected	**(481.4)**	**(426.8)**
Goodwill impairment expense	(4.6)	(16.1)
Impact of taxes due on income subject to a lower tax rate	4.9	(14.9)
Impact of tax loss carryforwards and other unrecognised or previously capped temporary differences	1.3	(67.6)
Difference in tax rates on foreign profit or loss	29.3	11.9
Permanent differences and miscellaneous	(11.9)	133.2
Tax charge recognised	**(462.5)**	**(380.4)**
Effective tax rate	33.56%	31.57%
Effective tax rate excluding impact of share-based payments and goodwill impairment	31.60%	29.60%

The income arising in the period from the recognition of previously unrecognised deferred tax assets, such as carryforward tax losses and tax credits, was €34.3 million.

The permanent differences shown in the reconciliation of the effective tax rate include in particular:
– the effect of the non-deductibity for tax purposes of the major components of the expense relating to share-based payments. This amounts to - €19 million at 31 December 2005 (- €8 million at 31 December 2004).
– the impact of the changes made in 2004 to tax legislation relating to the taxation of profits at the reduced rate of tax. This led to VINCI reducing its deferred tax liabilities in this respect and recognising income of €47 million.

The rise in the effective rate of tax (33.6% against 31.6% at 31 December 2004) is mainly the result of the change in permanent differences described above. Conversely, the tax rate in 2004 incorporated an extra charge connected with the capping of deferred tax assets, particularly relating to airport services in the US (- €22.5 million).

8.3 BREAKDOWN OF DEFERRED TAX ASSETS AND LIABILITIES

			Changes	
(in € millions)	**31/12/2005**	**31/12/2004**	**Profit or loss**	**Other**
Expenses deductible later	56.4	42.1	14.5	(0.1)
Retirement benefit obligations	117.6	138.7	(25.6)	4.5
Other provisions not deducted for tax purposes	208.9	213.0	(4.1)	(0.1)
Differences between carrying amounts and taxable amounts, assets and liabilities	13.1	5.3	7.3	0.5
Temporary differences connected with consolidation restatements	113.6	131.8	29.8	(48.0)
Sub-total temporary differences	**509.6**	**530.9**	**21.9**	**(43.2)**
Capping of temporary differencess	(113.3)	(125.5)	13.1	(0.9)
Temporary differences after capping	**396.3**	**405.4**	**35.0**	**(44.1)**
Unused tax losses and tax credits after capping	35.2	20.0	17.1	(1.9)
Netting of deferred tax assets and liabilities	(221.0)	(258.2)		37.2
Total deferred tax assets	**210.5**	**167.2**	**52.1**	**(8.7)**
Differences between carrying amounts and taxable amounts, assets and liabilities	(48.0)	(59.7)	15.8	(4.1)
Temporary differences connected with consolidation restatements	(204.2)	(228.3)	8.0	16.2
Other taxable temporary differences	(179.5)	(139.8)	(43.2)	3.6
Netting of deferred tax assets and liabilities	221.0	258.2		(37.2)
Total deferred tax liabilities	**(210.6)**	**(169.6)**	**(19.4)**	**(21.6)**

8.4 UNRECOGNISED DEFERRED TAXES

At 31 December 2005, deferred tax assets that are not recognised on the grounds that their recovery is not certain amounted to €380.3 million. These mainly relate to the German subsidiaries (of which €118.6 million related to their carryforward tax losses). Given the return to profits and the changes in 2005 to German tax legislation, VINCI has recognised a deferred tax asset of €9 million corresponding to one year's forecast tax charge, on the basis of tax forecasts made in 2006.

The total temporary differences relating to shareholdings in Group entities (associates, joint enterprises and investments in branches), for which no deferred tax liabilities have been recognised, related mainly to ASF for €9.4 million (being the difference between the taxable amount and the carrying value of the ASF shares in VINCI's consolidated financial statements).

9. EARNINGS PER SHARE

Earnings per share is calculated on the basis of the weighted average number of shares outstanding during the period, reduced by the weighted average number of treasury shares held.

Diluted earnings per share is calculated on the basis of the weighted average number of shares that would have been outstanding had all potentially dilutive instruments (convertible bonds, share subscription options) been converted. Also, the profit is corrected for the changes in income and expenses that would result from the conversion into shares of potentially dilutive instruments (for example in financial expenses, net of tax, if bonds were to be converted to shares).

The dilution resulting from the exercise of share subscription and purchase options is determined using the method defined in IAS 33.

At 31 December 2005 there are no financial instruments with an accretive effect.

The following tables show the reconciliation between earnings per share and diluted earnings per share:

2005	Net profit (*)	Number of shares	Earnings per share (**)
Total shares		**177,094,311**	
Treasury shares		(5,660,745)	
Earnings per share	**871**	**171,433,566**	**5.08**
Convertible bonds (Oceane)	14	16,829,305	
Share subscription options		8,309,424	
Share purchase options and Group Savings Scheme		1,872,023	
Diluted earnings per share	**885**	**198,444,318**	**4.46**

(*) *in millions of euros.*
(**) *in euros.*

2004	Net profit (*)	Number of shares (**)	Earnings per share (***)
Total shares		**170,036,496**	
Treasury shares		(9,544,936)	
Earnings per share	**732**	**160,491,560**	**4.56**
Convertible bonds (Oceane)	42	22,616,668	
Share subscription options		6,682,160	
Share purchase options and Group Savings Scheme		2,830,216	
Diluted earnings per share	**774**	**192,620,604**	**4.02**

(*) *in millions of euros.*
(**) *restated following the two-for-one share split in May 2005.*
(***) *in euros.*

The amount of dividends that were either recognised during the period or are subject to approval by the shareholders' general meeting (unrecognised) and the corresponding amount per share breaks down as follows:

(in € millions)	2005	2004
Interim dividend		
Amount (in € millions) (I)	132.8	97.9
Dividend per share (*)	0.70	0.60 (***)
Final dividend proposed to the Shareholders General Meeting called to approve the financial statements of the period		
Amount (in € millions) (II)	249.0 (**)	188.9
Dividend per share	1.30	1.15 (***)
Total net dividend payable per share		
Amount (in € millions) (I) + (II)	381.8	286.8
Dividend per share	2.00	1.75 (***)

(*) *Before tax credit.*
(**) *On the basis of the number of shares that gave a right to the interim dividend and/or give a right to dividends at the date of the Board Meeting (28/02/2006) i.e. 191,558,323 shares.*
(***) *Restated following the two-for-one share split in May 2005.*

E. NOTES TO THE BALANCE SHEET

10. INTANGIBLE ASSETS

Changes in the period were as follows:

(in € millions)	Software	Patents, licences and other	Total
Gross			
At 31/12/2004	**98.8**	**117.5**	**216.3**
Acquisitions as part of business combinations	3.3	25.7	29.0
Other acquisitions in the period	11.8	15.4	27.2
Disposals and retirements during the year	(5.3)	(11.0)	(16.2)
Translation differences	1.2	1.7	2.9
Other movements	0.5	(11.5)	(11.0)
At 31/12/2005	**110.3**	**137.9**	**248.2**
Amortisation and impairment losses			
At 31/12/2004	**(69.6)**	**(64.6)**	**(134.2)**
Cumulative amortisation recognised as part of business combinations	(3.2)	(0.9)	(4.1)
Amortisation for the period	(18.1)	(6.7)	(24.9)
Impairment losses	(0.0)	(1.0)	(1.0)
Reversals of impairment losses	0.0	0.3	0.3
Disposals and retirements during the year	4.7	9.5	14.2
Translation differences	(0.9)	(0.6)	(1.4)
Other movements	0.3	6.3	6.7
At 31/12/2005	**(86.8)**	**(57.8)**	**(144.6)**
Net			
At 31/12/2004	**29.2**	**52.9**	**82.0**
At 31/12/2005	**23.5**	**80.2**	**103.7**

11. GOODWILL

Changes in the period were as follows:

(in € millions)	Net
At 31/12/2004	**776.9**
Goodwill recognised in the period	33.1
Impairment losses (*)	(13.2)
Translation differences	5.9
Entities no longer consolidated	(0.0)
Other movements	10.3
At 31/12/2005	**813.1**

(*) *including amortisation of goodwill related to assets with finite useful life.*

The main goodwill items at 31 December 2005, except for those reported under equity-accounted investments, were:

(in € millions)	31/12/2005 Gross (*)	Impairment losses (**)	Net	31/12/2004 Net
VINCI Park (formerly Sogeparc and Finec)	343.3		343.3	343.3
VINCI Airports US (WFS/ACAC)	87.8	(21.4)	66.3	62.4
Teerbau GmbH	38.7		38.7	38.7
Entreprise Jean Lefebvre	39.3	(3.0)	36.3	37.8
VINCI PLC	22.0		22.0	20.8
Emil Lundgren AB	21.0		21.0	21.0
EFS	19.0		19.0	19.0
Netlink BV	10.6		10.6	10.6
Other goodwill items individually less than €10 million (***)	283.1	(27.1)	256.0	223.4
	864.7	**(51.6)**	**813.1**	**776.9**

(*) *Gross amount less cumulative amortisation at 1 January 2004 (opening IFRS balance sheet).*

(**) *Cumulative impairment losses.*

(***) *On the basis of the net value for individual entities, in each of the two periods.*

12. IMPAIRMENT LOSSES ON GOODWILL AND OTHER NON-FINANCIAL ASSETS

In accordance with IAS 36 Impairment of assets, goodwill and other non financial assets have been tested for impairment at 31 December 2005.
The value in use of cash-generating units (CGUs) is determined, on the basis of activity and country, by discounting the forecast operating cash flows before tax (operating profit + depreciation and amortisation + non-current provisions – operating investments – change in operating WCR), at the rates below.
Forecast cash flows are generally determined on the basis of the latest three-year plans available. For periods beyond the three-year period, cash flows are extrapolated until the fifth year, using a growth rate generally equal to that of the last year in the plan, depending on management's assessment of the outlook for the entity under consideration.
Beyond the fifth year, the terminal value is determined by capitalising cash flows to infinity.

The impairment tests carried out for the year led to the Group recognising total impairment losses on non-financial assets for 2005 amounting to €19.8 million (€13.2 million on goodwill and €6.8 on other non-financial assets).

12.1 IMPAIRMENT LOSSES ON GOODWILL

The largest goodwill items relate to the following CGUs:

	VINCI Park	VINCI Airport US	Other goodwill (**)
Net carrying amount of goodwill (in € millions)	**343.3**	**66.3**	**403.5**
Method used	**Value in use**	**Value in use**	**Value in use**
Model variables (*)			
Growth rate on forecasts for years Y + 3 to Y + 5	(***)	1% to 2%	1% to 2%
Growth rate on terminal value	—	2.0%	0% to 2%
Pre-tax discount rate	8.98%	11.25%	8.98% to 11.72%
Impairment loss recognised for the year (in € millions)			**13.2**

(*) *Applicable to cash flows.*

(**) *Of unit amounts of less than €40 million.*

(***) *The cash flow forecasts are determined by VINCI Park over the average length of the concession contracts, using a growth rate of 3% for revenue and 2% for operating expenses.*

The impairment losses recognised in the period (€13.2 million) relate in particular to the subsidiaries of VINCI PLC for €3.2 million and VINCI Energies for €2.9 million. They also include goodwill impairments related to assets with finite useful life (€2.3 million).

The impairment tests carried out at 31 December 2004 led the Group to recognise impairment losses of €21.4 million on the airport services subsidiary, VINCI Airport US. No additional loss was recognised at 31 December 2005 concerning this subsidiary.

12.2 IMPAIRMENT LOSSES ON OTHER NON-FINANCIAL ASSETS

Impairment losses on other non-financial assets recorded for the year amount to €6.8 million and relate particularly to losses recognised on seven companies operating car park in France (€3.4 million).

13. CONCESSION INTANGIBLE FIXED ASSETS

13.1 MAIN FEATURES OF CONCESSION CONTRACTS

The characteristics of the main concessions contracts under the operation of consolidated subsidiaries (either full or proportionate) are presented in the chart below:

Project	Control and regulation of prices by concession grantor	Responsibility for payment	Grant or guarantee from concession grantor	Residual value	Start and end date or average duration
			Motorways		
Cofiroute					
Intercity toll motorway network in France 1,091km (of which approx. 106 km under construction)	Pricing law as defined in the concession contract. Price increases by rider to the concession contract subject to grantor's agreement.	Users	Nil.	Infrastructures returned to grantor for no consideration, unless purchased by the grantor (in which case at economic value).	End of contract in 2030
A86 France (2 toll tunnels under construction)	Pricing law as defined in the concession contract. Price increases subject to agreement by grantor.	Users	Nil.	Infrastructures returned to grantor for no consideration, unless purchased by the grantor (in which case at economic value).	End of contract: 70 years after complete entry into service of asset.
Arcour (A19) France toll motorway 101km	Pricing law as defined in the concession contract. Price increases subject to agreement by grantor.	Users.	Investment grant	Infrastructures returned to grantor at end of concession for no consideration.	2005 / End 2070
Autopista Del Bosque Chile toll motorway 160km	Ceiling and pricing law set in concession contract. Additional to increases to reflect inflation, the operator may increase the price up to a cumulative ceiling 25% above price at 1/1/2003.	Users.	Operating grant paid annually by grantor. Minimum revenue ensured by grantor + termination date variable depending on cumulative revenue	Infrastructure returned to grantor for no consideration	Variable depending on cumulative revenue
Morgan VINCI Ltd UK motorway 10km	Payment based on availability 67% traffic 28% safety 3% maintenance 2%	Grantor	Nil.	Infrastructure returned to grantor for no consideration	2002 / End 2042
			Bridges and tunnels		
Gefyra (Rion–Antirion) Greece Toll bridge in the Gulf of Corinth	Pricing law as defined in the concession contract. Price increases linked to price index and subject to formal agreement by grantor.	Users.	Grant for construction paid by grantor	Infrastructure returned to grantor for no consideration	1997 / End 2039

Project	Control and regulation of prices by concession grantor	Responsibility for payment	Grant or guarantee from concession grantor	Residual value	Start and end date or average duration
Bridges and tunnels					
SCDI Canada Bridge between Prince Edward Island and mainland	Pricing law as defined in the concession contract. Price increases linked to price index and subject to formal agreement by grantor.	Users	Grant for construction paid by grantor	Infrastructure returned to grantor for no consideration	1993 / End 2032
Parking					
VINCI Park approx. 334,000 parking spaces under concession in France, Rest of Europe, Canada, Hong Kong	Prices set freely within ceilings.	Users	If appropriate, grants for equipment or operating grants and/or guaranteed revenue, paid by grantor	Nil	Approximately 30 years
Activités aéroportuaires					
SCA (Cambodia)	Pricing law as defined in the concession contract. Price increases subject to agreement by grantor.	Users	Share in grantor's profits	Infrastructure returned to grantor for no consideration	1995 / End 2020
Stade de France					
Consortium Stade de France.	No	Organiser of event and/or final customer	Investment grant + compensation for absence of resident club + grantor's fee on share of profits	Infrastructure returned to grantor for no consideration	1995 / End 2025

13.2 COMMITMENTS GIVEN UNDER CONCESSION CONTRACTS

Contractual investment and renewal obligations:

Under its concession contracts, the Group has undertaken to carry out certain investments in infrastructure that it will operate as concession operator.
At 31 December 2005, the main investment obligations over the next five years related to Cofiroute for €1.8 billion (€1 billion in respect of its intercity network and approximately €800 million for the A86 motorway) and Arcour for €600 million in respect of the A19 motorway.

Concession operators are also obliged to maintain infrastructures in a good state of repair in accordance with the contractual terms.

Collateral security connected with the concession contracts

Collateral security of €788.6 million has been provided at the level of the corresponding concession operating companies, to guarantee the project financing obtained. They break down by project as follows:

(in € millions)	Start date	End date	Amount
Gefyra (Rion-Antirion Bridge – Greece)	April 2001	June 2029	350.0
SCDI (Confederation Bridge – Canada)	June 1998	September 2031	117.0
Autopista del Bosque (Chillan – Collipulli motorway – Chile)	March 2001	April 2021	228.4
Morgan VINCI Ltd (Newport bypass – Wales)	March 2002	September 2040	45.6
Other			47.6
			788.6

13.3 BREAKDOWN OF CONCESSION INTANGIBLE FIXED ASSETS BY TYPE OF INFRASTRUCTURE

(in € millions)	Motorways	Car parks	Other infrastructures	Total VINCI Concessions	Other Concessions	Total
Gross						
At 31/12/2004	**5,204.6**	**1,302.2**	**660.8**	**7,167.7**	**9.5**	**7,177.2**
Acquisitions as part of business combinations						
Other acquisitions in the period	845.4	45.8	7.2	898.4	8.9	907.3
Disposals and retirements during the year	(21.5)	(17.8)		(39.3)	(0.5)	(39.8)
Translation differences	49.1	3.4	25.6	78.1		78.1
Other movements	(25.9)	(0.1)	3.9	(22.1)	7.1	(15.0)
	6,051.7	**1,333.5**	**697.5**	**8,082.7**	**25.0**	**8,107.8**
Grants received			(12,9)	(12.9)	(8.5)	(21.4)
At 31/12/2005	**6,051.7**	**1 333.5**	**684.6**	**8 069.8**	**16.5**	**8,086.4**
Amortisation and impairment losses						
At 31/12/2004	**(1,620.6)**	**(466.7)**	**(60.8)**	**(2,148.1)**	**(5.0)**	**(2,153.1)**
Amortisation for the period	(134.2)	(47.3)	(22.8)	(204.3)	(0.4)	(204.7)
Impairment losses	(0.2)	(3.4)		(3.6)		(3.6)
Reversals of impairment losses	0.3	0.2		0.5		0.5
Disposals and retirements during the year	18.4	14.7		33.2	0.5	33.7
Translation differences	(6.2)	(1.2)	(4.6)	(12.0)		(12.0)
Other movements	(3.5)	(2.8)	0.2	(6.2)		(6.2)
At 31/12/2005	**(1,746.0)**	**(506.5)**	**(88.0)**	**(2,340.5)**	**(4.9)**	**(2,345.3)**
Net						
At 31/12/2004	**3,584.0**	**835.6**	**600.0**	**5,019.6**	**4.5**	**5,024.1**
At 31/12/2005	**4,305.7**	**827.1**	**596.6**	**5,729.4**	**11.6**	**5,741.0**

The investments made in new concession projects during the period amounted to €811 million compared with €568 million in 2004. They include in particular the investments made by Cofiroute of €735 million during the period (compared with €450 million in 2004).

Borrowing costs capitalised in 2005 in the cost of projects under construction amounted to €63.3 million (of which €61.7 million in Cofiroute).

Assets under construction for new projects amounted to €1,476.8 million at 31 December 2005 (of which €1,425.0 million in Cofiroute, and €21.8 million in VINCI Park).

14. PROPERTY, PLANT AND EQUIPMENT

Movements during the period

(in € millions)	Land	Buildings	Plant, equipment and fixtures	Total
Gross				
At 31/12/2004	**297.4**	**995.9**	**3,654.8**	**4,948.1**
Acquisitions as part of business combinations	0.8	54.1	100.5	155.4
Other acquisitions in the period	17.6	181.2	481.8	680.6
Disposals and retirements during the year	(9.5)	(73.9)	(308.2)	(391.5)
Translation differences	6.8	9.3	53.2	69.2
Other movements	12.2	(129.1)	73.4	(43.4)
At 31/12/2005	**325.4**	**1,037.5**	**4,055.5**	**5,418.3**
Depreciation and impairment losses				
At 31/12/2004	**(65.9)**	**(351.7)**	**(2,523.8)**	**(2,941.4)**
Cumulative depreciation recognised as part of business combinations	(0.2)	(17.0)	(71.0)	(88.2)
Depreciation for the period	(7.6)	(41.9)	(408.8)	(458.2)
Impairment losses	(0.7)	(0.3)	(1.0)	(2.0)
Reversals of impairment losses	0.3	1.3	0.6	2.2
Disposals and retirements during the year	1.2	23.9	289.1	314.2
Translation differences	(1.2)	(3.1)	(34.8)	(39.0)
Other movements	(2.6)	(0.2)	11.8	8.9
At 31/12/2005	**(76.6)**	**(388.9)**	**(2,737.9)**	**(3,203.5)**
Net				
At 31/12/2004	**231.5**	**644.1**	**1,131.0**	**2,006.7**
At 31/12/2005	**248.8**	**648.5**	**1,317.6**	**2,214.8**

At 31 December 2005, property, plant and equipment included assets under construction of €104.1 million (compared with €92.3 million at 31 December 2004).

15. LEASED ASSETS

Property, plant and equipment held under finance leases amounted to €167.9 million at 31 December 2005 and mainly related to property used in operations.

The timing of minimum rental payments at nominal and present value in respect of capital remaining due, as provided for under these contracts, is as follows:

(in € millions)	Minimum payments at nominal value		Present value of minimum payments	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Finance lease obligations				
within 1 year	27.3	39.5	27.3	39.5
after 1 year and within 5 years	74.4	70.9	68.5	66.5
after 5 years	60.4	59.2	43.0	44.9
Total	**162.1**	**169.6**	**138.8**	**150.9**

16. INVESTMENT PROPERTY

(in € millions)	Gross	Depreciation	Impairment losses	Net
At 31/12/2004	**63.7**	**(18.3)**	**(3.5)**	**41.9**
Acquisitions as part of business combinations	0.0	0.0	0.0	0.0
Acquisitions	2.8	0.0	0.0	2.8
Disposals	(7.6)	1.3	0.0	(6.3)
Depreciation and impairment losses and reversals	0.0	(1.7)	(0.1)	(1.8)
Transfers between investment property, property held for sale and property used by its owner	2.6	(1.0)	0.0	1.6
Translation differences	0.4	(0.1)	0.0	0.3
Other changes in consolidation scope	8.7	0.0	0.0	8.8
At 31/12/2005	**70.6**	**(19.7)**	**(3.6)**	**47.2**

Rental income of €4.5 million and direct operating expenses of €2.2 million (of which €0.5 million generated no rental income) relating to investment property have been included in the income statement for the year.

At 31 December 2005, the estimated market value of the investment property shown in the balance sheet for €47.2 million was €72.3 million.

17. INVESTMENTS IN ASSOCIATES

17.1 MOVEMENTS DURING THE PERIOD

(in € millions)	31/12/2005	31/12/2004
Value of the shares at the beginning of the year	**1,558.5**	**100.2**
Equity accounting of ASF shares		1 485.2
Share capital increases of associates	1.5	6.3
Share of profit or loss for the period	87.0	14.0
of which concessions and services	81.1	7.7
Dividends paid	(60.9)	(2.6)
Changes in consolidation scope and translation differences	4.4	(56.8)
Change in the net fair value of financial instruments	0.8	0.5
Reclassifications	4.1	11.7
Value of the shares at the end of the year	**1,595.5**	**1,558.5**
of which concessions and services	1,554.0	1,536.2

The net effect of ASF, which has been accounted for by the equity method since 15 December 2004, on the net profit of VINCI for 2005 was €76.8 million. This figure takes account of €24.9 million in respect of an amortisation charge for the period on goodwill arising on first consolidation (€698.0 million).

The consolidated equity of ASF at 31 December 2005 was €3,653.5 million (including net profit for the year of €442.5 million). In total, the carrying value of VINCI's 23% interest in ASF at 31 December 2005 was €1,512 million (as against a stock market value of €2,654.7 million).

17.2 FINANCIAL INFORMATION ON INVESTMENTS IN ASSOCIATES

Investments in associates at 31 December 2005 relate mainly to concession operating companies in which the Group exercises significant influence, including ASF (Autoroutes du Sud de la France), SMTPC (which operates the Prado-Carénage tunnel in Marseilles under a concession), Lusoponte (bridges over the Tagus in Portugal), Severn River Crossing (bridges over the Severn River in the UK) and various subsidiaries of the Construction and Roads business lines (including Wiemer und Trachte, of which VINCI Construction owns 39%).

The main financial data at 31 December 2005 on these companies is as follows (on a 100% basis):

(in € millions)	ASF	SMTPC	Lusoponte	Severn River Crossing
% held	22.99%	32.24%	30.85% (*)	35.00%
Financial data on a 100% basis				
Revenue	2,474.2	29.2	58.5	101.6
Attributable to Group	568.8	9.4	18.0	35.6
Operating expenses	(1,398.5)	(12.7)	(9.8)	(101.6)
Operating profit	1,075.7	16.5	48.6	
Net profit	442.5	7.7	7.4	
Equity at 31/12/2005	3,653.5	38.1	12.6	0.1
Contribution to VINCI's consolidated financial statements	839.9	12.3	3.9	0.0
Equity attributable to Group	**839.9**	**12.3**	**3.9**	**0.0**
Goodwill (**)	698	16.0	13.2	
Goodwill impairment losses to date	(25.9)	(0.8)	(1.0)	
Share of net profit / (loss) attributable to Group (***)	**101.7**	**2.5**	**2.3**	**0.0**
Value of investments in associates	**1,512.0**	**27.6**	**16.1**	**0.0**
Carrying amount of shares in the parent company accounts	1,377.2	35.6	20.2	6.5
Original cost of shares	1,485.2	24.8	20.2	0.0
Fair value of shareholdings (stock market value)	2,654.7	45.1		
Other balance sheet information:				
Total Assets / Equity and liabilities	13,180.2	148.9	903.8	0.2
Net financial debt at 31/12/2005 (VINCI share)	(1,748.7)	(23.2)	(111.0)	(209.4)
Shareholder advances and interest-bearing loans (VINCI share)			7.9	5.2

(*) *including 3.48% transferred by Hagen under a share disposal agreement dated 16 October 2000 of which final regularisation is in progress.*

(**) *gross less cumulative depreciation at 1 January 2004 (opening IFRS balance sheet).*

(***) *before goodwill impairment losses.*

Financial data at 31 December 2005 in respect of Wiemer und Trachte is not available. At 31 December 2004, the revenue of this subsidiary was €451.2 million and its net profit was €1.1 million (both on a 100% basis).

18. OTHER NON CURRENT FINANCIAL ASSETS

(in € millions)	Available-for-sale securities		Loans and receivables at amortised cost		
	Shares in subsidiaries and associates at fair value	Investments in unlisted subsidiaries and associates	Collateralised loans and receivables	Other loans and receivables	Total
Gross					
At 31/12/2004	**39.5**	**347.8**	**45.5**	**62.9**	**495.8**
Acquisitions as part of business combinations	0.0	1.4	0.0	0.2	1.7
Other acquisitions in the year	0.3	23.3	0.5	17.9	42.0
Disposals and retirements during the year	(7.9)	(119.2)	(1.9)	(34.8)	(163.8)
Translation differences	0.1	0.3	2.7	(1.6)	1.5
Other movements	4.7	27.7	(23.4)	53.0	61.9
At 31/12/2005	**36.7**	**281.3**	**23.5**	**97.6**	**439.1**
Impairment losses					
At 31/12/2004	**(17.9)**	**(168.3)**	**0.0**	**(21.6)**	**(207.7)**
Provision expenses	0.0	0.0	0.0	0.0	0.0
Impairment losses	0.0	0.0	0.0	0.0	0.0
Reversals of impairment losses	0.0	0.0	0.0	0.0	0.0
Disposals and retirements during the year	0.0	0.0	0.0	0.0	0.0
Translation differences	(0.0)	0.0	0.0	(0.0)	(0.0)
Other movements	(1.1)	11.5	0.0	(1.3)	9.1
At 31/12/2005	**(19.0)**	**(156.8)**	**0.0**	**(23.0)**	**(198.7)**
Net					
At 31/12/2004	**21.6**	**179.5**	**45.5**	**41.3**	**288.0**
At 31/12/2005	**17.7**	**124.5**	**23.5**	**74.7**	**240.4**

Available-for-sale securities amounted to €142.2 million at 31 December 2005 compared with €201.1 million at 31 December 2004. These are mainly shares in unlisted subsidiaries and associates that do not meet the minimum financial criteria for consolidation adopted by VINCI.
Loans and receivables at amortised cost amounted to €98.2 million at 31 December 2005 against €86.9 at 31 December 2004. They comprise principally collateralised loans and receivables for €23.5 million and other loans and receivables (including receivables related to shareholdings and guarantee deposits) for €74.7 million.
The collateralised loans and receivables are shown as a reduction of net debt. They correspond to the sums frozen on accounts intended for the repayment of the debt and mainly related to concession operating companies, which are financed by loans without recourse against the shareholders.
Maturities of loans and receivables at amortised cost are as follows:

(in € millions)	31/12/2005	between 1 and 5 years	in more than 5 years
Loans and receivables at amortised cost	**98.2**	55.2	43.0

The part within one year of the other non-current financial assets is shown in other current financial assets for €39.9 million.

19. WORKING CAPITAL REQUIREMENT

(in € millions)	31/12/2005	31/12/2004	Changes connected with operations	Changes receivables / payables related to fixed assets	Other changes (*)
Inventories and work in progress (net)	540.7	542.8	(44.7)	0.0	42.6
Trade and other operating receivables	8,334.3	7,279.8	824.9	3.9	225.6
Other current assets	218.6	157.3	109.5	0.0	(48.2)
Inventories and operating receivables (I)	**9,093.5**	**7,979.9**	**889.8**	**3.9**	**219.9**
Trade payables	5,002.3	4,619.2	389.5	0.0	(6.5)
Other current payables	5,498.6	4,743.6	585.9	3.4	165.7
Trade and other operating payables (II)	**10,500.8**	**9,362.8**	**975.4**	**3.4**	**159.2**
Working capital requirement (before current provisions) (I-II)	**(1,407.3)**	**(1,382.9)**	**85.7**	**(0.6)**	**(60.7)**
Current provisions	**(1,445.4)**	**(1,382.8)**	**34.2**	**0.0**	**(96.8)**
including part at less than one year of non-current provisions	257.4	247.4	0.0	0.0	10.0
Working capital requirements (after current provisions)	**(2,852.7)**	**(2,765.7)**	**119.9**	**(0.6)**	**(157.5)**

(*) *mainly changes in consolidation scope and translation differences.*

The working capital requirement connected with operations comprises current assets and liabilities related to operations, except for current tax assets and liabilities and other current assets and liabilities of a financial nature.

The improvement in the working capital requirement connected with operations (+€120 million) arises principally in the Roads and Construction business lines.

The component parts of the working capital requirement by maturity are:

(in € millions)	31/12/2005	Maturity within 1 year	Maturity between 1 and 5 years	Maturity in more than 5 years
Inventories and work in progress (net)	540.7	536.4	4.2	0.1
Trade and other operating receivables	8,334.3	8,296.3	35.0	2.9
Other current assets	218.6	209.9	5.9	2.8
Inventories and operating receivables (I)	**9,093.5**	**9,042.7**	**45.1**	**5.8**
Trade payables	5,002.3	4,994.8	5.6	1.8
Other current payables	5,498.6	5,396.8	69.8	32.0
Trade and other operating payables (II)	**10,500.8**	**10,391.6**	**75.4**	**33.8**
Working capital requirement (before current provisions) (I-II)	**(1,407.3)**	**(1,349.0)**	**(30.3)**	**(28.0)**

20. CONSTRUCTION CONTRACTS

20.1 FINANCIAL INFORMATION ON CONSTRUCTION CONTRACTS

Cost incurred plus recognised profits less recognised losses and intermediate invoicing is determined on a contract by contract basis. If this amount is positive, it is shown on the line Construction contracts in progress, assets. If negative, it is shown on the line Construction contracts in progress, liabilities.

Advances are the amounts received before the corresponding work has been performed. The terms of their repayment depend on the specific provisions of each contract. Most frequently, these advances are maintained throughout the contract regardless of the amount of work carried out or in progress.

(in € millions)	31/12/2005	31/12/2004
Construction contracts in progress, assets	995.5	926.2
Construction contracts in progress, liabilities	(914.9)	(892.9)
Construction contracts in progress, net	**80.6**	**33.3**
Costs incurred plus profits recognised to date less losses recognised to date	20,630.7	18,019.5
Less invoices issued	(20,550.1)	(17,986.2)
Construction contracts in progress, net	**80.6**	**33.3**
Advances received from customers	(432.6)	(371.2)

20.2 COMMITMENTS GIVEN AND RECEIVED UNDER CONSTRUCTION CONTRACTS

The Group gives and receives guarantees (personal surety) in connection with its construction contracts, which break down as follows:

	31/12/2005		31/12/2004	
(in € millions)	Given	Received	Given	Received
Performance guarantees	1,777.9	271.8	1,682.2	165.4
Performance bonds	563.8	113.4	529.0	99.2
Retentions	1,518.2	298.0	1,411.7	277.3
Deferred payments to subcontractors	679.2	157.0	603.4	83.6
Deferred payments to suppliers	116.4	2.9	57.5	4.2
Bid bonds	33.1	11.7	35.5	10.9
Total	**4,688.6**	**854.8**	**4,319.3**	**640.6**

The increase in commitments given under these construction contracts (+8.5%) is linked to the increase in activity in the Construction, Roads and Energies business lines in 2005 (+11.3%).

The guarantees given are mainly issued to guarantee construction work in progress. Whenever events such as late completion or disputes concerning the execution of a contract make it likely that a liability covered by a guarantee will materialise, a provision is taken in respect of that liability.

In general, any risk of loss in connection with performance under a commitment given by VINCI or its subsidiaries results in a provision being recognised in the Group's financial statements, under the rules in force. VINCI therefore considers that the off balance sheet commitments above are unlikely to have a significant impact on Group assets.

It should also be remembered that, opposite the commitments given, the Group has an order book of firm orders accepted by customers which undertake, under the contract terms, to pay for work as it is carried out. In the context of their works activity, companies in the Group benefit from guarantees given by financial institutions on the instructions of their co-contractors or subcontractors or their parent company.

Lastly, VINCI also grants two-year and ten-year warranties in its normal course of business. These warranties are covered by provisions estimated on a statistical basis having regard to expenses incurred in the past or on an individual basis in the case of any major problems identified. These commitments are therefore not included in the above table.

21. CASH MANAGEMENT FINANCIAL ASSETS AND CASH

Cash management financial assets and cash break down as follows::

(in € millions)	31/12/2005	31/12/2004
Marketable Securities and Mutual Funds	3,628.2	2,898.6
Deposit	82.1	95.4
Other (*)	630.1	693.4
Cash management financial assets	**4,340.4**	**3,687.4**
Cash	**1,144.0**	**830.4**

(*) *Including financial current accounts assets (see Note 25) .*

Cash management financial assets mainly correspond to the investment of the cash surpluses of companies heading business lines and of the main fully-owned subsidiaries, which are transferred to the holding company under a cash pooling system. This centralised system enables the management of financial resources to be optimised and trends in main Group entities' cash positions to be closely monitored. Investments made in this connection amounted to €4,340 million at 31 December 2005.

These cash surpluses are managed so as to generate a return equivalent to the money market rate, while avoiding any risk to capital. The holding company monitors the performances and risks associated with these investments monthly through a report detailing the yield of the various assets on the basis of their fair value and tracking the level of each associated risk by an Earning at Risk calculation. This indicator represents the level of potential earnings within a confidence interval over an annual timescale within the limits set by the Treasury Committee.

The investment of the other Group subsidiaries' cash surpluses, not transferred to the holding company, is managed complying with VINCI's guidelines. At 31 December 2005, such funds amounted to €802 million of which €379 million at Cofiroute.

Cash management financial assets and available cash are shown as a reduction of gross debt. Details are given in Note 25 Net financial debt and financing resources.

22. CHANGE IN EQUITY AND SHARE-BASED PAYMENTS

22.1 SHARES

At 31 December 2005, the share capital was represented by 196,636,274 ordinary shares of €5 nominal (following approval by the Shareholders General Meeting of 28 April 2005 of the two-for-one share split). Changes in the number of shares during the period were as follows:

Number of shares at 31/12/2004	**83,813,803**
Two-for-one share split	167,627,606
Increase in share capital (Group Savings Scheme and share options)	8,934,690
Cancellation of treasury shares	(2,500,000)
Conversion of OCEANE bonds	22,573,978
Shares at 31/12/2005	**196,636,274**
Number of shares issued and fully paid	196,636,274
Number of shares issued and not fully paid	–
Nominal value of one share (in euros)	5
VINCI shares held by itself or by its subsidiaries or associates	6,835,016
of which shares allocated to cover share option plans	2,059,228
of which shares intended to be used as consideration in external growth transactions or disposed of	4,775,788

The changes in capital in 2005 break down as follows:

	Increases (Reductions) in capital (in euros)	Share premiums on contributions or mergers (in euros)	Number of shares issued or cancelled	Number of shares comprising share capital	Amount of share capital (in euros)
At 31 December 2004				**167,627,606**	**838 138 030**
Reduction of capital	(12,500,000)	(112,613,432)	(2,500,000)	165,127,606	825,638,030
Group Savings Scheme	22,221,105	136,222,479	4,444,221	169,571,827	847,859,135
Exercise of share subscription options	22,452,345	89,460,904	4,490,469	174,062,296	870,311,480
Conversion of OCEANE 2001-2007	57,341,310	458,730,480	11,468,262	185,530,558	927,652,790
Conversion of OCEANE 2002-2018	55,528,580	444,228,640	11,105,716	196,636,274	983,181,370
At 31 December 2005				**196,636,274**	**983,181,370**

The increases in share capital during the period, amounting to €44.7 million, correspond to the issue of shares in connection with the exercise of subscription options (4,490,469 shares for €22.4 million) and with subscriptions to the Group Savings Scheme (4,444,221 shares for €22.2 million).

Moreover, the two OCEANE bonds issued in 2001 and 2002 were converted into shares in 2005 (see Key Events §2), leading to the creation of 22,573,978 shares.

No transaction costs connected with the issue of equity instruments in 2005 have been deducted from equity.

22.2 TREASURY SHARES

At 31 December 2005, the total value of treasury shares shown as a deduction from equity amounted to €335.8 million, representing 6,835,016 shares of which 2,059,228 (€48.5 million) are allocated to covering share purchase options granted to Group executives. These shares were acquired at an average price of €49.13 and represent a total of 3.5% of the share capital.

6,299,788 shares were acquired during 2005 for an amount of €369.8 million at an average price of €58.70, of which 2,500,000 shares have been cancelled by a reduction of the share capital of €125.1 million.

22.3 RESERVES OF VINCI SA

The distributable reserves of VINCI SA break down as follows:

(in € millions)	31/12/2005	31/12/2004
Distributable reserves		
Free of corporate income tax liabilities	5,435.6	772.2
After payment of the exceptional levy	47.0	–
After deduction of supplementary tax	–	3,300.0
After payment of withholding tax	–	–
After payment of the exceptional 25% levy		–
Total	**5,482.6**	**4,072.2**

Moreover, the legal reserve of VINCI SA was €83.8 million at 31 December 2005.

22.4 SHARE-BASED PAYMENTS

22.4.1 Share options

In accordance with the authorisations granted to it by the Shareholders' General Meeting, VINCI's Board of Directors defines the conditions for the granting of share subscription options and the list of beneficiaries.
Each option gives the right to subscribe to one VINCI share. Beneficiaries may exercise two-thirds of their options two years after receiving them and all of their options after three years. Options lapse if they are not exercised at the end of a period of 10 years or 7 years, depending on the plans, or if the beneficiaries leave the Group before the end of the granting period, unless specifically authorised otherwise by the Board of Directors.

The number and weighted average exercise prices of share subscription or purchase options were as follows:

	31/12/2005		31/12/2004 (*)	
	Options	Average price (in euros)	Options	Average price (in euros)
Options in circulation at the beginning of the period	**24,776,866**	**28.69**	**16,350,808**	**47.76**
Two-for-one share split			32,701,616	23.88
Options granted during the period	2,540,568	49.40	3,172,000	41.20
Options exercised	(6,173,947)	–	(10,997,280)	–
Options cancelled	(24,534)	–	(99,470)	–
Options in circulation at the end of the period	**21,118,953**	**32.41**	**24,776,866**	**28.69**
of which exercisable options	14,471,718	–	17,883,225	–

(*) *After the two-for-one share split.*

Information on the options exercised in 2005

Share subscription and share purchase plans (*)	Exercise price (in euros)	Number of options exercised in 2005	Number of options remaining to be exercised at 31/12/2005
GTM 1997	9.37	60,400	0
VINCI 1998	12.81	29,786	13,684
GTM 1998	12.71	70,160	83,000
VINCI 1999 n° 1	18.99	73,386	73,202
VINCI 1999 n° 2	21.15	286,454	271,461
GTM 1999	16.47	223,485	283,481
VINCI 2000 n° 1	25.00	905,750	269,250
VINCI 2000 n° 2	28.50	976,982	1,387,912
GTM 2000	17.82	387,519	408,781
VINCI 2001	28.50	133,625	85,000
VINCI 2002 n° 1	31.83	333,832	4,217,168
VINCI 2002 n° 2	26.45	908,292	3,760,016
VINCI 2003	30.70	100,798	2,503,202
VINCI 2004	41.20	–	3,172,000
VINCI 2005	49.40	–	2,540,568
Total subscription plans	**33.34**	**4,490,469**	**19,068,725**
VINCI 1999 n° 2	21.83	572,871	543,316
VINCI 2000	24.02	1,020,607	1,387,912
VINCI 2001	28.50	90,000	85,000
VINCI 2001	31.83	–	34,000
Total purchase plans	**23.75**	**1,683,478**	**2,050,228**
Total plans	**32.41**	**6,173,947**	**21,118,953**

(*) *Number of options and exercise price adjusted for the two-for-one share split.*

Information on the fair value of share options granted and recognised under expenses in accordance with IFRS 2

The expense recognised under share subscription plans only relates to plans granted after 7 November 2002 of which rights had not vested at 1 January 2005:

	31/12/2005 (*)		31/12/2004 (*)	
Plan	**01/03/2005**	**17/12/2002**	**11/09/2003**	**07/09/2004**
Price of the underlying share at the grant date	€56.60	€26.60	€30.68	€44.35
Exercise price	€49.40	€26.45	€30.70	€41.20
Lifetime of the option (in years)	7	10	10	10
Number of options granted	2,540,568	5,000,000	2,804,000	3,172,000
of which options with performance-related conditions	–	860,000	–	–

(*) *After the two-for-one share split.*

The main assumptions used to determine the fair values of the options in question were:

	31/12/2005 (*)		31/12/2004 (*)	
Plan	**01/03/2005**	**17/12/2002**	**11/09/2003**	**07/09/2004**
Expected volatility	23.55%	29.52%	27.12%	25.23%
Lifetime of the option (in years)	7	10	10	10
VINCI expected return	6.30%	7.25%	6.84%	6.66%
Risk-free interest rate	3.17%	4.56%	4.23%	4.06%
Dividend yield	3.52%	4.41%	4.58%	3.33%
Fair value of the option (in euros)	**12.10**	**5.34** (**)	**5.60**	**9.99**

(*) *After the two-for-one share split.*

(**) *The fair value of the options subject to performance conditions under the 17 December 2005 plan is estimated at €4.16 (after the two-for-one share split).*

These fair values have been calculated at the options' respective grant dates by an external actuary using a binomial valuation model with "Monte Carlo" simulation.
This model takes account of behavioural assumptions based on past observations.

The expense recognised in profit or loss amounted to €34.8 million in 2005 against €19.6 million in 2004.

22.4.2 Group Savings Scheme

In accordance with the authorisations granted to it by the Shareholders General Meeting, VINCI's Board of Directors defines the conditions for subscribing to the Group Savings Scheme.
In this connection, VINCI issues new shares reserved for employees three times a year with a subscription price that includes a discount against the stock market price.

The benefits granted to employees under the Group Savings Scheme are recognised in profit or loss and are valued in accordance with IFRS 2 on the basis of the following assumptions:
- length of subscription period: 4 months;
- length of period during which funds are frozen: 5 years from the end of the subscription period.

	2005			2004
Tranche	1st four-month period 2006	3rd four-month period 2005	2nd four-month period 2005(*)	1st four-month period 2005 (*)
Rate of return on the VINCI share hoped for	6.30%	6.30%	6.30%	6.66%
Dividend per share				
Dividend payable (interim)	€0.70			€0.60
Dividend payable (final)		€1.15	€1.15	
Subscription price	€52.78	€45.14	€45.04	€34.86
Share price at date of Board of Directors' Meeting	€67.75	€56.95	€55.65	€44.50
Share price at date of announcement to the employees	€67.75	€56.95	€55.65	€44.50
Implied volatility of the VINCI share	23%	17%	17%	17%
Estimated number of shares subscribed	963,026	512,022	400,465	978,868
Estimated number of shares issued (subscription plus employer's contribution)	1,300,086	640,028	520,604	1,370,416

(*) *After the two-for-one share split.*

The share price at the end of the subscription period is determined by the Monte Carlo simulation and the above parameters.

The estimated number of shares subscribed to at the end of the acquisition period is obtained by an analytical formula, based on linear regression methods, applied to historical observations of the 2002, 2003, and 2004 plans.

The cost of the unavailability of units in the enterprise savings fund is measured from the point of view of an investor unable to change his or her investment for five years. The market risk is estimated using a Value At Risk approach (probability of maximum loss with a given confidence interval over a defined timescale).

The expense recognised in 2005 in respect of the Group Savings Scheme applying IFRS 2 amounted to €5 million for the tranche in the second four-month period of 2005, €6.7 million for the tranche in the third four-month period of 2005 and €23.6 million for the tranche in the first four-month period of 2006 of which the subscription price was set and announced by the Board of Directors on 7 November 2005. Moreover, in application of IFRS 2, the employer's contribution actually recognised as an expense, following the subscriptions made, has been cancelled out by reclassification directly under equity.

22.5 MINORITY INTEREST

At 31 December 2005, minority interest in Cofiroute (representing 34.66% of the share capital) amounted to €463.3 million (against €419.2 million at 31 December 2004) and in CFE (representing 54.62% of the share capital) to €106.1 million (against €93.3 million at 31 December 2004).

23. RETIREMENT AND OTHER EMPLOYEE BENEFIT OBLIGATIONS

The provisions for retirement and other employee benefit obligations amounted to €723.9 million at 31 December 2005 (including the part at less than one year of €654.0 million) against €713.1 million at 31 December 2004 (including the part at less than one year of €677.6 million). These comprise on one hand provisions for retirement benefit obligations for €667.4 million and on the other hand provisions for other employee benefits for €56.4 million. The part at less than one year of these provisions is shown under other current liabilities on the balance sheet and at 31 December 2005 amounted to €69.9 million against €35.5 million at 31 December 2004.

23.1 RETIREMENT BENEFIT OBLIGATIONS

The provisions for retirement benefit obligations amount to €667.4 million at 31 December 2005 (including the part at less than one year of €63.9 million) against €658.6 million at 31 December 2004 (including the part at less than one year of €25.9 million). They cover provisions for both lump-sums on retirement and also supplementary defined benefit retirement plans.

VINCI's obligations in respect of supplementary retirement benefits under defined benefit plans fall into three categories:

– obligations borne directly by VINCI or its subsidiaries, covered by provisions recognised in the consolidated balance sheet:
  - for the French subsidiaries, these are lump-sums on retirement and supplementary defined benefit retirement plans, such as those of Auxad (formerly Compagnie Générale d'Electricité), RTG (formerly St Gobain) or other in-house plans of which the beneficiaries are today mainly retired;
  - for the German subsidiaries, there are three internal plans within the Group, including one so-called "direct promises" plan. The other two plans are now closed: the "Fürsorge" plan for former employees of G+H Montage, closed in 2001, and the Eurovia GmbH subsidiaries' plan, closed in 1999.

– obligations that are pre-financed through contracts with insurance companies. This relates mainly to the obligations covered by two policies taken out with Cardif of which certain Group executives are beneficiaries.

– obligations covered by external pension funds; for the most part these relate to the UK subsidiaries (VINCI PLC (Norwest Holst), Freyssinet UK, Ringway, VINCI Energies UK, VINCI Park UK) and the CFE Group in Belgium.

The retirement benefit obligations that are covered by provisions mainly relate to France, Germany and Belgium. For these three countries, the provisions are calculated on the basis of the following assumptions:

	31/12/2005	31/12/2004
Discount rate	4.50%	4.75%
Inflation rate	2.0%	2.0%
Rate of salary increases	2%-3%	2%-3%
Rate of pension increases	1.5%-2.5%	1.5%-2.5%
Probable average remaining working life of employees	10-15 years	10-15 years

For the other countries, actuarial assumptions are selected on the basis of current local conditions. They are adjusted to reflect interest rate and mortality trends. For the UK, the discounting and inflation rates used at 31 December 2005 were respectively 5% and 2.75%.

For each plan, the expected return on plan assets is determined using the building block method, which breaks the expected return down into three parts: money market investments, investments in bonds and investments in equities. The return on equities is determined by adding 3% to the long-term return on government bonds. The money and bond market components are determined from published market indexes. Using this method, the average return on plan assets adopted in the UK is 6.54%.

Financial assets are valued at their fair value at 31 December 2005. Book value is adopted for those assets invested in the insurance company's general funds.

The breakdown is as follows:

	31/12/2005
Shares, property and similar	51.9%
Bonds	45.8%
Monetary securities	2.3%
Total	100.0%

Retirement benefit obligations, provisions and retirement costs recognised in operating expenses (before the tax effect) break down as follows:

Reconciliation between balance sheet items and historical data

(en € millions)	31/12/2005			31/12/2004		
	France	Foreign	Total	France	Foreign	Total
Present value of retirement benefit obligations	(350.3)	(749.5)	(1,099.8)	(321.4)	(706.6)	(1,028.0)
Fair value of plan assets	45.5	344.2	389.6	55.4	280.8	336.2
Surplus (or deficit)	**(304.8)**	**(405.3)**	**(710.2)**	**(266.0)**	**(425.8)**	**(691.8)**
Provisions recognised in balance sheet	**(253.1)**	**(414.2)**	**(667.4)**	**(222.7)**	**(435.8)**	**(658.6)**
Assets recognised in the balance sheet	–	–	–	–	11.8	11.8
Unrecognised items in the balance sheet						
Actuarial gains and losses	6.0	(8.9)	(2.9)	1.0	2.0	3.0
Past service costs	45.8	0.0	45.8	42.3	(0.3)	42.0

Changes in the period

(in € millions)	2005	2004
Present value of retirement benefit obligations		
Balance at beginning of year	**1,028.0**	**914.5**
Current service cost	42.4	35.0
Cost for the period of discounting	48.3	43.9
Benefit payment	(61.1)	(35.7)
Actuarial gains and losses	24.5	15.2
Past service costs	6.8	46.0
Actuarial gains and losses / obligations (as %)	2.2%	1.5%
Effect of exchange rate fluctuations	9.5	(1.8)
Changes in consolidation scope and miscellaneous	7.5	5.6
Effects of curtailment and settlement	(6.1)	7.0
Balance at end of year	**1,099.8**	**1,028.0**
Cover of obligations		
Balance at beginning of year	**336.2**	**314.4**
Expected return on plan assets	21.3	19.8
Actuarial gains and losses	31.7	6.9
Actuarial gains and losses / obligations (as %)	2.9%	0.6%
Effect of exchange rate fluctuations	7.2	(1.4)
Changes in consolidation scope and miscellaneous	3.6	0.5
Employers' contributions	23.1	10.7
Benefit payment	(27.3)	(12.4)
Effects of settlement	(6.1)	(2.4)
Balance at end of year	**389.6**	**336.2**
Unrecognised items in balance sheet		
Balance at beginning of year	**45.0**	**(9.3)**
New items in 2005	(1.5)	58.1
Amortisation for the period	(2.4)	(2.4)
Exchange rate and other changes	1.8	(0.4)
Effects of curtailment and settlement	0.0	(1.1)
Balance at end of year	**42.9**	**45.0**
including actuarial gains and losses	(2.9)	3.0
including past service costs	45.8	42.0

VINCI recognises no net assets relating to retirement benefit obligations at 31 December 2005.

The items not recognised (the difference between the observed value of obligations, or of plan assets, and the expected amounts) is €42.9 million at 31 December 2005, of which €45.8 million concerned past service costs relative to the changes, in France, in the national collective bargaining agreement for managers in the civil engineering industry. These past service costs are amortised over the remaining working life of employees in service, which is approximately 18 years on average.

Actuarial gains and losses, small in amount, balance out and amount to - €2.9 million at 31 December 2005. The biggest actuarial gain relates to the UK subsidiary, VINCI PLC, which has €16.8 million in unrecognised net assets 31 December 2005

Expenses recognised in respect of defined benefit plans

(in € millions)	2005	2004
Current service cost	(42.4)	(35.0)
Interest cost	(48.3)	(43.9)
Expected return on plan assets	21.3	19.8
Amortisation of actuarial gains and losses	0.2	0.0
Amortisation of past service cost (non vested benefits)	(2.6)	(2.4)
Other	2.3	(4.3)
Total	**(69.5)**	**(65.8)**

Expenses recognised in respect of defined contribution plans

Pension contributions recognised in respect of defined contribution plans for the year amount to €231.1 million. This includes the contributions paid to the external multi-employer fund (CNPO) in respect of obligations regarding lump-sums paid on retirement to building workers.

23.2 OTHER EMPLOYEE BENEFITS

Commitments in respect of long-service or jubilee bonuses are covered by a provision. At 31 December 2005, this amounts to €56.4 million (including €6.0 million at less than one year) against €54.5 million at 31 December 2004(including €9.7 million at less than one year). These provisions mainly relate to France and Germany. They are calculated using the same actuarial assumptions as for retirement commitments.

For the eurozone, the assumptions are as follows:

	2005	2004
Discount rate	4.50%	4.75%
Inflation rate	2.0%	2.0%
Rate of salary increases	2%-3%	2%-3%

24. PROVISIONS

During the period, changes in provisions reported under balance sheet liabilities were as follows:

(in € millions)	31/12/2004	Expenses	Translation differences	Used	Other reversals not used	Changes in consolidation scope and miscellaneous	Change in the part at less than one year of non-current provisions	31/12/2005
Non-current provisions								
Financial liabilities	47.9	19.3	0.6	(13.6)	(7.2)	(5.8)		41.2
Major repairs	45.2	21.1	0.8	(20.0)	0.0	1.4		48.5
Other non-current liabilities	329.9	109.9	0.5	(84.5)	(24.1)	(15.5)		316.2
Discounting of non-current provisions	(10.2)	2.2	(0.0)	1.7	0.0	1.0		(5.3)
Reclassification of the part at less than one year of non-current provisions	(247.4)						(257.4)	(257.4)
Total	**165.4**	**152.5**	**1.9**	**(116.4)**	**(31.2)**	**(18.9)**	**(257.4)**	**143.3**
Current provisions								
After-sales service	253.8	82.5	1.0	(52.2)	(8.0)	1.8		278.9
Losses on completion and construction project liabilities	320.4	250.0	2.3	(219.9)	(21.8)	7.4		338.4
Litigation	297.8	87.4	0.8	(54.4)	(18.9)	(15.1)		297.6
Restructuring	65.1	16.5	0.3	(31.4)	(2.9)	(5.8)		41.8
Other current liabilities	215.6	93.7	1.9	(74.9)	(8.5)	25.5		253.3
Discounting of current provisions	(17.2)	(2.4)	(0.1)	(0.6)	0.0	(1.5)		(21.9)
Reclassification of the part at less than one year of non-current provisions	247.4						257.4	257.4
Total	**1,382.8**	**527.6**	**6.2**	**(433.4)**	**(60.0)**	**12.2**	**257.4**	**1,445.4**
Provisions (current and non-current)	**1,548.2**	**680.1**	**8.1**	**(549.9)**	**(91.2)**	**(6.7)**	**0.0**	**1,588.7**

The types of provisions are defined in Note B.3.1 "Measurement rules and methods".

Current provisions, which are directly linked to each business line's own operating cycle, amount to €1,445 million (including the part at less than one year of non-current provisions), against €1,383 million at 31 December 2004. The 5.2% increase year-on-year relates mainly to provisions and disputes in respect of construction contracts.

Non-current provisions (those not directly linked to the operating cycle) include in particular provisions for disputes. They amount to €143 million at 31 December 2005 (for the part exceeding one year) against €165 million at 31 December 2004.

Provisions for major repairs are made in respect of contractual obligations to return assets operated under concessions to good condition. These are calculated at the end of each period on the basis of a work programme covering several years, which is reviewed annually to take account of planned expenditure, and concern principally Cofiroute.

25. NET FINANCIAL DEBT AND FINANCING RESOURCES

Net financial debt is defined by VINCI as follows:

	Note	31/12/2005			31/12/2004
(in € millions)		**Non-current**	**Current**	**Total**	**Total**
Convertible bonds	25.1a		(0.5)	(0.5)	(1,097.9)
Other bonds	25.1b-26.1	(3,588.3)	(329.1)	(3,917.5)	(3,819.6)
Loans from financial institutions and other financial debt	25.1c-26.1	(1,697.0)	(216.5)	(1,913.5)	(1,576.5)
Finance leases	25.1d-26.1	(134.8)	(27.7)	(162.5)	(172.8)
Long-term financial debt		**(5,420.2)**	**(573.8)**	**(5,993.9)**	**(6,666.8)**
Other financial debt	25.3.1a		(663.6)	(663.6)	(158,3)
Financial current accounts, liabilities			(60.7)	(60.7)	(59.7)
Bank overdrafts (1)	25.3.2		(605.0)	(605.0)	(380.5)
I - Gross financial debt		**(5,420.2)**	**(1,903.1)**	**(7,323.3)**	**(7,265.3)**
Collateralised financial receivables		23.5	1.1	24.6	45.5
Financial current accounts, assets			45.8	45.8	45.5
Current cash management financial assets (2)	25.3.2		4,294.6	4,294.6	3,642.0
Cash (3)	25.3.2		1,144.0	1,144.0	830.4
II - Financial assets		**23.5**	**5,485.4**	**5,508.9**	**4,563.5**
Derivative financial instruments, liabilities	26.1-26.3	(8.6)	(3.5)	(12.1)	(80.2)
Derivative financial instruments, assets	26.1-26.3	199.6	47.9	247.4	349.1
III - Derivative financial instruments		**191.0**	**44.4**	**235.3**	**268.9**
Net financial debt (I + II + III)		**(5,205.7)**	**3,626.7**	**(1,579.0)**	**(2,433.0)**

of which, net cash managed:	25.3.2	31/12/2005	31/12/2004
Current cash management financial assets (2)	25.3.2	4,294.6	3,642.0
Cash (3)	25.3.2	1,144.0	830.4
Bank overdrafts (1)	25.3.2	(605.0)	(380.5)
Net cash managed		**4,833.5**	**4,091.9**

At 31 December 2005, VINCI's net financial debt is €1.6 billion, well below the €2.4 billion at 31 December 2004.

The marked reduction in net financial debt compared with 31 December 2004 is mainly due to the conversion of the two OCEANE bonds (see Key Events §2)

Conversely, the financing needs associated with investments in infrastructure concession assets, in particular at Cofiroute, have increased debt by approximately €800 million.

By business line, the analysis of net financial debt at 31 December 2005 is as follows:

	31/12/2005						
	VINCI SA		Concessions and services		Other business lines		
(in € millions)	Non-current	Current	Non-current	Current	Non-current	Current	Total
Convertible bonds		(0.5)					(0.5)
Other bonds	(1,026.0)	(26.2)	(2,559.4)	(301.1)	(2.9)	(1.8)	(3 917.5)
Loans from financial institutions and other financial debt			(1,444.6)	(57.6)	(252.4)	(158.9)	(1,913.5)
Finance leases	(3.1)		(51.9)	(9.8)	(79.8)	(17.9)	(162.5)
Long-term financial debt	**(1,029.1)**	**(26.8)**	**(4,055.9)**	**(368.5)**	**(335.1)**	**(178.5)**	**(5,993.9)**
Other financial debt		(505.1)		(10.9)		(147.5)	(663.4)
Bank overdrafts [(1)]		(18.9)		(13.3)		(572.8)	(605.0)
I - Gross financial debt	**(1,029.1)**	**(550.8)**	**(4,055.9)**	**(392.7)**	**(335.1)**	**(898.8)**	**(7,262.4)**
Collateralised financial receivables			17.0	1.2	6.4		24.6
Current cash management financial assets [(2)]		3,492.7		403.1		398.8	4,294.6
Cash [(3)]		11.9		146.5		985.5	1,144.0
II - Financial assets	**0.0**	**3,504.6**	**17.0**	**550.8**	**6.4**	**1,384.3**	**5,463.1**
Derivative financial instruments, liabilities	(0.3)	(1.4)	(2.8)	(0.4)	(5.5)	(1.7)	(12.1)
Derivative financial instruments, assets	31.5	20.3	167.8	25.5	0.3	2.1	247.4
III - Derivative financial instruments	**31.2**	**18.9**	**165.0**	**25.1**	**(5.2)**	**0.4**	**235.3**
IV - Net financial current account	**0.0**	**(2,082.3)**	**0.0**	**(550.3)**	**0.0**	**2,617.6**	**(15.0)**
Net financial debt (I + II + III + IV)	**(997.9)**	**890.4**	**(3,874.0)**	**(367.0)**	**(333.9)**	**3,103.4**	**(1,579.0)**

	31/12/2005			
of which, net cash managed:	VINCI SA	Concessions and services	Other business lines	Total
Current cash management financial assets [(2)]	3,492.7	403.1	398.8	4,294.6
Cash [(3)]	11.9	146.5	985.5	1,144.0
Bank overdrafts [(1)]	(18.9)	(13.3)	(572.8)	(605.0)
Net cash managed	**3,485.6**	**536.3**	**811.6**	**4,833.5**

25.1 DETAIL OF LONG-TERM DEBT

a. Convertible bonds (OCEANE)

The two OCEANE bonds issued in 2001 and 2002 were converted into shares in 2005 (see Key Events §2)

		31/12/2005						31/12/2004
	currency	market value	amount tansferred to equity after conversion	debt recorded on issue	impact of amortised cost	impact of fair values	debt carrying amount	debt carrying amount
(in € millions)				(a)	(b)	(c)	(a)+(b)+(c)	
VINCI OCEANE July 2001	EUR	0.0	586.5				0.0	575.6
VINCI OCEANE April 2002	EUR	0.0	510.0 [(1)]	0.5	0.0		0.5	522.3
Total OCEANE bonds		**0.0**	**1,096.5**	**0.5**	**0.0**	**0.0**	**0.5**	**1,097.9**

[(1)] *The part of the April 2002 OCEANE transferred to equity during the second half of 2005 is less than the amount of the debt component at 31 December 2004 given the adjustment to the maturity date of this OCEANE during the first half of 2005.*

The main features of these bonds are as follows:

	OCEANE bond issue, July 2001	OCEANE bond issue, April 2002
Amount	€517,500,000	€500,250,060
Number of bonds	5,750,000	5,558,334
Nominal value per bond	€90	€90
Maturity	1 January 2007	1 January 2018
Annual coupon	1%	2%
Gross annual actuarial yield	4.35%	3.875%
Conversion date and rate	at any time, 2 shares for 1 bond	at any time, 2 shares for 1 bond
Redemption price at maturity	€108.12 giving a premium of 20.13%	€125.46 giving a premium of 39.4%
Early redemption at VINCI's discretion (issuer's call)	possible from 1 January 2005, if the stock price exceeds 130% of the average early redemption price during 20 of 40 consecutive trading days, ensuring that bondholders receive the equivalent of the actuarial yield they would have received at maturity, i.e. an actuarial rate of 4.35%.	possible from 1 January 2006, if the stock price exceeds 125% of the average early redemption price during 20 of 40 consecutive trading days, ensuring that bondholders receive the equivalent of the actuarial yield they would have received at maturity, i.e. an actuarial rate of 3.875%.
Early redemption at holders' discretion (investors' puts)	n/a	On 2 May 2006, 2 May 2010 and 2 May 2014 at the contractual redemption price

The early redemption price when VINCI exercised its issuer's call was €105.76 for the 2007 OCEANE and €98.32 for the 2018 OCEANE, which should be compared with an average price of the VINCI share in the last half year of €68.9 (€133.8 per bond).

b. Other bonds

Other bonds break down as follows:

(in € millions)	currency	31/12/2005 market values	debt recorded on issue (a)	impact of amortised cost (1) (b)	impact of fair values (2) (c)	carrying amount (a) + (b) + (c)	31/12/2004 carrying amount	Maturity
VINCI								
Bonds ex GTM June 1998	EUR						142.4	June 2005
Tranche 1: July 2002	EUR	663.7	595.5	17.7	6.0	619.2	620.6	July 2009
Tranche 2: November 2002	EUR	276.6	255.6	4.3	10.3	270.2	274.2	July 2009
Tranche 3: May 2003	EUR	165.9	158.8	0.5	3.5	162.8	166.0	July 2009
Bonds July 2002 Total	EUR	1,106.2	1,009.9	22.5	19.8	1,052.2	1,060.8	July 2009
Subtotal		**1,106.2**	**1,009.9**	**22.5**	**19.8**	**1,052.2**	**1,203.2**	
Cofiroute								
Bonds March 1993	EUR					0.0	77.8	September 2005
Bonds December 1995	EUR	255.1	243.9	0.6		244.5	244.5	December 2006
Bonds July 1996	EUR	330.1	304.9	9.3		314.2	314.2	July 2007
Bonds November 1997	EUR	376.8	350.6	2.6	5.5	358.7	360.4	November 2008
Bonds November 1999	EUR	331.1	300.0	2.6	17.9	320.5	326.8	November 2009
Bonds October 2001 - Supplement August 2005	EUR	595.2	543.0	(3.2)	41.2	581.0	334.1	October 2016
Bonds April 2003	EUR	691.5	593.4	22.1	62.3	677.8	656.2	April 2018
Other bonds	EUR	23.9	23.0	0.7		23.7	21.6	Oct. '06 to Apr. '12
Subtotal		**2,603.7**	**2,358.8**	**34.6**	**126.9**	**2,520.3**	**2,335.6**	
Other concessions								
SCDI – 1998 (3)	CAD	128.7	116.6	0.3		116.9	96.4	September 2031
Autopista Del Bosque – 2001	UF	231.1	213.1	10.3		223.3	170.6	March 2021
Sub-total		**359.8**	**329.6**	**10.6**	**0.0**	**340.2**	**267.0**	
Other bonds		**4.7**	**4.1**	**0.7**		**4.7**	**13.8**	
Total bonds		**4,074.4**	**3,702.5**	**68.4**	**146.7**	**3,917.5**	**3,819.6**	

(1) *amortised cost including accrued interest not matured.*

(2) *revaluation of the debt in connection with fair-value hedging (Note 26.1.1).*

(3) *VINCI's share (proportionate consolidation at 49.9%).*

c. Loans from financial institutions

These are mainly syndicated loans and loans granted by various financial establishments (in particular the European Investment Bank) as part of infrastructure concessions.

Details of loans of a nominal amount greater than €50 million are as follows:

		31/12/2005					31/12/2004	
(in € millions)	currency	market values	debt recorded on issue (a)	impact of amortised cost (1) (b)	impact of fair values (2) (c)	carrying amount (a) + (b) + (c)	carrying amount	Maturity
VINCI SA								
Syndicated loan April 2000	EUR						108.1	April 2005
Cofiroute								
EIB March 2002	EUR	76.5	75.0	0.1		75.1	75.3	March 2027
EIB December 2002	EUR	56.0	50.0	0.0		50.0	50.1	June 2027
EIB March 2003	EUR	77.8	75.0	2.8	9.0	86.9	81.5	March 2018
EIB December 2004	EUR	200.2	200.0	0.2		200.2	200.1	December 2019
EIB December 2005	EUR	198.0	190.0	0.6		190.6		December 2025
Other loans	EUR	10.8	10.8			10.8	12.1	June 2014
Subtotal		**619.4**	**600.8**	**3.8**	**9.0**	**613.6**	**419.1**	
Other concessions								
Stade de France – 1998 (3)	EUR	51.3	50.4	0.1		50.5	54.0	July 2013
Gefyra - EIB 2001	EUR	350.4	328.6	5.3		333.9	352.9	December 2025 to June 2029
Newport – 2002 (3)	GBP	46.8	44.5	0.9		45.4	42.3	March 2040
Subtotal		**448.5**	**423.5**	**6.2**	**0.0**	**429.8**	**449.1**	
Other loans								
VINCI Park (4)		425.9	425.7	(2.4)		423.3	337.5	
Eurovia (4)		78.4	78.6	(0.2)	0.1	78.4	47.7	
CFE (4)		156.4	156.4			156.4	102.9	
Other subsidiaries		211.6	213.7	(2.1)	0.4	211.9	112.0	
Subtotal		**872.3**	**874.3**	**(4.7)**	**0.4**	**870.1**	**600.1**	
Total other loans and financial debt		**1,940.3**	**1,898.7**	**5.3**	**9.5**	**1,913.5**	**1,576.5**	

(1) *amortised cost including accrued interest not matured.*

(2) *revaluation of the debt in connection with fair-value hedging (Note 26.1.1).*

(3) *VINCI's share (proportionate consolidation at 66.67% for Stade de France and 50% for Newport).*

(4) *total loans from financial institutions.*

d. Finance leases

The table below shows the finance leases, which exceed €10 million at 31 December 2005. The total debt related to these leases is stable overall compared with 31 December 2004.

(in € millions)	currency	31/12/2005 carrying amount	31/12/2004 carrying amount	maturity
Airport services				
SFS France	EUR	17.5	22.3	June 2014
SFS Germany	EUR	14.3	14.9	September 2019
Other loans		10.5	4.9	
Eurovia				
SLAG	EUR	9.9	11.1	December 2014
Other loans		16.6	21.2	
CFE				
Dredging International Luxembourg (DEME) (1)	EUR	12.8	12.8	February 2012
Other loans		2.3	2.2	
Other loans		**78.7** (2)	**83.3**	
Total finance leases (3)		**162.5**	**172.8**	

(1) *VINCI's share (proportionate consolidation at 50%).*

(2) *including €27 million in VINCI Energies and €19 million in VINCI Park.*

(3) *The market value of these loans is very close to their carrying amount.*

25.2 DEBT WITHOUT RECOURSE OR WITH LIMITED RECOURSE

Part of the Group's long-term debt can be described as being without recourse against VINCI. This amounts to a total at the end of December 2005 of €4.1 billion, representing 68% of the Group's long-term debt, and breaks down as follows:

(in € millions)	31/12/2005	31/12/2004
Cofiroute	**3,134.0**	**2,754.8**
Gefyra (Rion-Antirion Bridge, Greece)	333.9	352.9
SCDI (Confederation Bridge, Canada)	117.0	96.4
Consortium Stade de France	52.2	57.3
Morgan VINCI Ltd (Newport bypass, Wales)	45.4	42.3
Autopista del Bosque (Chillan Collipulli motorway- Chile) (limited recourse) (1)	223.3	170.6
Infrastructure concessions	**771.8**	**719.5**
Concessions	**3,905.7**	**3,474.3**
PFI companies in the United Kingdom	10.9	36.8
CFE (Belgian construction subsidiary)	173.9	125.6
of which DEME (dredging subsidiary of CFE)	134.7	80.1
Other business lines	**184.8**	**162.5**
Total long-term debt without recourse or with limited recourse	**4,090.5**	**3,636.8**
Collateralised receivables (2)	**(18.2)**	**(14.5)**
Cash, quasi-cash and cash management financial assets of corresponding companies	**(648.9)**	**(821.0)**
Total net debt without recourse or with limited recourse	**3,423.5**	**2,801.2**

(1) *The possibility of a recourse against VINCI is limited to the following case: if the concession agreement is terminated before the end of its normal term as a result of a fault on the part of the operator, the shareholders undertake to repay the outstanding debt less the termination compensation.*

(2) *Collateralised receivables correspond to the short-term risk-free financial assets guaranteeing the obligations related to certain (service) debt for concession contracts.*

All the companies shown in the above table not fully owned by VINCI and are financed autonomously with no guarantee from VINCI. They do not participate in the holding company cash pooling system.
Furthermore, concessions for major infrastructure and Private Finance Initiative projects, under the British public-private partnership arrangements, use project finance afforded to companies formed specifically for that purpose. The repayment of such finance, which is backed by the concession contracts, is thus ensured solely from the cash flows generated by each project.

CFE's debt is mainly in its dredging subsidiary DEME of which it owns 50%, VINCI's indirect holding therefore being 22.7%. DEME's debt, which is without recourse against CFE, mainly relates to the financing of dredgers. The debts of CFE and DEME are without recourse against VINCI.

25.3 FINANCING RESOURCES

25.3.1 Commercial paper programme and credit facilities

a. Commercial paper programme

Commercial paper issued by VINCI SA is included in current financial debt.

At 31 December 2005, VINCI SA had a commercial paper programme of €700 million to ensure its short-term financing. This was increased to €1.5 billion in February 2006. The programme is rated A2 by Standard & Poor's and P2 by Moody's. At 31 December 2005, €493 million had been issued, compared with €17 million at 31 December 2004.
Cofiroute also has a commercial paper programme of €450 million, rated A1 by Standard & Poor's. This was not being used at 31 December 2005.

b. Unused credit facilities

At 31 December 2005, VINCI SA had an unused bank credit facility (Club Deal) of €2 billion.
This bank credit facility was agreed in March 2005 by VINCI with its eight main banks for €1.5 billion, which was increased to €2 billion in July 2005. It is for a 5-year term that can be extended for a further two years and is not subject to any covenant.
The balance of €835 million represents credit facilities with individual banks, agreed on the same conditions as the Club Deal.

Cofiroute has a confirmed unused credit facility of €1 billion.

The maturities of VINCI's and Cofiroute's credit lines were as follows at 31 December:

		Maturity		
(in € millions)	**31/12/2005**	**within 1 year**	**between 1 and 5 years**	**between 5 and 7 years**
VINCI	**2,835**		**2,835**	
Cofiroute	**1,020**		**1,020**	

c. Financing agreements for the acquisition of ASF

On 5 November 2005, VINCI took out two loans for the acquisition of the shares in ASF that it did not own at 31 December 2005.
– a 7-year acquisition loan of €4.2 billion.
This loan is at a floating rate of interest, the spread depending, from 31 December 2006, on the ratio between the net financial debt of non-concession activities and the cash flows from operations generated by those activities plus the dividends received by holding companies from the Concessions business lines. VINCI undertakes to meet a minimum level in respect of this ratio throughout the period of this loan, failing which the loan will become repayable.
– a 20-month bridging loan of €2.3 billion.
This loan is at a floating rate of interest, the spread depending, from 30 September 2006, on the ratio between the net financial debt of non-concession activities and the cash flows from operations generated by those activities plus the dividends received by holding companies from the Concessions business lines. There is no financial covenant in respect of this loan.

25.3.2 Cash and cash management financial assets

Net cash managed breaks down as follows:

	31/12/2005				31/12/2004
(in € millions)	VINCI SA	Concessions and services	Other business lines [1]	Total	Total
I. Marketable securities and mutual funds	3,025.0	389.5	208.5	3,623.0	2,898.6
II. Negotiable debt securities and bonds with an original maturity of less than 3 months	125.9	13.6	190.3	329.8	266.0
III. Negotiable debt securities with an original maturity of more than 3 months	341.8			341.8	477.3
Current cash management financial assets (I + II + III)	**3,492.7**	**403.1**	**398.8**	**4,294.6**	**3,642.0**
Cash	11.9	146.5	985.5	1,144.0	830.4
Bank overdrafts	(18.9)	(13.3)	(572.8)	(605.0)	(380.5)
Net cash managed	**3,485.6**	**536.3**	**811.6**	**4,833.5**	**4,091.9**

(1) *surpluses not included in the cash pooling system.*

Cash surpluses are managed with the objective of earning a return close to that of the money market, avoiding risks to capital while maintaining a low level of volatility through a performance and risk monitoring system. The investment vehicles used by the Group are mainly marketable securities and mutual funds and negotiable debt securities (in particular deposit) and other such securities. They are measured and recognised at their fair value (see Note 21 Cash management financial assets and cash).

26. FINANCIAL INSTRUMENTS AND MANAGEMENT OF MARKET RISKS

In connection with its financial activities, VINCI has set up a framework for the management and control of the various market risks to which it is exposed, in particular interest rate, exchange rate and liquidity risks. On the basis of an analysis of its various exposures to interest rate and exchange rate market risks, VINCI uses various derivative financial instruments with the objective of reducing such exposure and optimising its borrowing costs and foreign exchange gains and losses.

These market risks are managed by the holding company in collaboration with the business lines involved. In the case of subsidiaries that manage their risks autonomously, in particular Cofiroute, coordination of their financial management with VINCI's finance department has been set up.

The derivative financial instruments used by the Group are recognised in the balance sheet at their fair value, whether they are considered as hedges or not.

Fair value of derivatives, by type:

	31/12/2005			31/12/2004
(in € millions)	Assets	Liabilities	Net	Net
Interest rate derivatives [1]	243.8	(7.6)	236.3	255.8
Currency derivatives [2]	3.6	(4.6)	(1.0)	13.1
Total derivative instruments	**247.4**	**(12.1)**	**235.3**	**268.9**

(1) *See detail in Note 26.1.1.*

(2) *See detail in Note 26.3.4.*

26.1 MANAGEMENT OF INTEREST RATE RISK

VINCI manages a fixed/floating/position or floating/capped floating position in order to reduce the cost of its debt. For this, it uses derivative instruments such as options or interest rate swaps. The Group's portfolio of derivatives can be divided into those considered as hedges for accounting purposes and those not so considered, in accordance with IAS 39, complying with VINCI's risk management principles.

26.1.1 Detail of interest rate derivatives

Derivative financial instruments at 31 December 2005 break down as follows:

(in € millions)	31/12/2005 within 1 year	between 1 and 5 years	after 5 years	notional amount	fair value	31/12/2004 notional amount	fair value
Derivative instruments allocated to hedge long-term debt							
Fixed lender / variable borrower interest rate swap	2.3	1,251.7	1,187.6	2,441.6	234.2	4,054.0	257.8
Interest rate options (caps, floors and collars)				0.0			
Fair-value hedge [(1)]	**2.3**	**1,251.7**	**1,187.6**	**2,441.6**	**234.2**	**4,054.0**	**257.8**
Variable lender / fixed borrower interest rate swap	8.5	35.0	13.1	56.5	(4.1)	20.7	(2.1)
Interest rate options (caps, floors and collars)	0.8	327.4		328.2	1.6	253.4	
Cash flow hedge [(2)]	**9.3**	**362.4**	**13.1**	**384.7**	**(2.5)**	**274.1**	**(2.1)**
Derivative instruments not considered as hedges for accounting purposes							
Interest rate swaps	1,317.4	466.3	10.8	1,794.6	0.6	1,952.2	(0.9)
Interest rate options (caps, floors and collars)	111.0	425.0	25.0	561.0	4.1	316.5	1.0
Total	**1,428.5**	**891.3**	**35.8**	**2,355.6**	**4.6**	**2,268.7**	**0.1**
Total interest rate derivatives	**1,440.1**	**2,505.4**	**1,236.4**	**5,181.9**	**236.3**	**6,596.8**	**255.8**

(1) *Offset by the revaluation of corresponding debts (see detail in Note 25.1)*

(2) *Offset by a decrease of equity.*

Derivative financial instruments not considered as hedges for accounting purposes generally relate to operations of less than one year. Their fair value at 31 December 2005 was €4.6 million, i.e. 2% of the fair value of all the derivative financial instruments used by the Group.

The impact of derivative financial instruments considered as hedges (see above) for long-term debts break down as follows by nature of debt:

Bonds

(in € millions)	Currency	31/12/2005 Nominal remaining due	Carrying amount	Overall effective rate before taking account of derivatives (1)	Overall effective rate after taking account of derivatives (1)	Coupon	Maturity
VINCI							
Tranche 1: July 2002	EUR	600.0	619.2	6.01%	4.86%	5.875%	July 2009
Tranche 2: November 2002	EUR	250.0	270.2	5.45%	3.53%	5.875%	July 2009
Tranche 3: May 2003	EUR	150.0	162.8	4.75%	3.41%	5.875%	July 2009
Cofiroute							
Bonds December 1995	EUR	243.9	244.5	7.50%	7.50%	7.50%	December 2006
Bonds July 1996	EUR	304.9	314.2	6.80%	6.80%	6.80%	July 2007
Bonds November 1997	EUR	350.6	358.7	5.90%	5.90%	5.90%	November 2008
Bonds November 1999	EUR	300.0	320.5	6.00%	3.63%	6.00%	November 2009
Bonds October 2001 - Supplement August 2005	EUR	500.0	581.0	5.13%	3.04%	5.875%	October 2016
Bonds April 2003	EUR	600.0	677.8	5.36%	3.12%	5.25%	April 2018
Other bonds	EUR	21.5	23.7	7.50%	7.50%	7.50%	Oct. '06 to Apr. '12
Other concessions							
SCDI - 1998 (2)	CAD	117.0	116.9	6.36%	6.36%	6.17%	September 2031
Autopista Del Bosque – 2001	UF	228.1	223.3	8.00%	8.00%	7.405%	March 2021
Other bonds		**4.6**	**4.7**				
Total bonds		**3,670.6**	**3,917.5**				

(1) *Including all flows connected to the issue (fees, premium etc.)*

(2) *VINCI's share (proportionate consolidation at 49.9%).*

Loans from financial institutions

(in € millions)	Currency	31/12/2005 Nominal remaining due	Carrying amount	Overall effective rate before taking account of derivatives (1)	Overall effective rate after taking account of derivatives (1)	Contractual interest rate	Maturity
Cofiroute							
EIB March 2002	EUR	75.0	75.1	2.47%	2.49%	EIB	March 2027
EIB December 2002	EUR	50.0	50.0	2.51%	2.51%	Euribor 3m	June 2027
EIB March 2003	EUR	75.0	86.9	4.92%	2.64%	4.92%	March 2018
EIB December 2004	EUR	200.0	200.2	2.47%	2.49%	EIB	December 2019
EIB December 2005	EUR	190.0	190.6	3.97%	3.97%	3.97%	December 2025
Other concessions							
Stade de France - 1998 (2)	EUR	51.0	50.5	6.18%	6.18%	5.28%	July 2013
Gefyra - EIB 2001	EUR	350.0	333.9	2.53%	2.53%	EIB	December 2025 to June 2029
Newport - 2000 (2)	GBP	45.7	45.4	7.51%	7.51%	7.26%	September 2040
Other loans		**882.9**	**880.9**				
Total other loans and financial debt		**1,919.6**	**1,913.5**				

(1) *Including all flows connected to the issue (fees, premium, etc.); the variable rates applying are 2.49% for Euribor 3 months and 2.47% for EIB loans (index subject to revision as defined by EIB).*

(2) *VINCI's share (proportionate consolidation at 66.67% for Stade de France and 50% for Newport).*

Finance leases

		31/12/2005					
(in € millions)	Currency	Nominal remaining due	Carrying amount	Overall effective rate before taking account of derivatives (1)	Overall effective rate after taking account of derivatives (1)	Contractual interest rate	Maturity
Airport services							
SFS France	EUR	17.5	17.5	2.64%	2.64%	Euribor 6m	June 2014
SFS Germany	EUR	14.3	14.3	6.88%	6.88%	6.88%	September 2019
Eurovia							
SLAG	EUR	9.9	9.9	2.99%	6.05%	Euribor 3m	March 2012
CFE							
Dredging International Luxembourg (DEME) (2)	EUR	12.8	12.8	3.90%	3.90%	3.90%	February 2012
Other loans		**108.1**	**108.1** (3)				
Total finance leases		**162.5**	**162.5**				

(1) *Including all flows connected to the issue (fees, premium, etc.); the variable rates applying are 2.49% for Euribor 3 months and 2.64% for Euribor 6 months.*

(2) *VINCI's share (proportionate consolidation at 50%).*

(3) *Including €27 million inVINCI Energies, €19 million in VINCI Park.*

26.1.2 Breakdown of long-term debt between fixed, floating and capped floating rates borrowing

Long-term debt breaks down as follows between fixed and floating rates, before and after taking account of the related derivative instruments, whether considered as hedges or not:

	31/12/2005		31/12/2004	
(in € millions)	**Amount**	**Share**	**Amount**	**Share**
Fixed rate	4,422.6	77%	5,138.4	80%
Floating rate	1,329.9	23%	1,281.3	20%
Incidence of fair value hedging and accrued interest (1)	241.4		247.1	
Total before hedging	**5,993.9**	**100%**	**6,666.8**	**100%**
Fixed rate	2,141.8	37%	2,157.5	34%
Floating rate	2,824.5	49%	4,038.7	63%
Capped floating rate	786.2	14%	223.5	3%
Incidence of fair-value hedging and accrued interest (1)	241.4		247.1	
Total after hedging	**5,993.9**	**100%**	**6,666.8**	**100%**

(1) *Including accrued interest not matured.*

On this basis, the average cost of the Group's net debt is 4.36% in 2005 against 4.37% in 2004.

26.1.3 Sensitivity of financial expenses to interest rate trends

At 31 December 2005, the Group's gross floating rate debt, amounting to €4.9 billion, breaks down as follows:

(in € millions)	31/12/2005	31/12/2004
Long-term floating-rate financial debt after hedging	3,610.7	4,262.2
Short-term financial debt	1,329.3	598.6
Total gross floating-rate financial debt after hedging	**4,940.0**	**4,860.8**

Based on this position, a 1% increase in interest rates would generate extra financial expenses of €49 million.

Such an increase in interest rates would conversely also result in comparable greater income from the Group's cash surpluses, which amounted to 5.5 billion at 31 December 2005.

Also, at 31 December 2005, derivatives that are not considered as hedges for accounting purposes amount to €4.6 million at market value; for a uniform increase of 1% in interest rates, the market value would rise by €2 million.

26.2 LIQUIDITY AND FINANCIAL RATINGS

26.2.1 Liquidity position

The Group's liquidity position at 31 December 2005 was €9.4 billion, taking account of cash and cash-management financial assets of €5.4 billion and unused credit facilities of €4 billion (see detail in Note 25.3.1 and 25.3.2).

Unused commercial paper at 31 December 2005 amounts to €657 million (see Note 25.3.1).

26.2.2 Management of liquidity risk and maturity of financial debt

In connection with the management of liquidity risk, the Group analyses the average maturity of its debt at more than one year by type of activity financed.

At 31 December 2005, the average maturity of the Group's financial debt is 7.4 years (against 8.1 years at 31 December 2004). The average maturity is 3.4 years for VINCI SA, 8.8 years for the Concessions and Services division and 3.2 years for the rest of the Group.

The VINCI Group's financial debts break down as follows by maturity:

	31/12/2005				31/12/2004
(in € millions)	**VINCI SA**	**Concessions and services**	**Other business lines**	**Total**	**Total**
Accrued interest not matured	26.3	57.5	1.1	84.8	
Maturing in less than one year	0.5	311.0	177.5	489.1	511.2
Current part of financial debt at redemption value	**26.8**	**368.5**	**178.6**	**573.8**	**511.2**
Maturing in more than 1 year and not after 2 years (at redemption value)	1.1	371.4	63.7	436.3	342.7
Maturing in more than 2 years and not after 5 years (at redemption value)	1,002.0	882.0	171.0	2,055.0	2,287.8
Maturing in more than 5 years and not after 10 years (at redemption value)		369.5	82.0	451.6	355.7
Maturing after 10 years (at redemption value)		2,303.8	18.7	2,322.6	1,937.9
Non-current part of financial debt	**1,003.1**	**3,926.8**	**335.6**	**5,265.5**	**4,924.1**
Impact of amortised cost and adjustment of fair value of debt	26.0	129.1	(0.5)	154.6	133.5
Financial debt (excluding OCEANE)	**1,055.9**	**4,424.4**	**513.7**	**5,993.9**	**5,568.8**

26.2.3 Management of financial covenants

There are no financial covenants for the medium-term credit facilities (syndicated or individual) mentioned in Notes 25.3.1 b. and c., except for the acquisition loan of €4.2 billion for which VINCI has undertaken to comply with a minimum ratio between the net financial debt of non-concession activities and the cash flows from operations generated by those activities plus the dividends received by holding companies from the Concessions business lines.

26.2.4 Financial ratings

The ratings of VINCI and Cofiroute at 31 December 2005 are as follows (see Key Events §5):

	Agency	Rating			
		Long-term	Outlook	Short-term	Outlook
VINCI SA	Standard & Poor's	BBB+	Negative	A2	Stable
	Moody's	Baa1	Stable	P2	Stable
Cofiroute	Standard & Poor's	A	Negative	A1	Negative

26.3 CURRENCY RISK

26.3.1 Nature of the Group's risk exposure

Approximately 80% of VINCI's industrial and commercial activities in foreign markets are through subsidiaries in the eurozone. In consequence, the Group's exposure to currency risk is limited. Transactions outside the eurozone are generally made in the local currency for permanent establishments and, to a great extent, in a strong currency in the case of major export projects.

Generally, the Group's activities in foreign countries are financed by loans in the local currency.

Nevertheless, VINCI can find itself exposed to currency risk whenever, in isolated cases, the parent company provides finance to certain foreign subsidiaries; these risks are then systematically hedged by cross currency swaps or forward foreign exchange transactions.

26.3.2 Breakdown of long-term debt by currency

The currency debts outstanding are as follows:

(in € millions)	31/12/2005		31/12/2004	
Euro	5,377.3	89.7%	6,195.8	92.9%
Chilean peso	330.6	5.5%	187.8	2.8%
Canadian dollar	137.9	2.3%	107.0	1.6%
Sterling	80.4	1.3%	113.1	1.7%
US dollar	32.9	0.5%	19.1	0.3%
Other	34.9	0.6%	44.0	0.7%
Total long-term debt	**5,993.9**	**100.0%**	**6,666.8**	**100.0%**

The outstanding debt in Chilean pesos corresponds mainly to the financing, as part of a securitisation of debts, of prisons by VINCI Construction Grands Projets (€95 million at 31 December 2005) and the bond issue by the Chilean concession operator Autopista del Bosque (€233 million at 31 December 2005). This bond is indexed to the local inflation rate. The cost of this indexation is - €6.9 million in 2005.

26.3.3 Analysis of other foreign currency positions

The basic aim of VINCI's currency risk management policy is to hedge the transaction exposure connected to its subsidiaries' ordinary operations. These risks are monitored through a foreign currency position detailing cash flows by currency and maturity. However, VINCI does not systematically hedge the currency risk connected with its foreign investments (translation exposure).

The table below shows VINCI's and its main subsidiaries' exposure to transaction risk at 31 December 2005. This information does not include the Belgian subsidiary DEME, of which 22.7% is owned indirectly via CFE.

(in € millions)	USD	Other currencies linked to the USD	GBP	Other currencies	Total
Exposure before hedging [1]	**20.7**	**2.8**	**43.0**	**(75.1)**	**(8.6)**
Hedges	(7.9)	(2.5)	(12.6)	96.9	73.9
Net currency position	**12.8**	**0.2**	**30.4**	**21.8**	**65.3**

[1] *actual positions in foreign currency + forecast future flows related to firm commitments.*

26.3.4 Detail of currency derivatives

Transactions to hedge currency risk, designed to cover commercial and financial transactions, break down as follows:

	31/12/2005					31/12/2004	
(in € millions)	USD	GBP	Other currencies	Notional amount	Fair value	Notional amount	Fair value
Cross-currency swap				0.0		7.3	0.7
Forward foreign exchange transaction	7.9	4.0	1.6	13.4	(0.3)	26.9	2.3
Currency options	2.5			2.5	0.0		
Fair-value hedge	**10.4**	**4.0**	**1.6**	**15.9**	**(0.3)**	**34.3**	**3.0**
Cross-currency swap				0.0		26.6	0.8
Forward foreign exchange transaction	56.3	8.7	3.9	68.8	(1.1)	9.0	0.2
Currency options				0.0		0.1	0.0
Cash flow hedge	**56.3**	**8.7**	**3.9**	**68.8**	**(1.1)**	**35.7**	**1.0**
Cross-currency swap	32.2			32.2	(2.5)	36.7	7.2
Forward foreign exchange transaction	42.9		15.2	58.1	2.9	15.3	2.3
Currency options				0.0		6.1	(0.3)
Transactions not considered as hedges for accounting purposes	**75.1**	**0.0**	**15.2**	**90.4**	**0.4**	**58.0**	**9.2**
Total foreign currency derivatives	**141.8**	**12.6**	**20.7**	**175.1**	**(1.0)**	**128.0**	**13.2**

26.4 COUNTERPARTY RISK

VINCI is exposed to counterparty risk mainly in respect of cash, negotiable securities, marketable securities, financial receivables and derivatives. The notional amounts and market values are given in Notes 26.1, 26.2 and 26.3.

VINCI considers that the counterparty risk connected to trade receivables is extremely limited because of the large number of customers, their diversity and the large proportion that are public-sector customers.

The Group's cash surpluses invested in cash management financial assets amount to €4.3 billion at 31 December 2005. Of this total, the amount managed directly by the holding company amounts to €3.5 billion, of which 84% invested in marketable securities and mutual funds (invested mainly in monetary securities). The Group's policy is to invest its cash surpluses in monetary instruments negotiated exclusively with previously authorised leading counterparties rated investment grade securities. This policy also applies to derivatives.

VINCI's investments are governed by its investment limits, determined on the basis of its counterparties' rating. VINCI considers that the risk of default by these counterparties is low. The Group has not entered into any collateralisation agreement with its bank counterparties.

27. MARKET VALUE OF FINANCIAL INSTRUMENTS

The following table shows the Group's financial instruments and their estimated market value at 31 December 2005:

(in € millions)	31/12/2005	31/12/2004
Convertible bonds	(0.5)	(1,129.5)
Other bonds	(4,074.4)	(3,981.0)
Loans from financial institutions and other financial debt	(1,940.3)	(1,607.0)
Finance leases	(162.1)	(169.7)
Long-term financial debt	**(6,177.3)**	**(6,887.2)**
Other financial debt	(663.6)	(158.3)
Financial current accounts, liabilities	(60.7)	(59.7)
Bank overdrafts	(605.0)	(380.5)
I - Gross financial debt	**(7,506.6)**	**(7,485.8)**
Collateralised financial receivables	24.6	45.5
Financial current accounts, assets	45.8	45.5
Current cash management financial assets	4,294.6	3,642.0
Cash	1,144.0	830.4
II - Financial assets	**5,508.9**	**4,563.4**
Derivative financial instruments, liabilities	(12.1)	(80.2)
Derivative financial instruments, assets	247.4	349.1
III - Derivative financial instruments	**235.3**	**268.9**
Net financial debt (I + II + III)	**(1,762.4)**	**(2,653.4)**

The market values of financial assets and derivative instruments have been estimated on the basis of the methods described in Chapter B in the section on Accounting policies and valuation methods.

For financial debts, a distinction should be made between:
– listed bonds, of which the market value is the quoted price of the bond at the year end;
– unlisted bonds and fixed rate debt, of which the market value is based on discounted future flows, using the interest rates at 31 December 2005, taking account of the credit risk;
– short-term debt and capital remaining due of less than €1 million of which the market value at 31 December 2005 is represented by book value.

28. TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties mainly relate to transactions with companies in which VINCI exercises significant influence or joint control. These transactions are conducted on the basis of market prices.

28.1 TRANSACTIONS BETWEEN VINCI AND PROPORTIONATELY CONSOLIDATED COMPANIES (UNCONSOLIDATED PART):

(in € millions)	31/12/2005	31/12/2004
Revenue	2,410.1	1,781.1
Purchases	(540.5)	(587.1)
Subcontracting	(1,502.5)	(901.4)
Trade receivables	1,362.6	1,246.4
Trade payables	582.0	475.9

These mainly relate to transactions with joint venture partnerships (SEPs) in connection with the Group's construction activities.

28.2 CONTRIBUTION TO THE CONSOLIDATED BALANCE SHEET OF PROPORTIONATELY CONSOLIDATED COMPANIES

(in € millions)	31/12/2005	31/12/2004
Current assets	761.5	532.3
Non-current assets	1,190.4	1,057.1
Current liabilities	767.4	461.6
Non-current liabilities	1,258.2	1,005.8
Operating income	1,760.6	1,579.2
Operating expenses	(1,530.9)	(1,462.7)
Cost of net financial debt	(24.2)	(16.4)
Other financial income and expenses	(2.9)	(9.2)
Income tax	(17.1)	(14.2)

Only joint venture partnerships created for construction projects that manage revenue of over €45 million (on a 100% basis) are consolidated proportionately.

28.3 OTHER RELATED PARTIES

The information on equity-accounted companies is given in Note 17.2.

VINCI has recognised an expense of €0.6 million in 2005 for services in respect of strategic consultancy, development and assistance, provided by Soficot and AM Conseil.
The Company also has normal business relationships with companies of which the executives are Directors of VINCI, in particular UBS, Merill Lynch and Nexity.

In addition, VINCI has recognised an expense of €0.4 million in 2005 for catering services provided by the catering company Soficot-SRC (now called Société Gastronomique de l'Etoile).

29. CONTRACTUAL OBLIGATIONS AND OTHER COMMITMENTS MADE AND RECEIVED

The contractual obligations and other commitments made and received are analysed as follows:

(in € millions)	31/12/2005	31/12/2004
Contractual obligations		
Operating leases	703.8	447.4
Purchase and capital expenditure obligations (1)	167.6	157.2
Capital expenditure obligations connected with the acquisition of ASF (2)	9,100.0	
Other commitments made		
Sureties and guarantees	314.6	305.3
Collateral securities	341.6	185.2
Joint and several guarantees covering unconsolidated partnerships	123.3	129.8
Other	38.9	44.5
Other commitments received		
Personal sureties	56.5	61.4
Collateral securities	4.6	6.0
Other	36.8	37.4

(1) *Excluding investments relating to concession contracts (see Note 13.2).*
(2) *See Key events (Note A.1.2).*

Moreover, the Group's commitments made and received in respect of concession contracts, construction contracts and items not recognised regarding retirement obligations are disclosed in:
– Note 13.2 in respect of concession contracts;
– Note 20.2 in respect of construction contracts;
– Note 23 in respect of unrecognised items on retirement benefit obligations.

29.1 CONTRACTUAL OBLIGATIONS

Operating lease commitments amounted to €703.8 million at 31 December 2005 (against €447.4 million at 31 December 2004). Of this, €510.7 million was for property (against €299.9 million at 31 December 2004) and €193.1 million for movable items (against €147.5 million at 31 December 2004).

The purchase and capital expenditure obligations relate principally to VINCI Immobilier in connection with investment promises relating to the rehabilitation of the Renault site at Boulogne Billancourt and the OPAC operation at rue Lecourbe in Paris.

The maturities of contractual obligations are as follows:

(in € millions)	Total	within 1 year	between 1 and 5 years	in more than 5 years
Operating leases	703.8	197.2	321.2	185.3
Purchase and capital expenditure obligations (1)	167.6	52.1	103.2	12.3
Capital expenditure obligations connected with the acquisition of ASF (2)	9,100.0	9,100.0		

(1) *Excluding investment obligations related to concession contracts.*

(2)) *See Key Events (Note A.1.2).*

29.2 OTHER COMMITMENTS MADE

Sureties and guarantees

The amount of €314.6 million relates to sureties and guarantees made by the Group that are not directly in respect of construction contracts, concession contracts or property contracts. They may relate to guarantees given on financing.

Collateral securities (mortgages and collateral pledged in exchange for finance)

Collateral security given, other than under concession contracts, mainly relates to CFE (property projects and dredging activity at DEME, 50% subsidiary of CFE) and to Vinci Immobilier.

Joint and several guarantees covering unconsolidated partnerships (SNCs, Economic Interest Groupings, etc.)

Part of VINCI's business in the Construction and Roads business lines is conducted through joint-venture partnership entities (SEPs), in line with industry practice. In partnerships, partners are legally jointly and severally liable for that entity's debts to third parties, without limit. In order to contain its risks, the Group usually makes a study of its partners' solvency when partnerships are entered into, which may result in the setting up of crossed counter guarantees between partners.

Whenever the Group is aware of a particular risk relating to a joint venture partnership's activity, a provision is taken in the consolidated financial statements.

The amount shown under off balance sheet commitments in respect of joint and several guarantees is 100% of the liabilities of the partnerships in question less equity and financial debt (loans or current account advances) due to partners.

If the commitment were to be weighted by the Group's proportionate holding in these companies, the commitment would reduce from €123.3 million to €70.7 million.

Given in particular the quality of its partners, the Group considers that the risk of its guarantee being invoked in respect of these commitments is slight.

29.3 OTHER COMMITMENTS RECEIVED

The commitments received by the Group break down as follows:

(in € millions)	Personal sureties	Collateral security	Other commitments	Total
Concessions and services			26.8	26.8
Energy	0.7	0.7	0.2	1.6
Roads	3.6	3.9	5.2	12.7
Construction	51.8		4.6	56.4
Property and holding companies	0.4			0.4
	56.5	**4.6**	**36.8**	**97.9**

The amount of €97.9 million relates to sureties and guarantees received by the Group that are not directly in respect of contracts for construction, concessions or property.

30. NUMBERS EMPLOYED AND STAFF TRAINING RIGHTS

The number of employees of the consolidated companies breaks down as follows:

	31/12/2005	31/12/2004
Engineers and managers	17,220	16,242
Monthly and hourly paid staff	116,293	112,191
	133,513	**128,433**

The Law of 4 May 2004 gives employees of French businesses the right to a minimum of 20 hours of training each year, which can be accumulated over a period of six years. The expenses incurred on this "individual right to training" are considered to be a charge of the period and do not give rise to the recognition of a provision, except in exceptional cases. VINCI Group employees have acquired rights to 1.8 million hours of such training at 31 December 2005.

31. REMUNERATION AND RELATED BENEFITS AWARDED TO DIRECTORS AND SENIOR MANAGEMENT

The terms of remuneration of VINCI officers are determined by the Board of Directors following proposals from the Remuneration Committee.

Remuneration and related benefits paid to the Group's Directors and senior management recognised as an expense in the period amounted to:

(in € thousands)	2005
Executive Committee	
Remuneration (1)	7,660.6
Employer's social security contributions	3 075.1
Post-employment benefits	11,861.9
Directors' fees	309.4
Lump-sums payable at end of contract	1,315.0
Share-based payments (2)	15,481.1
Board of Directors (3)	
Directors' fees	514.0
Total	**40,217.1**

(1) The remuneration awarded in respect of 2005 corresponds to the fixed and variable remuneration.

(2) The amount shown here is determined in accordance with IFRS 2 Share-based payment and the methods described in Note 22.4 Share-based payments.

(3) Excluding Directors who are members of the Executive Commitee.

F. POST BALANCE SHEET EVENTS

32. APPROPRIATION OF NET PROFITS FOR 2005

The Board of Directors finalised the consolidated financial statements at 31 December 2005, on 28 February 2006. These financial statements will only become definitive when they have been approved by the Shareholders General Meeting. The Board will propose to the Shareholders Ordinary General Meeting a dividend of €2.0 per share for the year which, taking account of the interim dividend already paid in December 2005 (€0.70 per share), means a balance to be paid of €1.30 per share, corresponding to an amount of the order of €250 million.

33. ISSUE OF PERPETUAL DEEPLY SUBORDINATED BONDS

In the context of financing the increase in its stake in ASF, at the beginning of 2006 VINCI carried out a €494 million issue of perpetual deeply subordinated bonds to international investors.

At an issue price of 98.831%, it pays an optional annual fixed coupon of 6.25% until November 2015. Thereafter, the coupon is a quarterly floating rate with a 1.00% step-up. The bond is callable at par in November 2015 and at every coupon payment date afterwards.

This instrument, in accordance with IFRS, will be recognised as equity in the 2006 financial statements.

Moreover, following receipt of the proceeds of this issue in February 2006, VINCI decided to reduce the amount of its acquisition loan for ASF from €4.2 billion to €3.87 billion.

G. DISPUTES AND ARBITRATION

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. In respect of the cases described below, provisions have been taken, where necessary, that the Company considers sufficient given the current state of affairs.

– On 23 May 2004, part of the shell structure over the passageway of Roissy airport's 2E terminal collapsed. The structure had been built for Aéroports de Paris, which in this project acted as principal, architect and main contractor. The construction work on terminal 2E was carried out under multiple separate contracts by numerous different companies. The passageway shells (superstructures) were constructed by a consortium comprising several VINCI subsidiaries. The incident is currently subject to a criminal investigation and court-ordered expert appraisal to establish the reasons for the collapse. The financial implications of the incident, in terms of, on the one hand, reconstruction costs and, on the other hand, damage caused, and the terms under which financial liability will be allocated to the various parties involved, have yet to be determined. The Company considers that this dispute will not have a material unfavourable effect on its financial situation.

– On 28 December 1998, the Grenoble Administrative Court ordered VINCI, jointly and severally with Italimprese Industrie, an Italian company now in liquidation, to pay Nersa the sum of FRF 96 million (€14.6 million) in compensation for the damage caused by 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. This sum has been settled almost entirely by VINCI's insurers. Following an appeal lodged by VINCI, the Lyon Administrative Appeal Court pronounced judgement on 16 December 2004, quashing the ruling of 28 December 1998 and ordering a new expert appraisal. The Company considers that this dispute will not have a material unfavourable effect on its financial situation.

– In 1997, SNCF lodged multiple claims with the Paris Administrative Court against a large number of construction and civil engineering enterprises, of which several belong to the VINCI Group, with a view to obtaining financial compensation for the damage it claims to have suffered between 1987 and 1990 during the award of tenders for the construction of the TGV Nord and Rhône-Alpes lines (and their interconnection). This claim was the consequence of the finding by the competition authority against the enterprises concerned in 1995, which the Paris Appeal Court upheld overall (making a second ruling after its 1997 decision was overturned). The Paris Administrative Court ruled on 15 December 1998 that the findings of the competition authority regarding the anti-competitive practices entitled SNCF to claim that its consent was impaired with respect to the contracts that are the subject of two of the petitions and the Court ordered an appraisal to establish the impact of such practices. On 22 April 2004, the Paris Appeal Court delivered judgements confirming this ruling. Following this ruling, the Paris Administrative Court decided to resume consideration of all other proceedings on which it had not yet pronounced judgement. On 15 February 2005, the expert appointed by the Paris Administrative Court submitted two reports in which it was concluded that SNCF had incurred extra costs significantly lower than the claims made by SNCF (€6.1 million compared with €43.1 million excluding financial expenses). In June and July 2005, the Paris Administrative Court delivered several rulings ordering further examination of some of the other proceedings. The total amount sought from consortiums in which VINCI companies have holdings amounts to €193 million, half of which corresponds to financial expenses. VINCI considers that SNCF did not suffer financial prejudice on the award of these tenders to its subsidiaries given that each contract was subject to detailed negotiation by SNCF, which is a highly experienced and qualified project owner. VINCI considers that these disputes will not have a material adverse 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. Global Industries lodged an appeal against the ruling and, despite a provisional enforcement order, failed to comply with the ruling. On 24 May 2005, the Paris Appeal Court delivered a judgement upholding all aspects of the ruling. Global Industries has not complied with the judgement and VINCI has therefore initiated enforcement proceedings in the US and will implement the procedures required to recover its claim.

– In the dispute between VINCI and Bouygues Bâtiment, as co-shareholders of Consortium Stade de France (CSDF), the Paris Appeal Court, in its judgement on 21 January 2005, dismissed the ownership transfer claim submitted by Bouygues Bâtiment in respect of CSDF and confirmed VINCI's right to retain ownership of two-thirds of CSDF's equity. However, the Court considered that VINCI should have offered Bouygues Bâtiment the opportunity to acquire the disputed shares at the time of the merger between VINCI and GTM in 2000 and ordered VINCI to compensate Bouygues Bâtiment for the damage suffered in this respect. The Court valued the damage at €3.7 million (after rectification of a material error). The ruling has not been challenged in the Court of Cassation and has consequently become final.

– VINCI's subsidiary 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.

– VINCI's subsidiary 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 initiated various legal proceedings, including one before the Paris Commercial Court, in which CBC was charged with guaranteeing the principal amount of €41 million. This case was withdrawn in 2004 following a settlement between the claimants and the French bank. 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.

– Following recourse to the French Council of State by various road-transport companies, the Council delivered a ruling on 29 June 2005 cancelling the letter of 15 January 2003 in which the Director of tax legislation informed the chairman of the committee for SEMCAs (public-private motorway concession companies) that motorway concession companies did not have good reason to provide amended invoices showing the value added tax paid by users between 1 January 1996 and 31 December 2000.
  As a result of this ruling – which nevertheless is only in respect of the relations between the French Government and the transport companies – motorway concession companies would be under the obligation to provide amended invoices when requested to do so by transport companies for the period from 1996 to 2000. Formally and by virtue of Article 283-3 of the French General Tax Code, the companies could therefore have been liable for payment of the VAT specified on the amended invoices.
  The Council of State's decision has been the subject of third-party applications to set aside from Cofiroute and all the other companies in the sector. Cofiroute has since received a letter from the Ministry for the Economy, Finance and Industry dated 19 October 2005, confirming that "settlement of this matter will entail no new financial expenses for the motorway concession operating companies" followed by a letter from the Minister Delegate for the Budget and Administrative Reform dated 7 February 2006 stating "I can confirm to you that the concession operating companies will not be rendered liable for payment of the Value Added Tax mentioned on the amended invoices that they will issue to their customers in respect of the tolls paid between 1 January 1996 and 31 December 2000."
  Given this guarantee from the French Government, the Company maintained at 31 December 2005 the solution of not taking any provision.

– 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. In this connection, the Company received notification on 27 July 2005, of a report drawn up by the competition authority regarding the signing of various public sector contracts in the Ile de France region between 1989 and 1996. VINCI does not expect these procedures to have a material negative impact on its financial situation in the event of an unfavourable outcome.

H. MAIN IMPACTS OF IFRS ON THE KEY INDICATORS AND GROUP SHAREHOLDERS' EQUITY AT 31 DECEMBER 2004

1. KEY FIGURES

2004 (in € millions)	French GAAP	IFRS
Revenue	19,520	19,520
Operating income	1,373	
% revenue	7.0%	
Operating profit from ordinary activities (1)		1,300
% revenue		6.7%
Net profit attributable to equity holders of the parent	731	732
Gross operating surplus	2,021	
Cash flow from operations		2,018
Free cash flow (2)	1,510	1,368
Equity including minority interest	3,744	3,615
Net financial debt	2,285	2,433

(1) *Operating profit before share based payments, impairment of goodwill and non-recurring items.*

(1) *Net cash flows (used in)/ from operating activities after operating investments and before growth investments.*

2. RECONCILIATION OF EQUITY AT 1 JANUARY 2004 AND 31 DECEMBER 2004 (FRENCH GAAP AGAINST IFRS)

Application of the IFRSs to the VINCI consolidated financial statements leads to a limited reduction of consolidated equity (which includes minority interest under IFRS) of €129 million at 31 December 2004 (at €3,615 million against €3,744 million under French GAAP), which should be compared with a reduction of €271 million at 1 January 2004, the date of the opening IFRS balance sheet.

The adjustments to equity resulting from the application of the new standards are shown in the following table:

(in € millions)	Total equity at 01/01/2004	Net profit 2004	Other changes in equity	Minority interest	Total equity at 31/12/2004
French GAAP	**3,488**	**731**	**(520)**	**45**	**3,744**
Treasury shares (IAS 32)	(182)	(1)	95	0	(88)
Actuarial gains and losses on retirement benefit obligations (IAS 19)	(132)	9	0	0	(123)
Restatement of intangible assets (IAS 38)	(31)	1	0	0	(30)
Discounting of provisions	30	(3)	0	0	27
Financial instruments (IAS 39)	30	(18)	15	2	29
Capitalised borrowing costs (IAS 23)	60	1	(3)	0	58
Employee benefits (IFRS 2)	0	(36)	36	0	0
Non-amortisation of goodwill	0	47	0	(1)	46
Other restatements	(3)	(6)	1	0	(8)
Sub-total before effect of taxation	(228)	(6)	144	1	(89)
Effect of taxation	(43)	7	(2)	(2)	(40)
Total of the IFRS restatements	**(271)**	**1**	**142**	**(1)**	**(129)**
IFRS	**3,217**	**732**	**(378)**	**44**	**3,615**

I. RECONCILIATION OF THE FINANCIAL STATEMENTS AT 31 DECEMBER 2004 (FRENCH GAAP / IFRS)

The tables below show the reconciliations of the financial statements (income statement, balance sheet and cash flow statement) prepared under French GAAP and IFRS, distinguishing, on the one hand, restatements that affect net profit (and/or a corresponding entry under equity) and, on the other, reclassifications that are solely changes in presentation within a statement, with no effect on net profit.

1. RECONCILIATION OF THE 2004 INCOME STATEMENT (FRENCH GAAP AGAINST IFRS)

(in € millions) French GAAP		Notes	IFRS		Notes
Revenue	**19,520**		**Revenue**	**19,520**	
Other revenue	665		Revenue from ancillary activities	255	
Operating expenses	(18,165)				
Net provision charge	(32)		Operating expenses	(18,475)	
Depreciation and amortisation	(617)				
Operating income	**1,372**	1.1			
			Operating profit from ordinary activities	**1,300**	1.1
			Share-based payment expense (IFRS 2)	(36)	
			Goodwill impairment expense	(46)	
			Non-recurring items	(10)	
			Operating profit	**1,208**	1.1
Financial expense	(151)		Cost of net financial debt	(242)	
Other financial income and expenses	127		Other financial income and expenses	238	
Net financial income / (expense)	**(24)**	1.2	**Net financial income / (expense)**	**(3)**	1.2
Net exceptional income / (expense)	**(53)**	1.3			
Income tax	(388)		Income tax expense	(380)	
Amortisation of goodwill	(80)	1.4			
Share in net earnings of companies accounted for by the equity method	14		Share of profit / (loss) of associates	14	
			Net profit for the period (including minority interest)	**838**	
Minority interest	(109)		Minority interest	(107)	
Net income	**731**	1.5	**Net profit attributable to equity holders of the parent**	**732**	1.5

1.1 OPERATING PROFIT

The operating profit under IFRS amounts to €1,208 million. This is €165 million less than the operating income under French GAAP; this difference, detailed in the table below, results mainly from the reclassifications (accounting for - €122 million) within the income statement because of changes in presentation.

(in € millions)	Notes	2004
Operating income under French GAAP		**1,373**
Restatements:		
Non-amortisation of actuarial gains and losses (allocated to opening balance sheet equity)	(a)	10
Cancellation of reversals of provisions for major repairs	(b)	(6)
Other		(10)
Total		**(6)**
Reclassifications:		
Restructuring costs	(d)	(38)
Other exceptional operating income and expenses (excluding impairment losses)	(e)	(52)
Cost of discounting retirement benefit obligations (reclassified to financial income / (expense))	(f)	24
Total		**(66)**
Operating profit from ordinary activities under IFRS		**1,300**
Restatements:		
Effect of share-based payments (IFRS 2): Group Savings Scheme and share options	(c)	(36)
Total		**(36)**
Reclassifications:		
Costs of closing operations	(g)	(10)
Goodwill impairment expense (1)	(h)	(33)
Impairment of WFS market shares	(i)	(13)
Total		**(56)**
Operating profit under IFRS		**1,208**

(1) Including amortisation of goodwill related to assets with finite useful life

Restatements

(a) As part of its first adoption of the IFRSs, VINCI has elected to allocate actuarial gains and losses on retirement benefit obligations under equity. These amount to losses of €132 million at 1 January 2004, reducing to €121 million at 31 December 2004. The effect on net profit is therefore positive, amounting to €10 million, corresponding to the cancellation of amortisation in respect of actuarial gains and losses.

(b) In accordance with IAS 37, provisions for major repairs (other than those in the Concessions division) have been cancelled, with a corresponding entry under equity at 1 January 2004 under the IFRSs. The provisions that were reversed under operating income in 2004 under French GAAP, amounting to €6 million, were thus cancelled out in the IFRS income statement.

(c) An expense of €36 million before tax is recognised in application of IFRS 2 on share-based payments and similar. This expense, and the corresponding increase of equity, relates to:
– options to subscribe to VINCI shares granted since 7 November 2002, for the part of the rights remaining to be acquired by the beneficiaries at 1 January 2005 (€20 million);
– subscriptions to the Group Savings Scheme for the first four months of 2005, the terms and conditions for which were set as from the end of the 2004 accounting period (€16 million before tax).

Reclassifications

(d) Reclassification under operating profit from ordinary activities of the net restructuring costs, recognised in exceptional income / (expense) under French GAAP.

(e) Reclassification under operating profit from ordinary activities of the other exceptional income and expense, previously recognised in exceptional income / (expense) under French GAAP.

(f) Reclassification under financial income / (expense) of the cost of discounting provisions for retirement benefit obligations, previously recognised in operating income under French GAAP.

(g) Reclassification under operating profit from ordinary activities of the restructuring costs connected with closing of operations, recognised in exceptional income / (expense) under French GAAP.

(h) Reclassification under operating profit of exceptional impairment loss expense of €25 million and amortisation of goodwill relating to assets with a finite useful life for €8 million.

(i) Reclassification under operating profit of impairment of WFS market shares, considered as goodwill under IFRS, recognised under exceptional income / (expense) under French GAAP.

1.2 NET FINANCIAL INCOME / (EXPENSE)

Net financial expenses were €3 million under IFRS against €24 million under French GAAP. This difference is the result of the impact of the reclassification and restatements detailed in the table below:

(in € millions)		2004		
	Notes	Cost of borrowing	Other financial income and expenses	Total
Net financial income / (expense) under French GAAP		**(151)**	**127**	**(24)**
Restatements:				
Effect of applying the amortised cost method to OCEANE bonds	(a)	(15)	–	(15)
Effect of applying the amortised cost method to liabilities of infrastructure concessions		(3)	–	(3)
Adjustment of capitalised borrowing costs on infrastructure concession assets following application of the amortised cost method		6	–	6
Other		(1)	(2)	(3)
Total		**(13)**	**(2)**	**(15)**
Reclassifications:				
Capitalised borrowing costs	(b)	(77)	77	0
Cost of discounting retirement benefit obligations	(c)	–	(24)	(24)
Exceptional income and expenses related to financial assets	(d)	–	60	60
Total		**(77)**	**113**	**36**
Net financial income / (expense) under IFRS		**(241)**	**238**	**(3)**

Restatements

(a) Under French GAAP, bond issuance costs and redemption premiums were amortised on a straight-line basis over the period of the loan. Provisions were therefore taken at each balance sheet date in respect of the redemption premiums of the OCEANE bonds issued by VINCI. Under IFRS, issuance costs and redemption premiums are amortised using the amortised cost method which consists in calculating the effective interest rate of the debt taking account of the issuance costs, redemption premiums and conversion options. This restatement results in the recognition of a supplementary expense of €15 million in respect of 2004.

Reclassifications

(b) The capitalised borrowing costs shown as a reduction of borrowing costs in the French GAAP published financial statements are now shown under other financial income and expenses.

(c) Reclassification under financial income / (expense) of the cost of discounting provisions for retirement benefit obligations, recognised in operating income under French GAAP (see note 1.1 (f)).

(d) Reclassification under financial income / (expense) of exceptional items related to the disposal of financial assets for €24 million and of a reversal of the Toll Collect provision by Cofiroute for €36 million, recognised in exceptional income / (expense) under French GAAP.

1.3 NET EXCEPTIONAL INCOME / (EXPENSE)

The net exceptional income / (expense) line shown in the French GAAP income statement no longer appears in the IFRS income statement, in accordance with IAS 1.

The following table shows the various reclassifications to operating profit and to financial income / (expense) under IFRS of income and expense items that were previously reported under net exceptional income / (expense), as explained in paragraphs 1.1. and 1.2.

(in € millions)	**2004**
Net exceptional income / (expense) under French GAAP	**(53)**
Restructuring costs	(38)
Gains and losses on disposals of intangible and tangible fixed assets	(10)
Other exceptional operating income and expenses	(23)
Net provision charge	(19)
Reclassification under operating profit from ordinary activities under IFRS	**(90)**
Cost of closing operations	(10)
Impairment of WFS market shares	(13)
Reclassification under operating profit under IFRS	**(113)**
Reprise de provisions Toll Collect	36
Reversal of "Toll Collect" provisions	22
Net gains on disposal of securities	2
Other reclassifications to financial income / (expense) under IFRS	**60**
Total reclassifications	**(53)**

1.4 AMORTISATION OF GOODWILL

(in € millions)	**2004**	
Amortisation of goodwill under French GAAP	**(80)**	
Non-amortisation of goodwill under IFRS	47	
Impairment loss and amortisation of goodwill maintained under IFRS (included in operating profit)	**(33)**	
of which – net exceptional impairment loss after impairment tests		(25)
of which – amortisation of goodwill allocated to concession contracts		(4)
of which – other amortisation of allocated goodwill		(4)

In application of IFRS 3 Business Combinations, goodwill is not amortised under IFRS (see Note B.3 Measurement rules and methods).

The effect on the IFRS net profit is therefore an increase of €47 million in 2004. In the IFRS income statement there remains an amount of €25 million, booked under operating expenses, that corresponds to exceptional impairment losses on goodwill (impairment tests). There is also an operating expense of €8 million corresponding to the amortisation of certain items of goodwill that were allocated to identified assets, such as rights to operate aggregate quarries or concession contracts, and which continue to be amortised under IFRS on the basis of the useful life of the underlying assets.

1.5 SUMMARIES OF IMPACTS OF RESTATEMENTS ON NET PROFIT

The various restatements that effect the IFRS net profit presented in the previous paragraphs are summarised in the following table:

(in € millions)	Notes	2004
Net income under French GAAP		**731**
Non-amortisation of goodwill (IFRS 3)	(see 1.4)	47
Restatements of 2002 / 2003/ 2004 share option plans (IFRS 2)	(see 1.1)	(20)
Restatement of Group Savings Scheme first four months 2005 announced in 2004 (IFRS 2)	(see 1.1)	(16)
Restatement applying the amortised cost to the 2007 and 2018 OCEANE bonds (IAS 39, IAS 32)	(see 1.2)	(15)
Non-amortisation of actuarial gains and losses on retirement benefit obligations (IAS 19)	(see 1.1)	10
Restatement of reversals of provisions for major repairs taken to equity at 1 January 2004 (IAS 37)	(see 1.1)	(6)
Other restatements		(10)
Effect of tax on restatements		8
Effect of minority interest on restatements		3
Total of the IFRS restatements		**1**
Net profit under IFRS		**732**

2. RECONCILIATION OF THE BALANCE SHEET AT 31 DECEMBER 2004 (FRENCH GAAP AGAINST IFRS)

For the presentation of balance sheet items, the IFRSs recommend that a distinction be made between "non-current" assets and liabilities, representing equity and long-term finance, and "current" assets and liabilities, relating to the company's normal operating cycle, without necessarily being of a short-term nature. The part at less than one year of non-current assets and liabilities is also presented under current assets and liabilities.

2.1 BALANCE SHEET ASSETS

(in € millions)	Notes	French GAAP 31/12/2004	IFRS reclassifications	IFRS restatements	IFRS 31/12/2004
Intangible assets	2.3.1	173	(73)	(18)	82
Goodwill	2.3.2	1,387	(649)	39	777
Concession intangible fixed assets	2.3.3	5,567	(563)	20	5,024
Other property, plant and equipment and investment property		2,041		8	2,049
Investments in associates	2.3.4	846	705	7	1,558
Other non-current financial assets	2.3.5	327	(40)	1	288
Fair value of non-current derivatives (assets)	2.3.6		65	180	245
Deferred charges		50		(50)	
Deferred tax assets		168		(1)	167
Total non-current assets					**10,190**
Inventories and work in progress		544		(1)	543
Trade and other operating receivables	2.3.7	7,554	(238)	(37)	7,279
Other current assets			157		157
Current tax assets			24		24
Current financial assets	2.3.8	318	(193)	5	130
Fair value of current derivatives (assets)	2.3.6		100	4	104
Cash management financial assets and cash	2.3.9	4,541	68	(92)	4,518
Total current assets					**12,756**
Total assets		**23,516**	**(637)**	**66**	**22,946**

2.2 BALANCE SHEET EQUITY AND LIABILITIES

(in € millions)	Notes	French GAAP 31/12/2004	IFRS reclassifications	IFRS restatements	IFRS 31/12/2004
Capital and reserves attributable to equity holders of the parent		3,148		(132)	3,016
Minority interest		596		3	599
Equity					**3,615**
Investment grants	2.3.3	580	(580)		
Retirement and employee benefit obligations	2.4.1	586	(35)	127	678
Non-current provisions	2.4.2	1,687	(1,403)	(119)	165
Non-current financial debt	2.4.3	6,467	(526)	199	6,140
Fair value of non-current derivatives (liabilities)			34	1	35
Deferred tax liabilities and other non-current liabilities	2.4.4	179	(34)	39	184
Total non-current liabilities					**7,202**
Current provisions	2.4.5		1,403	(20)	1,383
Trade and other current payables	2.4.6	9,596	(201)	(32)	9,363
Fair value of current derivatives (liabilities)			44	1	45
Current tax payables			213		213
Current financial debt	2.4.7	677	448		1,125
Total current liabilities					**12,129**
Total equity and liabilities		**23,516**	**(637)**	**66**	**22,946**

2.3 RECONCILIATION OF BALANCE SHEET ASSETS (FRENCH GAAP AGAINST IFRS)

2.3.1 Intangible assets

(in € millions)	Notes	31/12/2004
French GAAP		**173**
Reclassifications:		
WFS market shares	(a)	(63)
"Commercial goodwill"	(a)	(10)
Total		**(73)**
Restatements:		
Cancellation of commercial goodwill	(b)	(28)
Quarrying rights	(c)	10
Total		**(18)**
IFRS		**82**

Reclassifications:

(a) "Commercial goodwill" and market shares acquired as part of business combinations and recognised in intangible assets under French GAAP are reclassified to goodwill under IFRS.

Restatements:

(b) Other "commercial goodwill" items that do not meet the definition of an intangible asset under IAS 38 have been cancelled against equity.

(c) Quarrying rights relating to the operation of quarries in the Roads division, previously recognised in deferred charges, and meeting the definition of an asset under IAS 38 have been recognised in intangible assets.

2.3.2 Goodwill

(in € millions)	Notes	31/12/2004
French GAAP		**1,387**
Reclassifications:		
Goodwill arising on acquisition of ASF shares	(a)	(691)
Other goodwill related to investments in associates	(a)	(14)
WFS market shares	(b)	63
"Commercial goodwill" (fonds de commerce)	(b)	10
Other reclassifications	2.3.3	(17)
Total		**(649)**
Restatements:		
Non-amortisation of goodwill	(c)	47
Goodwill relating to quarrying companies allocated to property, plant and equipment	(d)	(9)
Other		1
Total		**39**
IFRS		**777**

Reclassifications:

(a) In accordance with IAS 28, goodwill relating to investments in associates is included under the same heading as the corresponding investments. This reclassification relates mainly to the goodwill on VINCI's 23% investment in ASF.

(b) "Commercial goodwill" and market shares acquired as part of business combinations and recognised in intangible assets under French GAAP are reclassified to goodwill under IFRS (see 2.3.1 (a)).

Restatements:

(c) In application of IFRS 3 Business Combinations, goodwill is no longer amortised. This restatement has led to the cancellation in the IFRS financial statements of €47 million of goodwill amortisation (see 1.6).

(d) Goodwill allocated to quarries in the Roads business lines is now shown under property, plant and equipment and is amortised over the expected period of operation of the quarry, with a maximum of 40 years.

2.3.3 Concession intangible fixed assets

(in € millions)	Notes	31/12/2004
French GAAP		**5,567**
Reclassifications:		
Investment grants	(a)	(580)
Other reclassifications	2.3.2	17
Total		**(563)**
Restatements:		
Capitalised borrowing costs	(b)	58
Reversal of capitalisation of costs connected with financing activities	(c)	(23)
Cancellation of capitalised pre-operating expenses	(d)	(6)
Other		(9)
Total		**20**
IFRS		**5,024**

Reclassifications:

(a) Investment grants, which amounted to €580 million at 31 December 2004, are now deducted from concession fixed assets. These were shown within a specific heading as part of liabilities under French GAAP.

Restatements:

(b) Under French GAAP, VINCI recognised the intermediate interest charges accruing during the period of construction in the cost of capitalised assets (which mainly relates to concession fixed assets) as from 1 January 2003 in accordance with the rules and methodology recommended by IAS 23.
For periods ending before that date, a retrospective calculation has been made and resulted in an increase of capitalised borrowing costs at 31 December 2004 under IFRS of €58 million compared with French GAAP.

(c) Under French GAAP, the costs of arranging the financing of assets under concession was shown under the cost of the concession fixed assets and was amortised over the length of the concession contract. In accordance with IAS 32 and 39, these costs are taken as a reduction of borrowing and are amortised using the effective interest rate method.

(d) Pre-operating expenses that do not meet the definition of property, plant and equipment under IAS 16 have been cancelled against equity for €6 million at 31 December 2004.

2.3.4 Investments in associates

(in € millions)	Notes	31/12/2004
French GAAP		**846**
Reclassifications:		
Goodwill arising on acquisition of ASF shares	(a)	691
Other goodwill related to investments in associates	(a)	14
Total		**705**
Restatements:		
Adjustment under IFRS to ASF goodwill on acquisition	(b)	4
Other		3
Total		**7**
IFRS		**1,558**

Reclassifications:

(a) In accordance with IAS 28, goodwill relating to investments in associates is included under the same heading as the corresponding investments. This reclassification relates mainly to the goodwill on VINCI's investment in ASF.

Restatements:

(b) The goodwill arising on acquisition of ASF shares has been recalculated on the basis of the equity restated under IFRS at 31 December 2004 while keeping unchanged the accounting rules and methods relating to the treatment of concession contracts in accordance with the relevant option taken by VINCI for the preparation of 2004 IFRS financial statements.

2.3.5 Other non-current financial assets

(in € millions)	31/12/2004
French GAAP	**327**
Reclassifications of the part at less than one year under current financial assets	(40)
Other restatements	1
IFRS	**288**

2.3.6 Fair value of derivatives

(in € millions)	Notes	31/12/2004	Non-current	Current
French GAAP		**0**		
Reclassifications:				
Accrued interest not matured on swaps (assets)	(a)	165	65	100
Total		**165**		
Restatements:				
Fair value of derivatives	(b)	184	180	4
Total		**184**		
IFRS		**349**	**245**	**104**

Reclassifications:

(a) Accrued interest not matured on asset swaps that were previously shown under financial receivables under French GAAP, is shown on the line "Fair value of derivatives" under IFRS.

Restatements:

(b) The derivatives used by VINCI, which are generally hedging instruments, are now recognised at their fair value in the IFRS balance sheet in accordance with IAS 39. They mainly relate to the holding company and Cofiroute.

2.3.7 Trade and other operating receivables

(in € millions)	Notes	31/12/2004
French GAAP		**7,554**
Reclassifications:		
Deferred charges shown under other current assets		(157)
Current tax receivables	(a)	(81)
Total		**(238)**
Restatements:		
Quarrying rights, Eurovia	(b)	(10)
Deferred charges	(c)	(14)
Other		(12)
Total		**(36)**
IFRS		**7,279**

Reclassifications:

(a) In accordance with IAS 12, current tax assets previously shown under trade and other operating receivables are shown under a separate heading in the IFRS balance sheet.

Restatements:

(b) Quarrying rights relating to the operation of quarries meet the definition of an intangible asset under IAS 38. They are now amortised over the period of the contract to which they relate, with a maximum of 40 years (see 2.3.1).

(c) Certain expenses incurred in connection with the obtaining of new loans were recognised as deferred charges under French GAAP. In accordance with IAS 39, these costs are now taken as reduction of borrowing and are amortised using the effective interest rate method.

2.3.8 Current financial assets

(in € millions)	Notes	31/12/2004
French GAAP		**318**
Reclassifications:		
Accrued interest not matured on swaps (assets)	(a)	(165)
Part at less than one year of other non-current financial assets	(b)	40
Cash current accounts and accrued interest not matured on short-term financial receivables	(c)	(68)
Total		**(193)**
Restatements:		
Other		5
Total		**5**
IFRS		**130**

Reclassifications
(a) see 2.3.6
(b) see 2.3.5
(c) certain items that do not meet the definition of cash management financial assets and cash as defined in Note B.3 have been reclassified under current financial assets.

2.3.9 Cash management financial assets and cash

(in € millions)	Notes	31/12/2004
French GAAP		**4,541**
Reclassifications:		
Cash current accounts and accrued interest not matured on short-term financial receivables		68
Total		**68**
Restatements:		
Treasury shares	(a)	(88)
Other		(3)
Total		**(91)**
IFRS		**4,518**

Reclassification:
See 2.3.8 (c)

Restatements:
(a) In accordance with IAS 32, treasury shares, previously classified as marketable securities, have been booked against equity; this has resulted in a reduction of this item of €88 million at 31 December 2004.

2.4 RECONCILIATION OF BALANCE SHEET LIABILITIES (FRENCH GAAP AGAINST IFRS)

2.4.1 Retirement and employee benefit obligations

(in € millions)	Notes	31/12/2004
French GAAP		**586**
Reclassifications:		
Part at less than one year of provisions for retirement benefit obligations	(a)	(35)
Total		**(35)**
Restatements:		
Actuarial gains and losses	(b)	123
Other		4
Total		**127**
IFRS		**678**

Reclassifications

(a) The part at less than one year of the provisions for retirement benefit obligations is considered as a current debt and is reported under trade and other current liabilities in the IFRS balance sheet.

Restatements

(b) In connection with its first adoption of IFRS, VINCI has elected to allocate actuarial gains and losses on retirement benefit obligations to equity (see note B 1.2.2). These amounted to €123 million at 31 December 2004 (against €132 million at 1 January 2004).

2.4.2 Non-current provisions

(in € millions)	Notes	31/12/2004
French GAAP		**1,687**
Reclassifications:		
Current provisions and part at less than one year of non-current provisions	(a)	(1,403)
Total		**(1,403)**
Restatements:		
Provisions (OCEANE premium)	(b)	(109)
Discounting of non-current provisions	(c)	(10)
Total		**(119)**
IFRS		**165**

Reclassifications:

(a) In accordance with IAS 1, which recommends that a distinction be made between current and non-current assets and liabilities, provisions shown under the long-term part of the balance sheet under French GAAP have been reclassified as current liabilities whenever they are attached to a particular business line's own operating cycle.

The part of non-current provisions that matures within less than one year is also reclassified under current liabilities.

Restatements:

(b) Under French GAAP, a provision was taken at the balance sheet date for the redemption premiums on OCEANE bonds, in proportion to the remaining period of the bonds. In accordance with IAS 32 and 39, issuance costs and redemption premiums are amortised using an actuarial method (the amortised cost method), which consists in calculating the effective interest rate of the debt, taking account of the issuance costs and redemption premiums (see 2.4.3 (c)).

(c) In accordance with the IFRSs, provisions are recognised at their present value.

2.4.3 Non-current financial debt

(in € millions)	Notes	31/12/2004
French GAAP		**6,467**
Reclassifications:		
Part at less than one year of long-term financial debt	(a)	(526)
Total		**(526)**
Restatements:		
Fair value of hedging derivative financial instruments	(b)	152
Effect of applying the amortised cost method to OCEANE bonds	(c)	52
Other (including effect of applying the amortised cost method to other loans)	(d)	(5)
Total		**199**
IFRS		**6,140**

Reclassification:

(a) In accordance with IAS 1, the part of financial debt at less than one year has been reclassified as current financial debt.

Restatements:

(b) The opposite entry to the recognition of the fair value of derivatives is the corresponding financial debt account (see note 2.3.6. (b)).

(c) This restatement arises from the application of the amortised cost method to the OCEANE bonds.

(d) The other restatements relate mainly to the application of the amortised cost method to VINCI's other loans.

2.4.4 Deferred tax liabilities and other non-current liabilities

(in € millions)	Notes	31/12/2004
French GAAP		**179**
Reclassifications:		
Part at less than one year of other long-term liabilities	(a)	(34)
Total		**(34)**
Restatements:		
Deferred tax recognised on IFRS restatements	(b)	39
Total		**39**
IFRS		**184**

Reclassifications:

(a) In accordance with IAS 1, the part of other liabilities at less than one year has been reclassified under trade payables and other current liabilities.

Restatements:

(b) This amount corresponds to the deferred tax liabilities recognised on IFRS restatements.

2.4.5 Current provisions

(in € millions)	Notes	31/12/2004
French GAAP		**0**
Reclassifications:		
Current provisions and part at less than one year of non-current provisions	(a)	1,403
Total		**1,403**
Restatements:		
Effect of discounting current provisions	(b)	(17)
Other		(3)
Total		**(20)**
IFRS		**1,383**

Reclassifications:

(a) see 2.4.2 (a).

Restatements:

(b) Provisions are henceforth recognised at their present value.

2.4.6 Trade and other current payables

(in € millions)	Notes	31/12/2004
French GAAP		**9,596**
Reclassifications:		
Current tax payables	(a)	(270)
Part at less than one year of retirement benefit obligations	(b)	35
Part at less than one year of other liabilities	(c)	34
Total		**(201)**
Restatements:		
Deferred income included in borrowing	(d)	(26)
Other		(6)
Total		**(32)**
IFRS		**9,363**

Reclassifications:

(a) In accordance with IAS 12, current tax payables previously shown under trade and other operating payables are shown under a distinct heading in the balance sheet.

(b) The part at less than one year of retirement obligations is reclassified as a current liability.

(c) see 2.4.4 (a)

Restatements:

(d) Income related to certain financial instruments (equalisation payments) recognised as deferred income under French GAAP. In accordance with IAS 39, this is now recognised under borrowing and amortised using the effective interest rate method.

2.4.7 Current financial debt

(in € millions)	Notes	31/12/2004
French GAAP		**677**
Reclassifications:		
Part at less than one year of non-current financial debt	(a)	526
Accrued interest not matured on swaps	(b)	(78)
Total		**448**
IFRS		**1,125**

Reclassifications:

(a) see 2.4.3 (a).

(b) Accrued interest on swaps that was previously shown in this account is henceforth presented on the line "fair value of derivative instruments, liabilities".

3. NET FINANCIAL DEBT UNDER THE IFRS

VINCI's net financial debt under the IFRSs is defined as the sum of the financial liabilities (gross financial debt) less treasury assets and the net fair value of derivative financial instruments.
Treasury assets comprise cash, cash management financial assets (liquid and short-maturity investments of cash) and collateralised financial receivables, which are deposits guaranteeing long-term debts.

The following table shows the breakdown of VINCI's net borrowing in the IFRS balance sheet:

(in € millions)	01/01/2004	31/12/2004
Gross financial debt:		
Non-current financial debt	(5,754)	(6,117)
Current financial liabilities (including bank overdrafts)	(1,053)	(1,125)
Sub-total	**(6,807)**	**(7,242)**
Treasury assets:		
Cash	663	830
Cash management financial assets	3,506	3,688
Collateralised financial receivables	39	45
Sub-total	**4,208**	**4,563**
Fair value of derivatives:		
Fair value of derivatives (assets)	242	349
Fair value of derivatives (liabilities)	(135)	(103)
Sub-total	**107**	**246**
Total net financial debt under IFRS	**(2,492)**	**(2,433)**

3.1 RECONCILIATION OF NET FINANCIAL DEBT (FRENCH GAAP AGAINST IFRS)

(in € millions)	01/01/2004	31/12/2004
Net financial debt under French GAAP	**(2,266)**	**(2,285)**
Treasury shares taken against equity	(182)	(88)
Current financial assets excluded from net financial debt	(24)	(38)
Other restatements	(20)	(22)
Net financial debt under IFRS	**(2,492)**	**(2,433)**

VINCI's net financial debt at 31 December 2004 increases by €148 million from €2,285 million under French GAAP to €2,433 million under the IFRSs.

This difference can be explained mainly by the fact that treasury shares are taken directly against equity under the IFRSs and are henceforth excluded from the definition of treasury assets. These amounted to €88 million at 31 December 2004, less than at 1 January 2004 (€182 million), as a result of the exercise of purchase options during the year.

Furthermore, the definition of treasury assets, which is more restrictive under IFRS than under French GAAP, results in the exclusion from the treasury assets taken into account in determining net borrowing of certain financial receivables of which the liquidity is considered insufficient.

4. CONSOLIDATED IFRS CASH FLOW STATEMENT

(in € millions)			2004
Cash flows (used in) / from operations before tax and cost of net financial debt			**2,018**
Changes in working capital requirement and current provisions			421
Income taxes paid			(385)
Net interest paid			(210)
Net cash flows (used in) / from operating activities	**I**		**1,844**
Net investments in operating assets			(476)
Free cash flow		1,368	
Growth investments in concessions			(568)
Net financial investments			(241)
Other cash flows related to investing activities [(1)]			16
Net cash flows (used in) / from investing activities	**II**		**(1, 269)**
Free cash flow after financing of growth		575	
Increases and reductions in share capital			(231)
Sums collected on exercise of share options			95
Dividends paid			(343)
Loan proceeds and repayments			213
Change in cash management financial assets [(2)]			(223)
Net cash flows (used in) / from financing activities	**III**		**(489)**
Effect of changes in foreign exchange rates	**IV**		2
Net increase / (decrease) in cash	**I + II + III + IV**		**88**

(1) *Including dividends received from unconsolidated companies €42 million.*

(2) *Cash investments other than cash in hand (see Note B.2).*

The cash flow statement has been designed by reference to the model recommended in the CNC (*Conseil National de la Comptabilité*) Recommendation 2004-12-02 of 27 October 2004 and in accordance with IAS 7.

In accordance with the new rules, VINCI's cash flow statement henceforth shows the change in the net cash flows in the period and no longer the change in net financial debt.

Application of the new presentation rules leads to a marked change in the amount of some of the headings that VINCI has presented until now.

4.1 RECONCILIATION OF CASH FLOWS FROM OPERATIONS (FRENCH GAAP AGAINST IFRS)

(in € millions)	2004
Cash flow from operations under French GAAP	**1,561**
Financing costs under French GAAP (1)	119
Current tax under French GAAP	416
Cash flows (used in / from operations before tax and financing cost French GAAP)	**2,096**
Reclassification of dividends received from unconsolidated subsidiaries) (2)	(42)
Impact of changes in current provisions	(35)
Other	(1)
Cash flows (used in) / from operations before tax and cost of net financial debt (IFRS)	**2,018**

(1) *Before amortisation of OCEANE redemption premiums.*

(2) *Including ASF for €32 million.*

Contrary to French GAAP, cash flows from operations are presented before tax and financial expenses under IFRS, and amounted to €2,018 million in 2004.

Contrary to French GAAP, cash flows from operations under IFRS exclude the dividends received from unconsolidated companies, which are now included in cash flows (used in) / from investments. In 2004, these amounted to €42 million and related mainly to the dividend paid to VINCI Concessions by ASF.

Moreover, changes in current provisions are henceforth included in cash flow from operations, such provisions being considered as operating liabilities.

4.2 RECONCILIATION OF "FREE CASH FLOW" (FRENCH GAAP AGAINST IFRS)

(in € millions)	2004
Free cash flow before growth investments in concessions	**1,510**
Reclassification of dividends received from unconsolidated subsidiaries under financial investments (1)	(42)
Reclassification of changes in accrued interest not matured on loans under changes in net cash	(12)
Reclassification of capitalised interest under growth investments in concessions	(77)
Other changes	(11)
Free operating cash flow under IFRS	**1,368**

(1) *Including ASF for €32 million.*

Cash flows from operating activities, as defined under the IFRSs, take account of the finance expenses corresponding to capitalised borrowing costs on assets under construction, which until now were included under cash flows (used in) / from investing activities. In 2004, these amounted to €77 million and mainly related to Cofiroute.

Given these reclassification differences, the free cash flow before growth investments amounts to €1,368 million under IFRS against €1,510 million under French GAAP.

J. REMINDER OF THE 2003 AND 2004 VINCI FINANCIAL STATEMENTS PREPARED UNDER FRENCH GAAP

VINCI's consolidated financial statements published at 31 December 2005 were prepared applying French accounting principles; since 1 January 1999 they have therefore complied with the accounting rules and methods relating to consolidated financial statements approved by the Decree of 22 June 1999 approving Regulation 99-02 of the *Comité de la Réglementation Comptable*, the French accounting regulatory body.
The financial statements for 2004 and 2003 are presented in registration document D.05-0310 filed with the AMF on 31 March 2005.

K. MAIN CONSOLIDATED COMPANIES AT 31 DECEMBER 2005

	Consolidation method	VINCI group holding
1. CONCESSIONS AND SERVICES		
Cofiroute	FC	65.34
Cofiroute Participations	FC	65.34
Cofiroute Corporation (USA)	FC	65.34
Cofiroute UK (UK)	FC	65.34
Gefyra Litourgia (Greece)	FC	34.63
Autoroutes du Sud de la France	EM	22.99
VINCI Park	FC	100.00
Sogeparc France	FC	100.00
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 España	FC	100.00
VINCI Park Belgium	FC	100.00
VINCI Park Luxembourg	FC	99.92
Gestipark (Canada)	FC	84.25
Zeson Management Ltd (Hong Kong)	FC	100.00
Other concessions		
Stade de France	PC	66.67
SMTPC (Prado-Carénage tunnel)	EM	32.24
Lusoponte (Bridges over the Tagus river, Portugal)	EM	30.85 (1)
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
Société Concessionnaire de l'Aéroport de Pochentong – SCA (Cambodia)	PC	70.00
Arcour (A19 motorway)	FC	100.00
Airport Services		
VINCI Airports US	FC	100.00
SPA TRANS	FC	100.00
EFS	FC	100.00
VINCI Airport UK	FC	100.00
France Handling	FC	100.00
SFS UK (UK)	FC	100.00
VINCI Services Aéroportuaires	FC	100.00
VINCI Concessions holding companies		
VINCI Concessions SA	FC	100.00
VINCI Airports	FC	100.00

(1) *Including 3.48% transferred by Hagen under a share sales agreement dated 16 October 2000, now being finally regularised following the acceptance of the construction work carried out by Novaponte and issuance of the required approvals.*

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

	Consolidation method	VINCI group holding

2. ENERGY

VINCI Energies	FC	100.00
Santerne Exploitation	FC	100.00
Entreprise Demouselle	FC	100.00
SDEL Lorraine	FC	100.00
Fournié-Grospaud SAS	FC	100.00
Graniou Azur	FC	100.00
Santerne Centre Est	FC	100.00
Roiret Entreprises	FC	100.00
GT Le Mans	FC	100.00
Barillec	FC	100.00
Masselin Énergie	FC	100.00
SDEL Tertiaire	FC	100.00
Tunzini	FC	100.00
Lefort Francheteau	FC	100.00
Phibor Entreprises	FC	100.00
Saga Entreprises	FC	100.00
Graniou Île-de-France	FC	100.00
GTIE Télécoms	FC	100.00
GTIE Infi	FC	100.00
SDEL Infi	FC	100.00
Tunzini Protection Incendie	FC	100.00
Entreprise d'Électricité et d'Équipement	FC	100.00
Atem (Poland)	FC	80.00
Spark Iberica (Spain)	FC	80.00
VINCI Energies UK (UK)	FC	100.00
Emil Lundgren (Sweden)	FC	100.00
VINCI Energies Netherland and its subsidiaries	FC	100.00
VINCI Energies Deutschland and its subsidiaries (Controlmatic, G+H Isolierung, Calanbau, NK Networks)	FC	100.00
TMS (Austria)	FC	100.00

3. ROADS

Eurovia	FC	100.00
Eurovia Méditerranée	FC	100.00
Eurovia Île-de-France	FC	100.00
Eurovia Lorraine	FC	100.00
Eurovia Centre Loire	FC	100.00
Eurovia Dala	FC	100.00
EJL Île-de-France	FC	100.00
Eurovia Alpes	FC	100.00
Eurovia Bretagne	FC	100.00
Eurovia Poitou Charentes Limousin	FC	100.00
Eurovia Alsace Franche-Comté	FC	100.00
Eurovia Atlantique	FC	100.00
Eurovia Aquitaine	FC	100.00
Eurovia Picardie	FC	100.00
EJL Nord	FC	100.00
Eurovia Pas-de-Calais	FC	100.00
Eurovia Haute-Normandie	FC	100.00
Eurovia Basse-Normandie	FC	100.00
Matériaux Routiers Franciliens	FC	100.00
Eurovia Béton	FC	100.00
Carrières Kléber Moreau	FC	89.97

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

	Consolidation method	VINCI group holding
Carrières Roy	PC	50.00
Société des Carrières de Chailloué	FC	100.00
Carrières de Luché	FC	100.00
SSZ (Czech Republic)	FC	92.06
Ringway Ltd (UK)	FC	99.55
Ringway Highway Services Ltd (UK)	FC	99.55
Hubbard (USA)	FC	100.00
Blythe (USA)	FC	100.00
Eurovia Teerbau (Germany)	FC	100.00
Eurovia VBU (Germany)	FC	100.00
Eurovia Beton Und Verkehrstechnik (Germany)	FC	100.00
Probisa Technología y Construcción (Spain)	FC	95.67
Construction DJL (Canada)	FC	95.80
ODS – Dopravni Stavby Ostrava (Czech Republic)	FC	46.95
Eurovia Industrie GmbH (Germany)	FC	100.00
South West Highways (UK)	PC	49.78
Bitumix (Chile)	FC	50.10
Eurovia Cesty (Slovakia)	FC	96.65
Caraib Moter (Martinique)	FC	74.50
Boucher (Belgium)	FC	100.00
Eurovia Polska Spolka Akcyjna (Poland)	FC	99.90

4. CONSTRUCTION

Sogea Construction	FC	100.00
SICRA Île-de-France	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
Energilec	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 BTP	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

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

	Consolidation method	VINCI group holding
VINCI Construction Filiales Internationales		
Sogea-Satom and its subsidiaries (various African countries)	FC	100.00
Warbud (Poland)	FC	99.74
SBTPC (Reunion)	FC	100.00
Hídépítö (Hungary)	FC	97.69
SMP CZ (Czech Republic)	FC	95.95
First Czech Construction Company (Czech Republic)	FC	100.00
Dumez-GTM Calédonie	FC	100.00
Sogea Réunion	FC	100.00
GTM Guadeloupe	FC	100.00
Nofrayane (French Guyana)	FC	100.00
Sogea Martinique	FC	100.00
SKE (Germany)	FC	100.00
VINCI Bautec (Germany)	FC	100.00
VINCI Construction UK		
VINCI PLC (UK)	FC	100.00
Rosser and Russel (UK)	FC	100.00
Crispin and Borst (UK)	FC	100.00
VINCI Investment (UK)	FC	100.00
Compagnie d'Entreprises CFE (Belgium)	FC	45.38
CFE	FC	45.38
BPC, Nizet Entreprises, Van Wellen, Sogesmaint	FC	45.38
Dredging Environmental and Marine Engineering – DEME	PC	22.69
CFE Netherland	FC	45.38
VINCI Construction Grands Projets	FC	100.00
Socaso	FC	100.00
Socatop	PC	66.67
Constructora VCGP Chile SA	FC	100.00
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	FC	90.00
Freyssinet Hong Kong	FC	100.00

5. PROPERTY

VINCI Immobilier	FC	100.00

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

REPORT OF THE STATUTORY AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2005

To the Shareholders,

In accordance with our appointment as Statutory Auditors by your Shareholders General Meeting, we have audited the accompanying consolidated financial statements of VINCI for the year ended 31 December 2005.
The Board of Directors is responsible for the preparation of the consolidated financial statements. Our role is to express an opinion on these financial statements based on our audit.

These financial statements have been prepared for the first time under the International Financial Reporting Standards (IFRS) as endorsed by the European Union. They include data relating to 2004 restated under the same standards, for comparison.

1. OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with the auditing standards generally applicable in France. Those standards require that we plan and perform the audit in such a way as to obtain reasonable assurance that the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that our audit provides a reasonable basis for our opinion.
In our opinion, the consolidated financial statements give a true and fair view of the financial position, the assets and liabilities and the results of the operations of the companies included in the consolidation, in accordance with the International Financial Reporting Standards as endorsed by the European Union.

2. JUSTIFICATION OF OUR ASSESSMENTS

As required by Article L.823-9 of the French Code of Commerce regarding disclosure of the reasons for our conclusions, we inform you of the following:
As shown in Note B.3 to the financial statements, headed "Construction contracts", the Group recognises income from long-term contracts using the percentage of completion method on the basis of the best available estimates of the final outcome of contracts. If the estimate of the final outcome of a contract indicates a loss, a provision is made for the loss on completion. We have assessed the reasonableness of the assumptions used and the resulting evaluations.

We have also examined the accounting positions adopted by VINCI regarding the accounting for concessions, for which no particular provisions are included in the International Financial Reporting Standards as endorsed by the European Union and we have ascertained that Note B of the Notes to the consolidated financial statements provides appropriate information in this regard.
These conclusions were formed as part of our audit of the annual consolidated financial statements taken as a whole and have therefore contributed to the formation of our opinion, given in the first part of this report.

3. SPECIFIC PROCEDURES

We also performed the procedures to verify the information given in the Board of Directors' report on the Group. We have no comments to make as to its fair presentation and its conformity with the consolidated financial statements.

Neuilly-sur-Seine and Paris, 2 March 2006
The Statutory Auditors

Deloitte & Associés
Thierry Benoit

Salustro Reydel
KPMG International
Bernard Cattenoz   Benoît Lebrun

This is a free translation into English of the Statutory Auditors' reports issued in the French language and is provided solely for the convenience of English-speaking readers. The Statutory Auditors' report includes for the information of the reader, as required under French law in any auditor's report, whether qualified or not, an explanatory paragraph separate from and presented below the audit opinion discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account caption or on information taken outside of the consolidated financial statements. Such report should be read in conjunction and construed in accordance with French law and French auditing professional standards.

PARENT COMPANY FINANCIAL STATEMENTS

A. SUMMARY OF PARENT COMPANY FINANCIAL STATEMENTS

The parent company's detailed financial statements are available from the VINCI Investor Relations Department.

VINCI's individual financial statements have been prepared in accordance with the French accounting rules and regulations (CRC Regulation 99-03).

1. KEY EVENTS IN 2005

1.1 OCEANE BONDS

Early redemption of the 2001-2007 OCEANE bonds

Following the strong increase in its share price, VINCI decided to redeem early all the OCEANE bonds issued on 20 July 2001 maturing in January 2007.

The early redemption was proposed on 22 August 2005 at €103.19 per bond plus accrued interest since 1 January 2005 of €0.57, making a total of €103.76 per bond.

Conversion into shares was requested for almost all the bonds (99.72%), leading to the issue of 11,468,262 shares resulting in an increase in the Company's equity of €516.1 million.

Early redemption of the 2002-2018 OCEANE bonds

VINCI also decided to redeem early all the OCEANE bonds issued on 2 May 2002 maturing in January 2018.

The early redemption was proposed for 1 January 2006 at €96.52 per bond plus accrued interest at 1 January 2006 of €1.80, making a total of €98.32 per bond.

Conversion into shares was requested for almost all the bonds (99.90%) during the fourth quarter, leading to the issue of 11,105,716 shares resulting in an increase in the equity of €499.8 million.

Together, these two transactions have resulted in a reduction of the net financial debt of €1,015.9 million and a strengthening of equity by the same amount.

1.2 SHARE BUY-BACK POLICY

Between 1 January 2005 and 6 June 2005, the Company purchased 6,299,788 shares at an average price of €58.70 per share. During this same period, 2,500,000 shares were cancelled, by a reduction of the share capital.

Given its development projects, VINCI has not bought any of its treasury shares since June 2005. Furthermore, on 6 September 2005 the Board of Directors decided to alter the allocation of the treasury shares available for cancellation by allowing them to be used as consideration in an external growth transaction or to be sold.

1,683,478 shares were sold in 2005 in connection with the exercise of share purchase options.

As a result, VINCI held 6,835,016 treasury shares at 31 December 2005 (representing 3.5% of the share capital) of which 2,059,228 shares were allocated to covering share option plans. The balance, of 4,775,788 shares, is intended to be used as consideration in external growth transactions or to be sold.

1.3 OTHER FINANCIAL TRANSACTIONS

The following transactions also affected VINCI Holding's securities portfolio in 2005:
– formation of VINCI Immobilier, bringing together the companies Elige and Sorif, with Sorif Investissements being merged into Elige Participations;
– transfer to VINCI Concessions of VINCI's shareholding in Consortium Stade de France;
– transfer to VINCI Construction of VINCI Holding's 1.63% shareholding in CFE and its 16.34% shareholding in the Peruvian building and civil engineering company, Grana y Montero.

2. SUMMARY STATEMENT OF INCOME

(in € millions)	2005	2004	2003
Revenue	20.1	24.3	23.1
Other operating income	78.2	80.8	61.7
Operating expenses	(98.3)	(102.3)	(94.8)
Operating profit / (loss)	**0.0**	**2.8**	**(10.0)**
Net income from subsidiaries and affiliated companies	511.1	337.7	179.5
Net financial expense(1)	91.0	(78.5)	(71.5)
Foreign currency translation and other gains / (losses)	(0.1)	95.7	0.7
Other financial provisions	62.5	(46.1)	(34.0)
Net financial income / (expense)	**664.5**	**308.8**	**74.7**
Net exceptional income / (expense)	**36.4**	**4.7**	**1,888.0**
Income from group tax regime, less tax charge	15.3	14.2	112.9
Net profit for the year	**716.1**	**330.5**	**2,065.6**

(1) *including changes in provisions for redemption premiums on the OCEANE bonds, i.e. a net reversal of €99.5 million in 2005, and expenses of €31.8 million in 2004 and of €31.7 million in 2003.*

Net financial income was sharply up, by €355.7 million, increasing from €308.8 million net in 2004 to €664.5 million net in 2005. This was mainly the result of:
– an increase in the total income from shareholdings of €173.4 million deriving from:
  - the €92.7 million increase in the dividend from VINCI Construction (€194.2 million in 2005 against €101.5 million in 2004), the €102.4 million increase in the dividend from VINCI Concessions (€166.7 million in 2005 against €64.3 million in 2004) and the payment of a dividend of €44.6 million in 2005 by Socofreg, which paid no dividend in 2004;
  - these changes were partially offset by a €56.8 million reduction in the dividend paid by Eurovia (€96.6 million in 2005 against €153.4 million in 2004).
– the impact of the conversion of the two OCEANE bonds, mentioned above. This resulted in a net reversal of provisions for redemption premiums for €99.5 million and a saving in financial expenses of the order of €16 million in 2005, as no coupon was paid on the converted bonds;
– an improvement in the return on cash investments in 2005;
– the reversal of the provision for impairment of the shares in Elige (€58.4 million), following the merger with Sorif, and the recording in 2004 of an impairment loss of €45 million against the shares in and loans made to VINCI Services Aéroportuaires;
– it should also be remembered that financial income in 2004 included income of €95.5 million related to the unwinding of the equity swap entered into in 2003 relating to 4.2% of the share capital of ASF.

Net exceptional income increased from €4.7 million in 2004 to €36.4 million in 2005. This increase was mainly due to the increase in gains on disposals. In 2005 these included the sale of the shares in Consortium Stade de France to VINCI Concessions (€40.2 million), and the gain arising on the exchange of the shares in Sorif (€18.9 million) resulting from its acquisition-merger by and with VINCI Immobilier. In 2004 the gains were recorded on the sales of the shares in Gefyra (€15.1 million) and Severn (€6.5 million), transferred to VINCI Concessions.

The net income from the Group tax regime remained stable at €15.3 million in 2005 (€14.2 million in 2004). It mainly arose from the taking into account, at Holding company level, of carryforward tax losses of subsidiaries included in the regime.

Taking account of the above, the net profit for 2005 (€716.1 million) was more than double that of 2004 (€330.5 million).

3. SUMMARY BALANCE SHEET

(in € millions)	2005	2004	2003
Assets			
Intangible assets, and property, plant and equipment	69.0	58.5	36.1
Non-current financial assets	6,813.1	6,588.9	6,845.6
Other receivables and translation differences	294.8	163.3	128.2
Marketable and available-for-sale securities	4,283.2	3,700.6	3,051.0
Total assets	**11,460.1**	**10,511.3**	**10,060.9**
Equity and liabilities			
Equity	6,549.6	4,994.1	5,149.8
Provisions	160.4	239.6	193.6
Financial debt	4,358.7	5,003.3	4,449.1
Other liabilities and adjustment accounts	391.4	274.3	268.4
Total equity and liabilities	**11,460.1**	**10,511.3**	**10,060.9**

The main financial transactions in 2005 related to the conversion of the OCEANE bonds and to the implementation of the share buy-back programmes described above.

The increases in share capital in 2005 arising on conversion of the OCEANE bonds (issue of 22,573,978 shares) represented an overall increase in equity of €1,015.9 million.

6,299,788 shares were also bought back, for €369.8 million. During the same period, 2,500,000 shares were cancelled by a reduction of the share capital, for a total of €125.1 million. Taking this into account, treasury shares at 31 December amounted to €335.8 million, for 6,835,016 shares (representing 3.5% of the share capital), of which 2,059,228 (€48.5 million) were allocated to covering share purchase option plans.

3.1 NON-CURRENT FINANCIAL ASSETS

At 31 December 2005, VINCI's non-current financial assets broke down as follows:

(in € millions)	2005	2004
Investments in subsidiaries and affiliates	6,879.3	6,885.0
Receivables linked to investments in subsidiaries and affiliates	47.2	116.5
Other fixed asset securities	15.2	15.5
Other non-current financial assets	301.4	61.2
Total non-current financial assets (gross)	**7,243.1**	**7,078.2**
Provisions for impairment of non-current financial assets	430.0	489.3
Total non-current financial assets (net)	**6,813.1**	**6,588.9**

The portfolio of shares in subsidiaries and affiliated companies decreased from €6,885 million at 31 December 2004 to €6,879.3 million at 31 December 2005. This decrease was due to recognition of the shares in VINCI Immobilier received in exchange on the merger of Sorif, partially offset by the intragroup transfers of the shareholdings in Consortium Stade de France, Grana y Montero (a 16.34% shareholding) and CFE (a 1.63% shareholding), mentioned in the Key Events section.

The other transactions during the period mainly related to:
– the reduction in receivables linked to shareholdings, following repayment of loans by VINCI Park (€55.5 million) and by SCA Pochentong (Cambodian airports) for €6.1 million;
– recording under other non-current financial assets of the 4,775,788 treasury shares acquired under the share buy-back programme for €287.3 million (against 976,000 shares for €42.6 million at 31 December 2004), corresponding to the balance of treasury shares not allocated to covering the share purchase option plans in progress.

The change in provisions for impairment provisions arose mainly from the reversal (of €58.4 million) of the provision for impairment of the shares in Elige (see Key Events).

3.2 EQUITY

(in € millions)	Share capital	Premiums related to capital	Other reserves	Profit or loss	Total
Equity at 31 December 2004	**838.1**	**1,334.8**	**2,490.5**	**330.5**	**4,994.1**
Appropriation of net profit for 2004	-	-	141.7	(330.5)	(188.9)
Interim dividend in respect of 2005	-	-	(132.8)	-	(132.8)
Increases in share capital	157.5	1,128.7	-	-	1,286.2
Reduction of share capital through cancellation of shares	(12.4)	(112.7)	-	-	(125.1)
Net profit for the year	-	-	-	716.1	716.1
Equity at 31 December 2005	**983.2**	**2,350.8**	**2,499.4**	**716.1**	**6,549.6**

At 31 December 2005, VINCI's share capital was €983.2 million represented by 196,636,274 shares of €5 nominal, taking account of the two-for-one share split in May 2005.

VINCI's equity, which amounted to €4,994.1 million at 31 December 2004, was €6,549.6 million at 31 December 2005, an increase of €1,555.5 million.

In addition to the profit for the period (€716.1 million), this increase takes account of the increases in share capital arising on the conversion of the OCEANE bonds (for €1,015.9 million), subscriptions to the Group's savings plans (for €158.4 million) and the exercise of share subscription options (for €112 million) and, conversely, reductions in share capital of €125.1 million, relating to the cancellation of 2,500,000 shares referred to above. Dividend payments in 2005 amounted to €321.7 million, including an interim dividend of €0.70 per share in respect of 2005 amounting to €132.8 million.

Capital increases and reductions break down as follows:

(in € millions)	Number of share	Share capital	Share premiums and other reserves	Total
Employee subscriptions to Group savings plan	4,444,221	22.2	136.2	158.4
Exercise of share subscription options	4,490,469	22.5	89.5	112.0
Conversion of 2007 and 2018 OCEANE bonds	22,573,978	112.9	903.0	1,015.9
Cancellation of treasury shares	(2,500,000)	(12.5)	(112.6)	(125.1)
Total	**29,008,668**	**145.1**	**1,016.1**	**1,161.2**

4. CASH FLOW STATEMENT

(in € millions)	2005	2004	2003
Operating activities			
Cash flow from operations	532.0	409.3	250.0
Net change in working capital requirement	(14.3)	(29.3)	72.4
Total (I)	**517,7**	**380,0**	**322,4**
Investing activities			
Investments in operating assets	(16.8)	(24.9)	(20.5)
Disposals of non-current assets	0.4	0.6	17.0
Net investments in operating assets	**(16.4)**	**(24.3)**	**(3.5)**
Acquisitions of shares in subsidiaries and affiliated companies	(0.9)	(1.1)	(64.2)
Disposal of VINCI shares under share purchase option schemes	39.2	93.9	6.8
Disposals of shares in subsidiaries and affiliated companies	66.6	86.1	4.8
Change in other non-current financial assets	(243.2)	(51.2)	(8.0)
Total (II)	**(154.7)**	**103.4**	**(64.1)**
Financing activities			
Increases in share capital	270.3	259.6	53.1
Reduction of capital through cancellation of shares	(125.1)	(457.5)	(26.9)
Dividends paid	(188.9)	(189.4)	(142.0)
Interim dividend	(132.8)	(97.9)	
Other long-term debts			
Total (III)	**(176.5)**	**(485.2)**	**(115.8)**
Total cash flows for the period (I + II + III)	**186.5**	**(1.8)**	**142.5**
Net financial debt at 1 January	**(1,302.8)**	**(1,299.8)**	**(1,449.1)**
OCEANE conversion	**1,015.9**	—	—
Impact of restructuring and reclassification		**(1.2)**	**6.8**
Net financial debt at 31 December	**(100.4)**	**(1,302.8)**	**(1,299.8)**

Cash flow from operations (€532 million) was up 30% against 2004, in particular due to the larger dividend payments received from subsidiaries in 2005.

In 2005, VINCI Holding recorded disposals of shares in subsidiaries and affiliates for €66.6 million, including the transfer to VINCI Concessions of the shares in Consortium Stade de France for €60 million.
The increase in other non-current financial assets (€243.2 million) was mainly due to purchases of the Company's treasury shares, net of cancellations, for €244.7 million.

Lastly, share capital increases, of €1,286.2 million, include the effects of the conversion of the two OCEANE bonds referred to above for €1,015.9 million.

Taking these items into account, the Holding's net financial debt before treasury shares decreased by €1,202.4 to €100.4 million at 31 December 2005 (against €1,302.8 million at 31 December 2004).

5. NET FINANCIAL DEBT

(in € millions)	2005	2004	2003
Convertible bond issues (OCEANE)	0.5	1,017.8	1,017.8
Other bond loans	1,000.0	1,137.2	1,137.2
Borrowing from credit institutions		107.0	107.0
Accrued interest on bonds	26.2	45.3	45.3
Long-term financial debt	**1,026.7**	**2,307.3**	**2,307.3**
Borrowing from credit institutions and bank overdrafts	66.1	93.9	37.8
Commercial paper	493.3	17.1	18.9
Cash current accounts of subsidiaries and affiliated companies	2,772.5	2,584.9	2,085.1
Short-term financial debt	**3,331,9**	**2,695.9**	**2,141.8**
Total financial debt	**4,358.6**	**5,003.2**	**4,449.1**
Accounts receivable related to shareholdings and loans	**(23.5)**	**(87.6)**	**(280.0)**
Marketable securities	(3,487.6)	(2,718.3)	(2,249.4)
Cash current accounts of subsidiaries and affiliated companies	(684.2)	(717.7)	(556.1)
Cash	(62.9)	(176.8)	(63.8)
Current cash	(4,234.7)	(3,612.8)	(2,869.3)
Net financial debt	100.4	1,302.8	1,299.8

The holding company's net financial debt at 31 December 2005 amounted to €100.4 million, compared with €1,302.8 million the year before, a decrease of €1,202.4 million.

Other bond loans is the €1,000 million issue made in three tranches in July 2002 (€600 million), November 2002 (€250 million) and May 2003 (€150 million). The issue prices of these three tranches were 99.58%, 102.554%, and 106.156% respectively. The loan comprising these three tranches pays interest at 5.875% and matures on 22 July 2009.

Marketable securities mainly consist of UCITS with maturities of usually less than three months and of which the carrying amount is close to the cash-in value.

6. FIVE-YEAR FINANCIAL SUMMARY

	2001	2002	2003	2004	2005
I - Share capital at the end of the year					
a - Share capital (in thousands of euros)	828,799.1	828,733.7	837,950.3	838,138.0	983,181.4
b - Number of ordinary shares in issue [(1)]	82,879,911	82,873,367	83,795,032	83,813,803	196,636,274
c - Maximum number of future shares to be issued through conversion of bonds [(2)]	5,750,000	11,308,334	11,308,334	11,308,334	0
II - Transactions and net profit for the year (in thousands of euros)					
a - Revenue excluding taxes	42,960.6	25,201.1	23,070.7	24,260.8	20,054.0
b - Net profit before tax, employee profit sharing, depreciation and provisions	265,770.4	339,922.0	1,867,030.3	416,056.1	567,887.0
c - Income tax [(3)]	(110,104.4)	(127,259.4)	(112,905.7)	(14,212.4)	(15,339.8)
d - Net profit after tax, employee profit sharing, depreciation and provisions	507,760.1	338,138.3	2,065,623.3	330,516.0	716,140.6
e - Earnings distributed for the period	130,946.2	141,679.2	189,074.0	289,385.3	382,947.7 [(4)(5)]
III - Results stated per share (in euros)					
a - Profit after tax and employee profit-sharing but before depreciation and provisions	4.5	5.6	23.6	5.1	3.0
b - Profit after tax, employee profit-sharing, depreciation and provisions	6.1	4.1	24.7	3.9	3.6
c - Net dividend paid per share	1.7	1.8	2.36	3.5	2.0 [(5)]
IV - Employees					
a - Average number	177	140	141	162	172
b - Wages and salaries (in thousands of euros)	39,003.2	27,732.7	32,444.8	22,409.5	18,658.7
c - Social security costs and other social benefit expenses (in thousands of euros)	11,481.3	6,941.4	5,838.2	6,947.8	6,556.6

(1) There were no preferential shares in issue in the period under consideration; moreover, the nominal value of the share was divided by two in May 2005, resulting in a doubling of the number of shares during the period.

(2) VINCI issued 5,750,000 OCEANE bonds in July 2001 and 5,558,334 OCEANE bonds in April 2002, representing a total nominal amount of €517.5 million and €500.3 million respectively.
The nominal value of these bonds, which were convertible into VINCI shares, was €90.
In the absence of conversion or exchange into VINCI shares:
- the bonds issued in July 2001 were redeemable on 1 January 2007 at €108.12 euros each;
- the bonds issued in April 2002 were redeemable on 1 January 2018 at €125.46 euros each;
These loans were converted in full during 2005.

(3) Tax income recovered from subsidiaries under tax consolidation arrangements, less VINCI SA's own tax charge.

(4) Calculated on the basis of the number of shares that have given a right to the interim dividend and/or give a right to dividends at 18 February 2006.

(5) Proposal to the Shareholders Meeting on 16 May 2006.

7. SUBSIDIARIES AND AFFILIATED COMPANIES AT 31 DECEMBER 2005

The information in the following table reflects only the individual financial statements of the subsidiaries.

(in thousands of euros)	Share capital	Reserves and retained earning before allocation of net profit	Share of capital held (%)	Carrying amount of share held (Gross)	Carrying amount of share held (Net)	Loans and advances made by VINCI	Sureties and guarantees given by VINCI	Renenue excl. tax in the last financial year	Net profit or loss in the last financial year	Dividends received by VINCI
A. Detailed information by entity										
1 - Subsidiaries (At least 50% held by VINCI)										
a - French subsidiaries										
Eurovia	366,400	1,237	100.00 %	1,034,160	1,034,160				100,925	96,638
Ornem	322	2,086	99.99 %	14,221	2,099				(17)	
Snel	2,622	222	99.98 %	2,742	2,742				(18)	
Socofreg	43,240	7,700	100.00 %	113,872	48,313	2,995			30,344	44,591
VINCI Airports Services	35,000		100.00 %	35,000	35,000				(313)	
VINCI Assurances	38		99.44 %	38	38			7,035	1,363	
VINCI Concessions	3,275,481	1,248,075	100.00 %	4,520,932	4,520,932	376,585			194,548	166,699
VINCI Construction	148,806	57,517	86.64 %	363,265	363,265			5,405	274,848	194,195
VINCI Energies	99,511	159,985	99.17 %	305,208	305,208			248,460	2,888	
VINCI Immobilier	39,600	3,080	100.00 %	111,398	111,398		88,613	105,388	17,550	5,500
VINCI Services Aéroportuaires	30,000	(41,569)	100.00 %	35,000	0	188,595			(5,452)	
b- Foreign subsidiaries										
Autopista del Bosque	43,914	19,741	82.95 %	46,990	0			26,445	5,906	—
SCA Pochentong	18,649	28,595	70.00 %	12,901	12,901	3,450	8,901	35,792	13,199	—
VINCI Deutschland	16,110	20,132	100.00 %	212,941	34,000	65,047			37,187	—
2 - Affiliated companies (10% to 50% owned by VINCI)										
a - French entities										
b - Foreign entities										
B. Non-detailed information by entity										
1 - Subsidiaries not included under paragraph A (at least 50% owned by VINCI)										
a - French subsidiaries (together)				44,605	4,662					
b - Foreign subsidiaries (together)				2,019	—					
2 - Shareholdings not included under paragraph A (10 to 50% owned by VINCI)										
a - French companies (together)				7,898	823					
b - Foreign companies (together)				6,481	4,287		2,734			

NB. Net revenue and net profit or loss of foreign subsidiaries and affiliated companies are converted into euros at year-end exchange rates.

B. REPORT OF THE STATUTORY AUDITORS ON THE PARENT COMPANY FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2005

To the Shareholders,

In accordance with our appointment as auditors by your Shareholders General Meeting, we hereby report to you for the year ended 31 December 2005 on:
– the audit of the accompanying financial statements of VINCI;
– the reasons for our conclusions;
– the specific verifications and information required by law.
The financial statements are the responsibility of the Board of Directors. Our role is to express an opinion on these financial statements, based on our audit.

1. OPINION ON THE ANNUAL FINANCIAL STATEMENTS

We have conducted our audit in accordance with the professional standards applicable in France. Those standards require that we plan and perform the audit in such a way as to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures included in these financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion expressed below.
In our opinion, the financial statements, referred to above, give a true and fair view of the financial position of your Company, its assets and liabilities at 31 December 2005 and the results of its operations for the year then ended, in accordance with accounting principles generally accepted in France.

2. REASONS FOR OUR CONCLUSIONS

As required by Article L.823-9 of the French Business Code regarding disclosure of the reasons for our conclusions, we inform you of the following:
As disclosed in Note B.3 to the financial statements presenting the accounting rules and methods relating to shares in subsidiaries and affiliates, your Company takes provisions for impairment whenever their carrying amount exceeds their value in use. We have assessed whether the estimates made by your Company are reasonable.

These conclusions were formed as part of our audit of the annual financial statements taken as a whole and have therefore contributed to the formation of our opinion, given in the first part of this report.

3. SPECIFIC VERIFICATIONS AND INFORMATION

We have also carried out, in accordance with the professional standards applicable in France, the procedures required by law on the financial information provided by the Board of Directors.

We have no comments to make as to the fair presentation and conformity with the annual financial statements of the information given in the report of the Board of Directors and in the documents addressed to the shareholders, with respect to the financial position and the annual financial statements.
In accordance with the law, we have verified that the appropriate disclosures have been provided in the Board of Directors' report with regard to the acquisition of shares and controlling interests, and the identity of shareholders and holders of voting rights.

Neuilly-sur-Seine and Paris, 2 March 2006
The Statutory Auditors

Deloitte & Associés
Thierry Benoit

Salustro Reydel
A member of KPMG International
Bernard Cattenoz   Benoît Lebrun

This is a free translation into English of the Statutory Auditors' reports issued in the French language and is provided solely for the convenience of Englishspeaking readers. The Statutory Auditors' report includes for the information of the reader, as required under French law in any auditor's report, whetherqualified of not, an explanatory paragraph separate from and presented below the audit opinion discussing the auditors' assessments of certain significantaccounting and auditingmatters. These assessments were considered for the purpose of issuing an audit opinion on the parent company financial state-ments taken as a whole and not to provide separate assurance on individual account caption or on information taken outside of the parent companyfinancial statements. Such report should be read in conjunction and construed in accordance with French law and French auditing professional standards.

C. SPECIAL REPORT OF THE STATUTORY AUDITORS ON REGULATED AGREEMENTS

YEAR ENDED 31 DECEMBER 2005

To the Shareholders,

As the Statutory Auditors of your Company, we submit our report to you on regulated agreements.

1. AGREEMENTS AUTHORISED AND / OR ENTERED INTO DURING THE YEAR.

Pursuant to Article L.225-40 of the French Business Code, the following agreements, previously authorised by the Board of Directors of your Company, have been brought to our attention.
We are not required to identify other such agreements, if any, but to inform you, based on the information provided to us, of the principal terms and conditions of those agreements brought to our attention, without expressing an opinion on their usefulness and appropriateness. It is your responsibility, pursuant to Article 92 of the Decree of 23 March 1967, to assess the merits of these agreements for the purpose of approving them.
We have carried out our work in accordance with the professional standards applicable in France. Those standards require that we plan and perform our work in a way that enables us to check whether the information that has been given to us is consistent with the underlying documents from which it is derived.

Agreement with Société Gastronomique Etoile (formerly Société de Restauration SOFICOT – SRS)

Director concerned: Mr Serge Michel

On 11 January 2005, VINCI signed an agreement with Société de Restauration SOFICOT – SRS under which this company undertakes to provide catering services to customers and members of VINCI's staff visiting the building at 19, rue Balzac in Paris. These services are invoiced for a fixed monthly amount of €29,602.84 excluding VAT, plus a variable amount depending on the menus chosen.
This agreement was authorised by the Board of Directors on 14 December 2004.
The corporate name of Société de Restauration SOFICOT was altered to Société Gastronomique Etoile by the adoption of a resolution by an Extraordinary General Meeting of that company's shareholders on 17 June 2005.
Under this agreement, VINCI has recognised an expense of €422,018 excluding VAT in 2005.

2. AGREEMENTS APPROVED DURING PREVIOUS YEARS THAT CONTINUED TO BE IMPLEMENTED DURING THE YEAR

In addition, in accordance with the Decree of 23 March 1967, we have been informed that the implementation of the following agreements, approved in previous years, continued during the year reported on.

Agreement with the subsidiary VINCI Deutschland GmbH

On 22 December 2003, VINCI entered into an agreement with its subsidiary VINCI Deutschland GmbH under which VINCI undertakes to ensure this subsidiary's solvency and financial equilibrium from 1 January 2004 for a period of two years, renewable by successive periods of two years, subject to one year's notice of termination.

No payment was made by VINCI to VINCI Deutschland GmbH in 2005 in respect of this undertaking.

Agreements with the subsidiaries VINCI Deutschland GmbH, VINCI Energies Deutschland GmbH and Eurovia GmbH.

On 28 June 2002, VINCI entered into contracts with its direct or indirect subsidiaries VINCI Deutschland GmbH, VINCI Energies Deutschland GmbH and Eurovia GmbH under which these subsidiaries will, from 1 July 2002, invest directly with VINCI the funds corresponding to their commitments to their employees in respect of supplementary pensions.
Under these agreements, VINCI has recognised €6.44 million as interest expenses in 2005.

Agreement with the subsidiary VINCI Construction

On 15 February 2002, VINCI sold all the shares it held in Sogea Holdings UK Ltd to VINCI Construction.

As part of this sale, VINCI Construction granted VINCI a guarantee to cover the commitments made by VINCI to General Utilities Holding and Vivendi UK on the occasion of the repurchase in December 2000 by the Group of its interest in Sogea Holdings UK for direct ownership.

This guarantee was not called during 2005.

Agreement with Vivendi Universal

On 30 June 1997, Compagnie Générale des Eaux (CGE, now known as Vivendi Universal) and SGE (now known as VINCI) entered into an agreement that stipulated certain special, and in particular financial, terms in connection with the acquisition by SGE of a further holding of 50% of the shares of Compagnie Générale de Bâtiment et de Construction (CBC), taking its total holding to 90%.

Under this agreement, CGE undertook to bear any consolidated losses of the CBC group at 31 December 1997 as well as certain restructuring costs, to indemnify SGE for certain risks relating to the operations of CBC in Germany, to bear certain costs relating to assets that it was envisaged would be sold, and to indemnify SGE for certain liabilities relating to disputes and guarantees, potential tax and employment liabilities and certain losses on construction projects in progress.

VINCI has not invoiced any amount under this agreement in 2005.

Agreement with Compagnie Générale des Eaux

On 29 November 2000, VINCI sold all the Sogea Environnement shares held by its subsidiary Sogea to Compagnie Générale des Eaux (now known as Veolia Eau – Générale des Eaux).

As part of the transaction, VINCI entered into an agreement with Compagnie Générale des Eaux on 21 December 2000, in which it undertook not to conduct any business, either directly or indirectly, in outsourced management of water networks or wastewater systems in France for a period of five years.

In the event of VINCI breaking this undertaking, it will be required to pay Compagnie Générale des Eaux in damages and interest a sum equal to 15% of the sales (excluding VAT) arising from the contract or contracts made by one or more legal entities, in contravention of this undertaking.

No payment was made by VINCI to Compagnie Générale des Eaux in 2005 in respect of this undertaking.

Agreement with Soficot

On 28 September 2001, VINCI entered into an agreement with Soficot concerning the study and analysis of investment projects proposed to VINCI Innovation and also of disposal proposals in respect of VINCI subsidiaries and businesses.

This agreement was entered into for a period of three years, renewable by tacit agreement. It provides for the payment of a monthly fee of €21,200 (excluding VAT) and for the reimbursement of expenses and travelling costs approved by VINCI.

In 2005, VINCI recognised expenses of €257,298 excluding VAT in respect of this agreement.

Agreement with Soficot and AM Conseil

On 12 February 2002, VINCI entered into an agreement with Soficot and AM Conseil for a period of one year, renewable by tacit agreement, retaining them for a general consulting engagement relating to Group strategy and development, and secondly for assistance with certain specific matters.

Under the general consultancy engagement, each company will receive an annual flat fee of €160,000 (excluding VAT), payable quarterly in advance, together with reimbursement of expenses and travelling costs approved by VINCI.

With respect to assistance on specific matters, the two companies will receive a fee agreed in advance on each occasion with VINCI. The fee will be proportionate to progress and will also depend on the origin of the project, namely whether it was at the initiative of VINCI or of one of the two companies.

In 2005, VINCI recognised expenses of €320,000 (excluding VAT) in respect of remuneration for assignments carried out by Soficot and AM Conseil.

3. AGREEMENT FOR WHICH PRIOR AUTHORISATION WAS NOT OBTAINED

We also submit to you our report on the agreements covered by Article L.225-42 of the French Business Code.

In accordance with Article L.225-240 of this Code, we inform you that this agreement was not authorised in advance by your Company's Board of Directors.

We are required, based on the information provided to us, to inform you of the principal terms and conditions of these agreements and also the circumstances in which authorisation was not obtained. We are not required to express an opinion on the usefulness or appropriateness of the agreements. It is your responsibility, pursuant to Article 92 of the Decree of 23 March 1967, to assess the merits of these agreements for the purpose of approving them.

Agreement with the subsidiary VINCI Concessions

Directors concerned: Mr Antoine Zacharias and Mr Bernard Huvelin

On 20 December 2005, VINCI sold VINCI Concessions the 1,299,997 shares it owned in Consortium Stade de France, for €60 million.

Under this agreement, VINCI also transferred to VINCI Concessions its undertakings made, as a shareholder of Consortium Stade de France, to its partners, the French government, or banks, resulting from the concession contract signed on 29 April 1995 and the shareholders' agreement signed on 24 July 1995.

Under this agreement, VINCI Concessions has also declared taking VINCI's place, as from the date of the sale, in all VINCI's commitments towards Crédit Suisse First Boston and Financial Guaranty Insurance Company under the agreement made with the shareholders of Consortium Stade de France on 29 July 1998.

This contract which, by oversight, was not authorised in advance was approved by the Board of Directors at its meeting on 9 January 2006.

Neuilly-sur-Seine and Paris, 2 March 2006
The Statutory Auditors

Deloitte & Associés	Salustro Reydel A member of KPMG International
Thierry Benoit	Bernard Cattenoz Benoît Lebrun

Free translation of the original French text. For information purposes only.

GENERAL INFORMATION ABOUT THE COMPANY AND ITS SHARE CAPITAL

1. CORPORATE NAME AND STATUTES

Corporate name: VINCI
Registered office: 1 cours Ferdinand de Lesseps, 92851 Rueil Malmaison Cedex, France
Telephone: +33 1 47 16 35 00
Legal form: French public limited company ("Société Anonyme") with a Board of Directors
Applicable legislation: French
Date of formation: 1 July 1908
Legal term of existence: The initial duration of 99 years was extended by another 99 years on 21 December 1979. The date of expiry is thus 21 December 2078, unless the term is extended again or the company is liquidated at an earlier date
Financial year: From 1 January to 31 December.
Registration number: RCS 552 037 806 Nanterre – Siret No. 552 037 806 00585 – Code NAF: 74.1J
Inspection of documents: Legal documents relating to VINCI are available for inspection at its registered office and at the Clerk's Office of the Nanterre Commercial Court.

CORPORATE OBJECT (Article 2 of the corporate statutes)

"The Company has as its Object:

– Undertaking all forms of civil engineering: in particular, development of the business goodwill originally contributed by Sainrapt-et-Brice and continuation of that company's operation, specialising in all types of underground works, foundations, hydraulics and reinforced concrete; and
– More generally, all industrial, commercial, financial, securities and property operations directly or indirectly related to the purposes specified above.

The company may pursue these operations in mainland France, in overseas French departments and territories, as well as outside France, either alone, or in partnership, on a trading basis, or in any other form whatsoever, either directly or indirectly through transfer, leasing arrangements or under licence, either on a brokerage or commission basis.

In addition, it may implement any measures, either alone or by any other means, create any partnerships or companies, make any contributions in kind to existing companies, merge or enter into alliances with them, subscribe to, purchase and resell any shares or other corporate rights, take all orders and extend any loans, credits and advances."

STATUTORY APPROPRIATION OF INCOME (from Article 19 of the corporate statutes)

"At least 5% of the income for the year, after deduction of any previous years' losses, is taken to the legal reserve. This ceases to be obligatory when the legal reserve reaches an amount equal to 10% of the capital stock. This process is to resume when the reserve falls below this 10% level.
The income available for distribution consists of the income for the year (after deduction of previous years' losses as well as any amounts set aside in reserves in application of the law or corporate statutes) and retained earnings.
The Shareholders Meeting appropriates the following from this distributable income:

– Any amounts considered by the Board of Directors as appropriate for constituting or supplementing any ordinary or special reserves, or for carrying over to the next year as retained earnings;
– The amount required for distribution to shareholders by way of a first dividend, equal to 5% of the amounts of their fully paid, unredeemed shares. Shareholders cannot, however, claim this dividend against the income of subsequent years, should the income of a given year be insufficient for the dividend payment;
– The balance available after these appropriations is distributed in respect of all shares, in proportion to the amount of the capital stock they represent.

Following a proposal from the Board of Directors, the Shareholders Meeting may decide to distribute amounts taken from available reserves. In such a case, the decision must indicate the specific reserves from which the amounts are to be taken.

Except in the case of a capital decrease, no distribution to shareholders may be made if the shareholders' equity is (or would be following such a distribution) less than the amount of the capital stock plus any reserves whose distribution is not permitted under the law or corporate statutes. The conditions for payment of dividends agreed by the Shareholders

Meeting are determined by the Shareholder Meeting or, failing that, by the Board of Directors. The payment of dividends must occur within nine months of the year-end, unless this deadline is extended by a Court decision.

The Shareholders Meeting may offer each shareholder, for all or for part of the dividend or interim dividend distributed, the choice between payment in cash and payment in shares."

SHAREHOLDERS MEETINGS (Article 17 and extract from Article 8 of the corporate statutes)

"Shareholders meetings are called and take place in accordance with the legislation and regulations in force. The meetings are held either at the registered office or at another location specified in the notice of the meeting. All shareholders may, regardless of the number of shares they own, participate in meetings personally or by proxy, on producing evidence of their identity and shareholding in the form of either:

– A personal registration of the shares in their own name; or
– For bearer shares, a certificate from an authorised intermediary, as provided for in Decree no. 83-359 of 2 May 1983, declaring that the shares remain unavailable for trading up until the date of the meeting.

These formalities must be completed at least two days before the meeting. However, the Board of Directors may shorten or remove this deadline, provided any such decision applies to all shareholders.

Individual shareholders can also attend the Shareholders Meeting by videoconference or by other means involving telecommunications, subject to the conditions and restrictions set out by legislative and regulatory provisions in force, provided the Board of Directors authorises this at the time the meeting is convened. Shareholders attending in these circumstances are considered present and are included in the calculation of the quorum and the majority.

Postal votes are treated under the terms and conditions set out in legislative and regulatory provisions. Shareholders may send proxy forms and postal votes for every Shareholders Meeting by mail, under the conditions set out in legislative and regulatory provisions, or by electronic means, if the Board of Directors authorises this in the notice of the meeting.

Shareholders Meetings are chaired by the Chairman of the Board of Directors or, in his or her absence, by the Vice-Chairman of the Board of Directors, if a Vice-Chairman has been designated, or by a member of the Board of Directors specifically appointed by the Board of Directors to that effect. Failing that, the Shareholders Meeting elects its own Chairman. The Minutes of the Shareholders Meetings are drawn up and the copies thereof are certified and delivered in compliance with legislative and regulatory provisions in force."

"In addition to the voting right attached to it under the law, each share also gives the right to a proportion (on the basis of the number and nominal value of outstanding shares) of the Company's assets, earnings and liquidating dividends."

STATUTORY THRESHOLD PROVISIONS (extracts from Article 10b of the corporate statutes)

"In addition to the obligations relating to declaration thresholds set out in paragraph 1 of Article L. 233-7 of the Code of Commerce, any individual or legal entity, acting alone or in concert, who comes to hold or ceases to hold a proportion of the capital stock, voting rights or securities giving future access to the Company's capital stock, equal to or greater than 2%, or a multiple thereof, including a multiple exceeding the reporting threshold as defined by legislative and regulatory provisions in force, must inform the company within 15 days starting with the date of crossing one of these thresholds of the total number of shares, voting rights or securities giving future access to the Company's capital stock, that it holds on its own account directly or indirectly, or in concert."

"Failure to meet this obligation may be sanctioned by the loss of the voting rights attached to the shares exceeding the undeclared proportion at any Shareholders Meeting held within two years of the date of the due notification provided for above.

This sanction is applied if so requested by one or several shareholders holding at least 5% of the Company's capital stock and if the request is entered in the minutes of the Shareholders Meeting."

SHAREHOLDER IDENTIFICATION (extract from Article 10b of the corporate statutes)

"The Company is entitled to ask the securities clearing body, under the conditions defined by the regulations in force, for the name, nationality and address of individuals or legal entities holding securities that confer, now or in the future, voting rights at Shareholders Meetings; for the number of securities held by each individual or legal entity; and, where applicable, for the restrictions attached to the securities."

2. RELATIONS BETWEEN THE PARENT COMPANY AND SUBSIDIARIES

2.1 THE ROLE OF THE VINCI HOLDING COMPANY AS REGARDS ITS SUBSIDIARIES

The VINCI holding company has no operational activities of its own. The Group's operational activities are carried out by a large number of subsidiaries (there were 1,704 consolidated entities at 31 December 2005), which are grouped under four business line lead companies:
– VINCI Concessions, VINCI Energies, Eurovia, and VINCI Construction,
Moreover, VINCI Immobilier, directly owned by VINCI, carries out the property activities previously carried out by Sorif and Elige.
The holding company provides leadership and supervisory functions for the Group's operating entities, supplying services and assistance to its subsidiaries in the following areas:

- participation in the drawing up and execution of subsidiaries' strategies, in acquisitions and disposals, and in the study and implementation of industrial and commercial synergies within the Group;
- provision of expertise in administrative, legal, human resources, tax, financial and communication matters;
- provision of benefits associated with the Group's size and reputation, such as for example easier access to internationally recognised partners, optimisation of terms for financing, purchases and insurance, facilitation of relations with public authorities, public relations, etc.

2.2 MOVEMENTS OF FUNDS BETWEEN THE VINCI HOLDING COMPANY AND ITS SUBSIDIARIES

The main movements of funds between the VINCI holding company and its subsidiaries, other than the payment of dividends, are as follows:

- payment for the holding company's assistance to its subsidiaries: VINCI's subsidiaries pay it a fee corresponding to the costs borne, recharged on the basis of the services provided. For 2005, fees for assistance paid to VINCI by its subsidiaries amounted to €66 million;
- centralised cash management: in general, subsidiaries' cash surpluses are usually transferred through a cash pooling system to the holding company, which in return meets the subsidiaries' financing needs. The holding company acts on the money and financial markets on its own behalf or on its subsidiaries' behalf, investing and borrowing funds as necessary;
- VINCI may also afford medium-term loans to certain subsidiaries. At 31 December 2005, amounts due on such loans amounted to €8.6 million;
- regulated agreements: please refer to the Report of the Statutory Auditors on regulated agreements on page 293.

3. INFORMATION ON VINCI'S SHARE CAPITAL

All changes in share capital or in the rights attached to the shares are subject to general legal provisions. The corporate statutes do not provide for additional conditions (except as regards capital thresholds, see paragraph 1).
Under the terms of the Nineteenth Resolution, the Ordinary and Extraordinary Meeting of Shareholders on 28 April 2005 decided to divide the nominal value of the share by two. On 31 December 2005, VINCI's share capital amounted to €983,181,370 represented by 196,636,274 shares, each with a nominal value of €5, fully paid-up and all of the same class. VINCI shares are registered or bearer shares, at the shareholder's choice, and may be traded freely.

3.1 MOVEMENTS IN SHARE CAPITAL OVER FIVE YEARS

	Capital increase/ (reduction) (in €)	Share premiums arising on issues, contributions or merger (in €)	Number of shares issued or cancelled [1]	Number of shares outstanding [1]	Share capital (in €)
Position at 31 Dec. 2000				**158,309,202**	**791,546,010**
Group Savings Plan	30,403,080	119,425,875	6,080,616	165,245,566	826,227,830
Share subscription options exercised	4,278,740	5,972,017	855,748	159,164,950	795,824,750
Merger with Sogeparc	2,447,880	11,582,754	489,576	165,735,142	828,675,710
Merger with Sogepag	123,400	464,170	24,680	165,759,822	828,799,110
Position at 31 Dec. 2001				**165,759,822**	**828,799,110**
Share capital reduction	– 30,835,930	– 164,629,763	– 6,167,186	165,746,734	828,733,670
Group Savings Plan	24,727,140	103,465,894	4,945,428	171,913,920	859,569,600
Share subscription options exercised	6,043,350	13,844,042	1,208,670	166,968,492	834,842,460
Position at 31 Dec. 2002				**165,746,734**	**828,733,670**
Share capital reduction	– 4,200,000	– 22,671,065	– 840,000	164,906,734	824,533,670
Group Savings Plan	9,068,480	32,271,850	1,813,696	166,720,430	833,602,150
Share subscription options exercised	4,348,170	7,436,443	869,634	167,590,064	837,950,320
Position at 31 Dec. 2003				**167,590,064**	**837,950,320**
Share capital reduction	– 55,335,000	– 402,166,161	– 11,067,000	156,523,064	782,615,320
Group Savings Plan	21,840,500	86,888,477	4,368,100	160,891,164	804,455,820
Share subscription options exercised	33,682,210	117,231,545	6,736,442	167,627,606	838,138,030
Position at 31 Dec. 2004				**167,627,606**	**838,138,030**
Share capital reduction	– 12,500,000	– 112,613,432	– 2,500,000	165,127,606	825,638,030
Group Savings Plan	22,221,105	136,222,479	4,444,221	169,571,827	847,859,135
Share subscription options exercised	22,452,345	89,460,904	4,490,469	174,062,296	870,311,480
OCEANE conversion 2001-2007	57,341,310	458,730,480	11,468,262	185,530,558	927,652,790
OCEANE conversion 2002-2018	55,528,580	444,228,640	11,105,716	196,636,274	983,181,370
Position at 31 Dec. 2005				**196,636,274**	**983,181,370**

(1) *adjusted for the two-for-one share split in May 2005.*

3.2 AUTHORISATIONS GRANTED TO THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL AND TO CARRY OUT OTHER FINANCIAL TRANSACTIONS

The authorisations currently in force are as follows:

	Date of Shareholders Meeting	Date of expiry	Maximum amount of issue (nominal value)
Issues of bonds or other debt securities	14/05/03 (Eighth resolution)	13/05/08	€1,500 million
Issues of all securities giving a right to debt securities	28/04/05 (Twentieth resolution)	27/06/07	€2,000 million
Share buy-backs	28/04/05 (Eighth resolution)	27/10/06	€1,200 million (1) 10% of share capital
Capital reductions	28/04/05 (Ninth resolution)	27/10/06	10% of the share capital over a period of 24 months
Capital increase through capitalisation of reserves	06/06/02 (Fifteenth resolution)	05/06/07	(2)
Issues of all shares and securities giving a right to a portion of the share capital, maintaining the shareholders' preferential subscription rights	28/04/05 (Tenth resolution)	27/06/07	€400 million (3) (shares) €2,000 million (4) (debt securities)
Issues of OCEANE bonds, removing the shareholders' preferential subscription rights	28/04/05 (Eleventh resolution)	27/06/07	€200 million (3) (5) (shares) €2,000 million (4) (debt securities)
Issues of debt securities other than OCEANE bonds giving a right to a portion of the share capital, removing the shareholders' preferential subscription rights	28/04/05 (Twelfth resolution)	27/06/07	€200 million (3) (5) (shares) €2,000 million (4) (debt securities)
Increase of the amount of an issue if it is over-subscribed	28/04/05 (Thirteenth resolution)	27/06/07	15% of the initial issue (3)
Issues of all shares and securities giving a right to a portion of the share capital to use as consideration for contributions in kind made to the Company	28/04/05 (Fourteenth resolution)	27/06/07	10% of the share capital
Capital increase reserved for employees of VINCI and its subsidiaries under group savings schemes	12/12/01 (Fourteenth and Fifteenth resolutions)	11/12/06	10% of the share capital (6)
Capital increase reserved for employees of certain VINCI subsidiaries outside France under group savings schemes	28/04/05 (Seventeenth resolution)	27/06/07	10% of the share capital (6)
Capital increases reserved for employees of VINCI subsidiaries in the United States under group savings schemes	06/06/02 (Sixteenth resolution)	05/06/07	1% of the share capital (6)
Capital increases reserved for financial institutions or companies created especially under group savings schemes for employees of certain VINCI subsidiaries outside France	04/05/04 (Twelfth resolution)	03/05/06	10% of the share capital (6)
Share subscription or share purchase option plans	14/05/03 (Tenth resolution)	13/07/06	5% of the share capital (subscription options) (7) 10% of the share capital (purchase options) (8)

(1) *Actual amount.*

(2) *Total amount of reserves that may be capitalised.*

(3) *The cumulative nominal amount of share capital increases that may be undertaken by virtue of the Tenth, Eleventh, Twelfth and Thirteenth resolutions adopted by the Shareholders Meeting of 28 April 2005 may not exceed €400 million.*

(4) *These amounts are not cumulative; the aggregate ceiling for all the resolutions combined is €2,000 million.*

(5) *The cumulative nominal amount of share capital increases that may be undertaken by virtue of the Eleventh and Twelfth resolutions adopted by the Shareholders Meeting of 28 April 2005 may not exceed €200 million.*

(6) *These amounts are not cumulative; the aggregate ceiling for all the resolutions combined is 10%.*

(7) *The number of subscription options granted by virtue of this authorisation cannot result in the creation of more than 5% of the share capital in issue on the date the Board grants the options.*

(8) *The number of purchase options granted by virtue of this authorisation cannot result at any time in VINCI holding more than 10% of the share capital in issue on the date the Board grants the options.*

3.3 BREAKDOWN OF SHARE CAPITAL AND VOTING RIGHTS

Breakdown of share capital and voting rights at 31 December 2005

	Number of shares	% capital	Number of voting rights	% of voting rights	Number of shareholders
Employees (company mutual funds)	16,732,490	8.5%	16,732,490	8.8%	50,514
Treasury shares (1)	6,835,016	3.5%	—	—	—
Total not in free-float	**23,567,506**	**12.0%**	**16,732,490**	**8.8%**	**49,730**
Company officers	4,056,380	2.1%	4,056,380	2.1%	17
Other individual shareholders (France)	18,208,975	9.2%	18,208,975	9.6%	106,221
Other individual shareholders (Rest of world)	1,805,813	0.9%	1,805,813	1.0%	1,308
Total individual shareholders (2)	**24,071,168**	**12.2%**	**24,071,168**	**12.7%**	**107,546**
Institutional shareholders (France)	49,349,232	25.1%	49,349,232	26.0%	125
Institutional shareholders (Rest of world)	99,648,368	50.7%	99,648,368	52.5%	323
Total institutional shareholders (2)	**148,997,600**	**75.8%**	**148,997,600**	**78.5%**	**448**
Total	**196,636,274**	**100.0%**	**189,801,258**	**100.0%**	**157,724**

(1) *Treasury shares held by VINCI. There are no treasury shares held via companies in which VINCI has a direct or indirect holding of more than 50%.*

(2) *Estimates at 31 December 2005 on the basis of registered named shareholders, a schedule of identifiable bearer shares and a shareholding survey conducted with institutional shareholders..*

Employee shareholders

Details of the Group savings scheme are given in the Social Responsibility section, page 120.

Voting rights

There are no double voting rights and no restrictions on voting rights. The difference between the breakdown of shareholdings and voting rights is due to shares held in treasury, which do not confer voting rights.

Breaching of shareholding thresholds

Under the terms of declarations received by the Company (of breaches of the 5% legal threshold or the 2% threshold provided for in the corporate statutes of the share capital or voting rights), the shareholders identified as holding more than 2% of the share capital or voting rights, other than those shown in the table above, are as follows:

– Morgan Stanley (declared on 28 December 2005);
– Caisse Nationale des Caisses d'Epargne (declared on 20 December 2005);
– Highfields Capital (declared on 1 November 2005).

Shareholder agreements

To the best of the Company's knowledge, there are no shareholder agreements, groups of shareholders acting as partners, and no shareholders acting in concert.

Registered shareholders

At 31 December 2005, the Company had 948 shareholders whose registration is managed by the Company and 628 shareholders whose registration is managed by a financial institution.

Changes in the breakdown of share capital and voting rights during the last three years

	Position at 31/12/2005			Position at 31/12/2004			Position at 31/12/2003		
	Number of shares	% capital	% of voting rights	Number of shares	% capital	% of voting rights	Number of shares	% capital	% of voting rights
Employees (company mutual funds)	16,732,490	8.5%	8.8%	15,131,916	9.0%	9.3%	15,375,308	9.2%	9.6%
Treasury shares	6,835,016	3.5%	—	4,718,706	2.8%	—	8,244,544	4.9%	—
Dalkia (Veolia Environnement)	—	—	—	—	—	—	1,602,588	1.0%	1.0%
Other	173,068,768	88.0%	91.2%	147,776,984	88.2%	90.7%	142,367,624	84.9%	89.4%
Total	**196,636,274**	**100.0%**	**100.0%**	**167,627,606**	**100.0%**	**100.0%**	**167,590,064**	**100.0%**	**100.0%**

3.4 SHAREHOLDER AGREEMENTS

In November 2004, VINCI signed an agreement on share capital and corporate governance with the French government and Autoroutes du Sud de la France (ASF).

Its main terms are as follows:
– The French government undertakes to allow a Director proposed by VINCI to be co-opted to the Board of Directors of ASF; under this undertaking, VINCI was co-opted as a Director on 15 December 2004;
– VINCI undertakes not to increase its percentage holding of ASF share capital to more than 23% during the duration of the agreement and to register all the ASF shares it owns;
– VINCI undertakes, for as long as the ceiling on its holding applies, not to seek the appointment of further Directors;
– VINCI undertakes to vote at Shareholders General Meetings in favour of all concession agreements entered into by ASF and the French government and all modifications to these contracts, whenever these contracts or modifications have been approved by the Board of Directors of ASF;
– VINCI undertakes to maintain and encourage the independence of the company's management;
– VINCI's representative on the Board of Directors of ASF will not take part in any discussion and vote likely to constitute a conflict of interest between the two companies;
– VINCI grants the French government a right of first refusal in the event of the Group deciding to dispose of shares representing more than 5% of ASF's share capital and this includes disposal by VINCI of more than 5% of the share capital in successive disposals over a six-month period.

This agreement will end on 31 December 2007 or in one of the following cases:
– if the French government's holding falls to less than 50% of the share capital;
– if a third party acquires a holding greater than 10% of ASF's share capital;
– if a third party makes a public bid for ASF.

On 14 December 2005, the French Government decided to sell its 50.4% shareholding in Autoroutes du Sud de la France to VINCI.

VINCI has not entered into any agreements, other than this agreement, that could have a material effect on its share price. The formation of companies by VINCI with other parties may result in agreements being made. In particular, this relates to Cofiroute, Consortium Stade de France, Doris Engineering and companies formed specifically for the needs of securing and managing concession operating agreements.
The main purpose of these agreements is to organise the respective rights of shareholders in the event of the disposal of shares and, if applicable, to set certain operating principles for the corporate governing bodies.

3.5 THE VINCI SHARE AND THE STOCK MARKET

The VINCI share is traded on the Eurolist regulated market of Euronext Paris (Compartment A) and is included in the following indexes: CAC 40, NextCAC 70, Euronext 100, DJ Stoxx, NextPrime, Aspi Eurozone and Dow Jones Sustainability Indexes.
Changes in the VINCI share price and trading volumes over the last 18 months were as follows (source: Euronext Paris):

		Average [1] (in €)	High [2] (in €)	Low [2] (in €)	Transactions (in number of shares)	Value of transactions (in € millions)
2004	August	43.25	44.65	41.55	18,478,222	797.5
	September	45.24	46.80	43.45	23,838,392	1,078.7
	October	46.88	47.78	45.63	19,022,010	891.9
	November	45.99	48.00	44.88	23,948,308	1,103.0
	December	48.49	50.15	46.63	20,838,530	1,004.4
2005	January	52.33	55.05	49.30	21,361,208	1,113.6
	February	56.22	58.40	53.40	25,346,724	1,418.8
	March	56.25	58.20	54.40	26,947,786	1,504.9
	April	56.64	58.35	55.55	23,663,436	1,340.8
	May	60.57	62.15	58.25	18,063,802	1,545.8
	June	64.82	69.50	61.10	23,797,723	1,547.7
	July	68.29	70.70	66.30	21,363,455	1,459.9
	August	70.09	73.45	66.75	22,495,437	1,582.1
	September	71.66	73.50	70.00	22,905,398	1,616.6
	October	66.68	72.75	62.20	31,555,559	2,107.9
	November	65.92	70.15	61.95	36,242,570	2,386.5
	December	71.10	74.80	66.65	48,965,388	3,482.4
2006	January	74.65	78.15	70.80	33,047,100	2,466.3

(1) *Average of the closing prices.*
(2) *Price during trading sessions.*
Data adjusted for the two-for-one VINCI share split in May 2005.

See also the Stock market and shareholder base section, page 14.

PERSONS RESPONSIBLE FOR THE REGISTRATION DOCUMENT

1. SIGNED STATEMENT OF THE PERSONS RESPONSIBLE FOR THE REGISTRATION DOCUMENT

"We have taken all due care to ensure that, to the best of our knowledge, the information presented in this registration document gives a true and fair view of the group and that there are no omissions liable to affect materially the meaning of the said information.

We have received from the Statutory Auditors a letter reporting on the completion of their audit work and stating that they have verified the information relating to the cash position and financial statements included in the present registration document as well as the overall presentation of this document.

The Statutory Auditors' reports on the historical financial information provided in the registration document are included on pages 283 and 292 of this document. These reports contain no observations."

Antoine Zacharias
Chairman of the Board of Directors

Xavier Huillard
Chief Executive Officer

2. STATUTORY AUDITORS

Names of the Statutory Auditors

Statutory Auditors
Salustro Reydel
Member of KPMG International
8, avenue Delcassé - 75008 Paris
(Bernard Cattenoz and Benoît Lebrun)
First appointed: 23 June 1989.
Current term expires: at the close of the Shareholders Meeting to approve the 2006 financial statements.

Deloitte & Associés
In its seventh resolution, Vinci's Combined Shareholders Meeting of 28 April 2005 noted the name change from Deloitte Touche Tomatsu Audit to Deloitte & Associés.

185, avenue Charles-de-Gaulle - 92200 Neuilly-sur-Seine
(Thierry Benoit)
First appointed: 30 May 2001.
Current term expires: at the close of the Shareholders Meeting to approve the 2006 financial statements.

Alternate Auditors
François Pavard
8, avenue Delcassé - 75008 Paris
First appointed: 16 June 1995.
Current term expires: at the close of the Shareholders Meeting to approve the 2006 financial statements.

BEAS SARL
7-9, villa Houssay - 92200 Neuilly-sur-Seine
First appointed: 30 May 2001.
Current term expires: at the close of the Shareholders Meeting to approve the 2006 financial statements.

VINCI's Statutory Auditors are registered with the Compagnie nationale des commissaires aux comptes (official statutory auditors' representative body) and subject to the authority of the Haut Conseil du commissariat aux Comptes (French High Council of Statutory Auditors).

3. FEES OF THE STATUTORY AUDITORS

	Deloitte network				Salustro Reydel network			
(in € millions)	**2005**	**%**	**2004**	**%**	**2005[1]**	**%**	**2004[2]**	**%**
Audit								
Statutory audit	7.7	90%	5.9	75%	6.3	89%	5.7	85%
Ancillary assignments	0.8	9%	1.7	22%	0.7	10%	0.9	12%
Audit subtotal	**8.5**	**99%**	**7.6**	**97%**	**7.0**	**99%**	**6.6**	**97%**
Other services								
Legal, tax and employment	0.1	1%	0.3	3%	0.1	1%	0.2	3%
Other	—	0%	0.0	—	—	0%	—	—
Other services subtotal	**0.1**	**1%**	**0.3**	**3%**	**0.1**	**1%**	**0.2**	**3%**
Total	**8.6**	**100%**	**7.9**	**100 %**	**7.1**	**100%**	**6.8**	**100%**

1. – *In 2005: Salustro Reydel, member of KPMG International.*
2. – *In 2004: Salustro Reydel, member of the RSM International.*

4. OFFICERS RESPONSIBLE FOR FINANCIAL INFORMATION

Christian Labeyrie, Executive Vice-President and Chief Financial Officer, Member of the Executive Committee and Secretary to the Board of Directors (+33 1 47 16 48 65).

Pierre Coppey, Executive Vice-President, Corporate Communications, Human Resources and Synergies, and Member of the Executive Committee (+ 33 1 47 16 30 07).

5. OTHER INFORMATION REFERRED TO IN THIS DOCUMENT

The following information referred to in this Registration Document is deemed to have been provided thereby:

– the 2003 French GAAP consolidated financial statements, and the associated report of the Statutory Auditors, pages 133-181 and 188 of the 2003 Registration document filed with the AMF on 31 March 2004 (D.04-0368);

– the 2004 French GAAP consolidated financial statements, and the associated report of the Statutory Auditors, pages 171-217 and 218 of the 2004 Registration document filed with the AMF on 31 March 2005 (D.05-0310).

6. DOCUMENTS AVAILABLE FOR PUBLIC CONSULTATION

The following information is available for consultation by the public on the company website (www.vinci.com):

– the registration document filed as the annual report with the Autorité des marchés financiers (French financial markets authority) on 3 March 2006;

– the update of the 2004 registration document 2004 filed with the Autorité des marchés financiers on 27 July 2005 (D.05-310-A01);

– the 2003 and 2004 registration documents filed as the annual reports with the Autorité des marchés financiers on 31 March 2004 and 2005 (D.04-0368 and D.05-0310);

– the financial press releases.

The corporate statutes of VINCI may be consulted at the company registered office, 1, cours Ferdinand-de-Lesseps, 92851 Rueil-Malmaison Cedex, France (+ 33 1 47 16 35 00).

REGISTRATION DOCUMENT TABLE OF CORRESPONDENCE

The table below gives page references to the information contained in this annual report/ registration document.

AUTORITÉ
DES MARCHÉS FINANCIERS

AMF

In accordance with Article 212-13 of the General Regulation of the Autorité des Marchés Financiers (the French Securities Regulator), this registration document comprises the registration document filed with the AMF on 3 March 2006 and the amendment filed with the AMF on 14 March 2006. It may be used in support of a financial transaction only if it is supplemented by a prospectus on the transaction officially approved by the Autorité des Marchés Financiers.

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