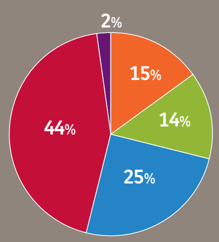
VINCI

2007 Annual Report

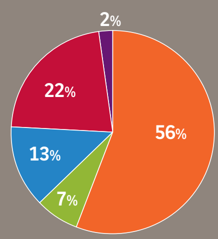
Key figures

Revenue by business line



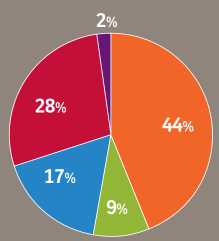
Concessions	4,580
Energy	4,301
Roads	7,706
Construction	13,653
Property	558

Operating profit from ordinary activities by business line



Concessions	1,747
Energy	229
Roads	392
Construction	668
Property	58

Net profit attributable to equity holders of the parent by business line

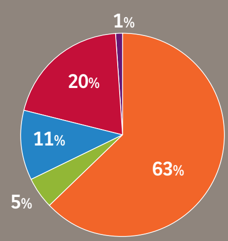


Concessions	680
Energy	142
Roads	263
Construction	438
Property	39

Before elimination of transactions between business lines.

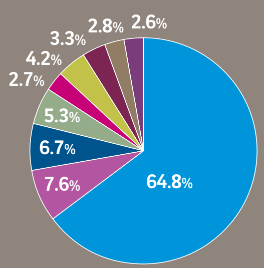
Cash flow from operations

before tax and cost of debt



Concessions	2,834
Energy	250
Roads	514
Construction	895
Property	59

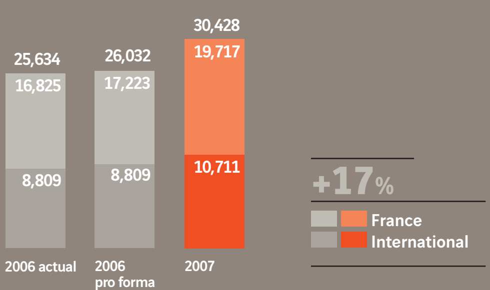
Revenue by geographical area



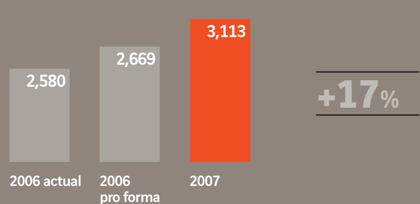
France	19,717
Central & Eastern Europe	2,308
United Kingdom	2,048
Germany	1,621
Belgium	826
Rest of Europe	1,250
The Americas	982
Africa	859
Asia, Middle East & Oceania	817

In € millions

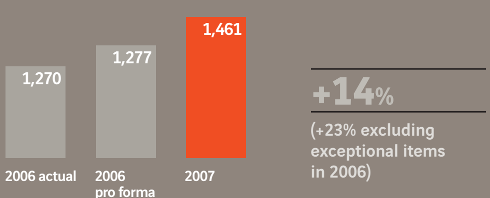
Revenue



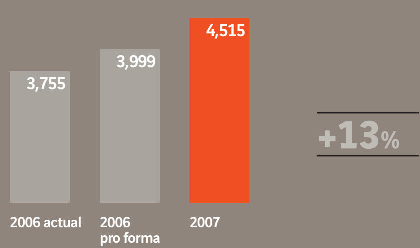
Operating profit from ordinary activities



Net profit attributable to equity holders of the parent



Cash flow from operations



Net financial debt at 31 December

In € millions
Pro forma: full consolidation of ASF/Escota from 1 January 2006.
The changes indicated relate to pro forma data.

Contents

VINCI, the world's leading concession and construction group*

From the outset, we have built our growth on our integrated construction-concession operation business model. The work of our 158,000 employees consists of financing, designing, building and operating infrastructure that enhances everyone's life: transport infrastructure, public and private buildings, car parks, urban development projects, communication and energy networks, etc. With operations in over 90 countries, we are implementing a long-term economic and social responsibility programme with the aim of sharing our success with our employees, clients, shareholders and the community at large.

Workforce
158,000 employees worldwide

Revenue
€30.4 billion

Market capitalisation
€22.4 billion at 29 February 2008

Net profit attributable to equity holders of the parent
€1,461 million

Number of projects
260,000**

Sources:
** ENR, December 2007.*
*** Estimated number of projects in progress.*

Profile / One group, four business lines

Concessions

VINCI Concessions finances, designs and builds transport and public infrastructure projects launched within the framework of public-private partnerships, then operates the infrastructure under long-term contracts. The company is the world's biggest private operator of motorway and car park concessions*.

Energy

VINCI Energies is market leader in France and a major player in Europe in energy and information technology services* (design, installation and maintenance). The company operates in the infrastructure, industry, service and telecommunications sectors, where it develops solutions that are both local and global. The solutions are implemented by the company's 760 networked business units.

See competitive positions given on pages 41, 51, 58, 68, 78.

Roads

Ranked among the world's leading roadworks companies*, Eurovia builds, renovates and maintains transport infrastructure (roads, motorways, railways and airports); carries out urban, industrial and commercial development projects; and is expanding into complementary environmental and service business activities. The company is also one of Europe's biggest producers of road building materials*.

Construction

Leader in France and a major player in the world's construction market*, VINCI Construction brings together an outstanding combination of capabilities in building, civil engineering, hydraulic engineering and associated services. With strong roots in its local markets in France and the rest of Europe through its networks of subsidiaries, the company also plays a leading role in the world market for major projects, specialised civil engineering, geotechnical engineering and dredging.

Corporate governance structures

Board of Directors

Chairman

Yves-Thibault de Silguy
Chairman of VINCI

Directors

Dominique Bazy* Vice-Chairman Europe of UBS Investment Bank	**Robert Castaigne** Chief Financial Officer and Member of the Executive Committee of Total	**François David** Chairman and CEO of Coface	**Quentin Davies*** Member of Parliament of the United Kingdom	**Patrick Faure** Chairman of Patrick Faure et Associés	**Dominique Ferrero** CEO of Natixis
Xavier Huillard CEO of VINCI	**Bernard Huvelin** Vice-Chairman of the Board of VINCI	**Jean-Bernard Lévy** Chairman of the Management Board of Vivendi	**Henri Saint Olive** Chairman of the Board of Banque Saint Olive	**Pascale Sourisse** President and CEO of Thales Alenia Space	**Denis Vernoux*** Design Engineer and Chairman of the Supervisory Board of Castor corporate mutual funds

Audit Committee

This committee helps the Board monitor the accuracy and fair presentation of VINCI's consolidated and parent company financial statements, as well as the quality of financial information.

Composition:
> Henri Saint Olive (chairman)
> Robert Castaigne
> Quentin Davies

Strategy and Investments Committee

This committee helps the Board develop the Group's strategy. It examines proposed investments and divestments that could have a material impact on the Group's scope, business activity, results or stock market performance.

Composition:
> Yves-Thibault de Silguy (chairman)
> François David
> Patrick Faure
> Bernard Huvelin
> Pascale Sourisse
> Denis Vernoux

Remuneration Committee

This committee proposes the terms and conditions of remuneration of company officers to the Board.

Composition:
> Quentin Davies (chairman)
> Dominique Bazy
> Jean-Bernard Lévy

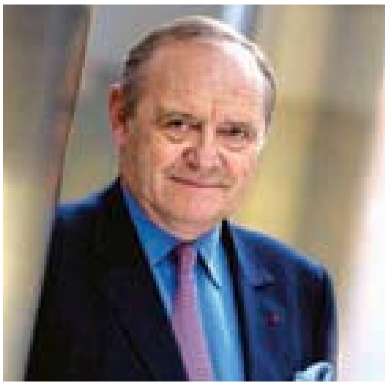
Appointments Committee

This committee examines all candidacies for appointments to the Board and senior management, and expresses an opinion and recommendation to the Board as regards these candidacies.

Composition:
> Yves-Thibault de Silguy (chairman)
> Dominique Bazy
> Henri Saint Olive

** Renewal of appointment for a period of four years proposed to the Shareholders Meeting of 15 May 2008.*

Message from the Chairman



Yves-Thibault de Silguy

Chairman of VINCI's Board of Directors

A sound growth curve

Growth and continuity: these two words sum up 2007 for VINCI. Despite the ups and downs of international financial markets, our four business lines – concessions, energy, roads and construction – recorded outstanding growth, driven by ever stronger demand for infrastructure and associated services in France and elsewhere. All over the world, the pace of demographic and economic growth is picking up in countries where there are urgent needs for transport, health care, education and environment infrastructure. This is the case of countries in Central and Eastern Europe which, since joining the European Union, are undergoing unprecedented economic growth. Similarly, the Middle East is showing signs of vitality that have never been seen before, with massive investment in urban development projects. Lastly, it is becoming urgent to replace the ageing infrastructure in North America. VINCI is operating and growing in these and many other markets, including North Africa, Russia and Asia. For all our business lines, 2008 is set to be a promising year with opportunities galore.

At the same time, public-private partnerships (PPPs) are an important source of growth. In 2007, VINCI demonstrated its ability to meet the expectations of public authorities, both in terms of designing infrastructure and operating it over extended periods. Our teams won major projects such as the Athens–Tsakona and Athens–Thessalonica motorways in Greece, and the Cœntunnel in Amsterdam, Netherlands. There is still huge room for growth in public-private partnerships, especially in France once the 2004 ruling on partnership contracts (the French form of PPP) has been amended. Thanks to our strategy, which is based on the economic, financial and operational fit between our construction and concession operation activities, we have all the strengths required to respond to new projects that will provide France and other European countries with the modern infrastructure they need: high-speed rail lines, motorways, bridges, tunnels, sports stadiums, etc.

Despite the stock market upheaval at the end of the year, VINCI's share price increased 4.6% during 2007, outperforming the CAC 40 by 3.3%. This good performance reflects our excellent results. Our shareholders, among whom are many of our own employees, benefitted from it through a 50% pay-out ratio and an active share buy-back programme.

Lastly, VINCI now has a sound executive team and a united governance structure. The Board of Directors met 10 times in 2007. It supports management in its strategic decisions, supervises it and guarantees the continuity of the integrated construction and concession operation business model that has proved its worth over more than 100 years and brought recognised success to VINCI.

For 2008, I have only one wish: that VINCI continue to combine – as it has done until now – ambitious economic success with a generous and humanistic social model. I have no doubt that we will do so thanks to the commitment, vigour and talent of our 158,000 employees who, day by day and all over the world, give meaning to Jean Bodin's motto that people are the only source of true wealth.

Message from the CEO

Xavier Huillard

Director and Chief Executive Officer
of VINCI

For VINCI, 2007 was a year of growth that was both dynamic and virtuous.

Two years ahead of our strategic plan, our revenue exceeded the €30 billion target, increasing almost 17% in just one year. We achieved organic growth of 12%, reflecting the vitality of our markets and the ability of our companies to take best advantage of that momentum. External growth, too, continued apace. We increased our holding in Cofiroute and major acquisitions were made by VINCI Construction (Solétanche Bachy, Entrepose Contracting and Nukem), VINCI Energies (Etavis) and VINCI Park (LAZ Parking). These acquisitions added to the ongoing expansion that is improving our market coverage. During the same period, all our divisions improved their operating margins.

This performance is part of a continuous long-term trend. Year after year, VINCI maintains its strategy of ambitious but controlled growth, getting bigger but not fatter.
We keep the same clarity and responsiveness, and the same management model that inspires individuals and companies to perform to their best.
Year after year, VINCI builds on its integrated construction and concession business model, which boosts the synergies between its businesses and generates sales and profits that can be predicted over the long term.
The new concessions for major transport infrastructure won in 2007 in several countries in Europe show that this model has never been so effective.

Year after year, VINCI actively pursues its human goals, without which there could be no economic success.
The importance we attach to these goals is illustrated by the inclusion in our Manifesto of our commitments to long-term job creation, training, employee shareholding and employees' civic engagement.
The decision to have our equal opportunities policy audited every year was born of the same desire for transparency, which is a powerful lever for the change needed to strengthen the focus on people that is essential to our business activities.

At the end of 2007, our contracting divisions' order books represented an average of 10 months of business activity – and a whole year for the construction division.
On our motorway networks, traffic growth suggests further progress in 2008, with fresh impetus coming from the completion of several major motorways (A89, A85 and A11 in France). This strong visibility gives us grounds to believe that 2008 will be another year of growth.

In the longer term, our businesses will remain driven by the significant needs for transport, energy, education, health care and housing infrastructure in markets with complementary profiles that combine new building programmes and the renovation of existing infrastructure. Difficulties in the financial arena may slow down the pace of some projects temporarily but they will eventually go ahead.

"VINCI has never had so many strengths for making full use of its integrated construction and concession business model"

In the majority of our markets, especially in Europe, a growing proportion of our business will be carried out under public-private partnerships (PPPs). This contractual arrangement, which is extending to all types of project, from major road, rail and airport infrastructure to the management of urban lighting networks, generates business for all our companies. It is also leading us higher up the value chain in each segment by involving us more and more in the design, scheduling and financing of projects. VINCI is thus becoming a private company that develops public service solutions, in particular in urban development and mobility projects.

The increasing impact of new environmental standards is another powerful vector for long-term growth. Construction and transport – VINCI's main areas of operation – generate about half of all CO_2 emissions created by human activity. In France, these two sectors were the hardest hit by the measures decided during the Grenelle Environment Forum. However, for our Group, sustainable development is not a threat. It's a wonderful opportunity to accelerate the replacement of our products and production methods by developing solutions that provide high environmental value added in the construction and transport infrastructure operation businesses. Furthermore, sustainable development and public-private partnerships go hand in hand: they both take a long-term, comprehensive approach to projects, inviting responsibility to be given to a single player such as VINCI, in charge of design, construction and operation through time.

On top of these favourable trends, there is our own ability to generate growth: tighter network coverage, cross-fertilisation of our businesses and finer segmentation of our markets, products and services all offer us significant growth potential.

So, despite an apparently more uncertain macroeconomic environment, VINCI has never had so many strengths on which to continue to expand and make full use of the model that has brought it success.

Corporate management structures

2008 Executive Committee

The Executive Committee is responsible for managing VINCI. It met 41 times in 2007.

Xavier Huillard
Director and CEO
VINCI

David Azéma
CEO
VINCI Concessions

Jean Rossi
Chairman
VINCI Construction France

Henri Stouff
Chairman
VINCI Autoroutes France

Management and Co-ordination Committee

The Management and Co-ordination Committee brings together the members of the Executive Committee and senior VINCI executives. Its remit is to ensure broad discussion of VINCI's strategy and development. It met four times in 2007.

Pierre Anjolras
CEO,
Autoroutes du Sud de la France

Renaud Bentegeat
Managing Director, CFE

Pierre Berger
Chairman, VINCI Construction Grands Projets

Dominique Bouvier
Chairman and CEO,
Entrepose Contracting

Pierre Coppey
Chairman and CEO, Cofiroute

Philippe-Emmanuel Daussy
Chairman and CEO, Escota

Jean-Marie Dayre
Deputy Managing Director,
VINCI Energies

Bruno Dupety
Chairman, Freyssinet

Pierre Duprat
Director of Corporate Communications, VINCI

Denis Grand
Chairman and CEO,
VINCI Park

Jean-Pierre Lamoure
Chairman and CEO,
Solétanche Bachy

Olivier de La Roussière
Chairman and CEO,
VINCI Immobilier

Patrick Lebrun
Executive Vice-President,
VINCI Energies
Chief Operating Officer,
VINCI Assurances

Erik Leleu
Director of Human Resources,
VINCI

Jean-Louis Marchand
Executive Vice-President, Eurovia

Yves Meignié
Deputy Managing Director,
VINCI Energies

Sébastien Morant
Chairman, VINCI Construction Filiales Internationales

Patrick Richard
Director of Legal Affairs, VINCI

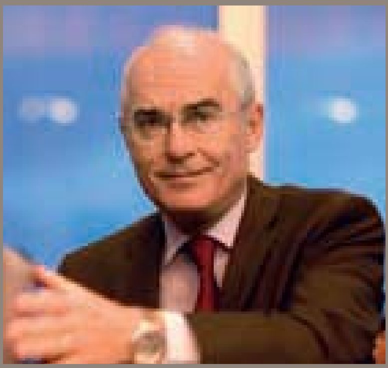
Daniel Roffet
Executive Vice-President,
Eurovia

John Stanion
Chairman, VINCI PLC

Philippe Touyarot
Deputy Managing Director,
VINCI Energies

Guy Vacher
Executive Vice-President,
Eurovia

Richard Francioli
Chairman
VINCI Construction



Jean-Yves Le Brouster
Chairman and CEO
VINCI Energies

Jacques Tavernier
Chairman and CEO
Eurovia

Christian Labeyrie
Executive Vice-President and CFO
VINCI

Roger Martin
Honorary Chairman
Eurovia

Jean-Luc Pommier
Vice-President, Business Development
VINCI

Strategy and outlook


01

Our vision
Building on our business model

01 PPPs are now used for public infrastructure such as INSEP, the National Institute of Sport and Physical Education in Paris, whose €250 million contract is for 30 years.

02 VINCI promotes intermodality and supports towns in their efforts to coordinate travel between various modes of transport.

03 Europe remains VINCI's principal target for growth. Pictured here, the Warwick University construction site in England.

Construction and concession operation: a model that creates value

Our growth model has been based since the outset on the fit between our concession operation and construction business activities. They are complementary on three counts: economic, with long operating cycles in concessions and medium or short cycles in construction; financial, with recurring revenue and high capital intensity in concessions but low capital intensity and structurally positive cash flows in construction; operational, with concessions contributing expertise in project development, financing and operation, while construction contributes technical, design and execution skills, as well as a worldwide network of subsidiaries.

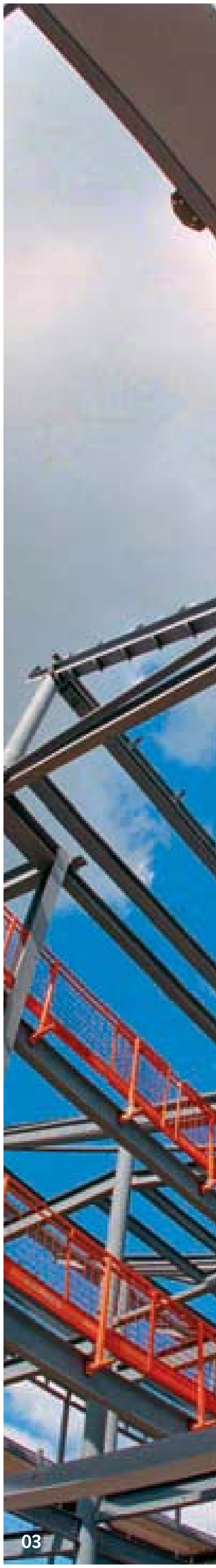
This growth model has made us the world's leading construction and concession operation group. In 10 years, our revenue has increased by a factor of 3.7, our net profit by 31 and our market capitalisation by 26. Our strategy is to build on this value-creating model against a backdrop of strong growth in public-private partnerships (PPPs). Although PPPs were historically reserved for major urban development programmes, they are now used for all types of transport infrastructure (roads, railways, airports, rivers and intermodal links) and public infrastructure (energy, health care, security, education, leisure activities, etc.).
As a result, most of our markets, especially in Europe, are buoyant. In our 2006–2009 strategic plan, therefore, we set ourselves the goal of winning new concession or PPP projects representing a total financial commitment in the order of €1 billion a year including our share of project financing. This goal was more than met in 2007 due to the signature of new concession contracts in Greece and Germany.

Continuing our ambitious growth strategy

We intend to continue our ambitious growth strategy, following on from 2007 when, two years ahead of our plan, we generated revenue of over €30 billion. We will increase business in all our divisions, both by organic and external growth.

Europe, which represents 90% of our revenue, will remain our principal geographical target for growth. We will push harder into Central and Eastern European countries, drawing on the significant positions we have built up over the years in that region. New developments will be focused mainly on the countries that joined the European Union recently, as well as neighbouring countries such as Russia and Ukraine where there is strong growth potential. We will also seek growth in the Middle East and Mediterranean basin, stretching out from the major contracting work already under way, and in the United States, where our principal targets will be transport and energy infrastructure, together with environment-related projects. As a general rule, the growth projects will be implemented by drawing on our existing network of international subsidiaries, >>>

02


03

>>> on new operations or by forming alliances with local companies, whichever is the most appropriate.
With regard to new territories, particularly in Asia and Latin America, our two international networks of specialised civil engineering, Freyssinet and Solétanche Bachy, will be our beachhead for developing projects involving other VINCI companies.

Most of our businesses will be able to take advantage of the increasing impact of environmental standards, especially in France where the Grenelle Environment Forum is going to generate very large programmes of construction and renovation of buildings and infrastructure. Our ability to design solutions that provide high environmental value added and integrate them into comprehensive offerings will be a strength for participating in such projects and meeting sustained demand. Similarly, the expertise we have developed over several decades in the construction and decommissioning of nuclear plants should enable us to benefit from the new wave of investment in that sector.
Business growth will also be stimulated over time by extending our presence in the value chain of our various activities, together with finer segmentation of our markets and business lines, enabling us to create new offerings. Our motorway and car park operators may, for example, extend their business lines to include services that support mobility.

Our order book at 31 December 2007 stood at a very high level (€21.5 billion), having increased 20% over the year, and represented 10 months of average business activity for our contracting business lines (energy, roads and construction).

In addition, business in 2008 will benefit from the full-year impact of acquisitions made in 2007 and, in motorway concessions, from increased traffic due to the recent opening of new sections.

These factors, combined with our positioning in markets that are structurally buoyant for the long term and the relevance of our integrated concession-construction business model, give us good visibility for 2008 and beyond.

Against this backdrop, VINCI is expecting further business growth of about 10% in 2008.

Making a success of our management model

Our management model, which is inseparable from our business model, is what drives our performance. It reflects a firm belief, the underlying principle of our entrepreneurial culture: our performance depends entirely on the energy of the people who work for our companies.
Founded on a decentralised organisation and the principles of independence, responsibility and trust, this model boosts the performance of each profit centre, located close to its market and customers, and of each employee, who can give free rein to his or her talent within the scope of clearly defined game rules, the most important of which is transparency. Encouraging individual initiative goes hand in hand with networking teams and skills, promoting cross-business activities and adopting a project approach. In this vision, the processes that govern the company are first and foremost those of interaction between people. This management method, which is the cultural pillar common to all our companies and employees, irrespective of the diversity of their business activities and geographical spread, is what guarantees cohesion and gives us outstanding agility in each of our markets. ■

01 VINCI's management model, which drives the Group's performance, is founded on the principles of independence and decentralisation.

02 VINCI has developed expertise in the nuclear sector over several decades.

03 The Group will also seek growth in targeted markets outside Europe. Pictured here, a project in the United States.

Milestones in our history

01 One of the Group's first concession contracts, won in 1905, was for the Lille–Roubaix–Tourcoing tramway.
02 The acquisition of Autoroutes du Sud de la France formed part of VINCI's strategic plan.

1891
Creation of Grands Travaux de Marseille (GTM).

1899
Creation of Girolou, a company that built electricity generating stations and networks. Its first concession contract was for the Lille–Roubaix–Tourcoing tramway in 1905.

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

1908-1920
SGE experienced rapid growth until World War I, when it participated in the war effort and then in post-war reconstruction. The company became renowned for major projects such as building dams and power stations.

1920-1946
SGE grew by focusing mainly on electricity. When that sector was nationalised in 1936, the company moved into building and civil engineering.

1966
Compagnie Générale d'Electricité acquired control of SGE.

1970
SGE participated in the creation of Cofiroute, which financed, built and now operates the A10 (Paris–Orleans) and A11 (Paris–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 building and civil engineering subsidiaries, Campenon Bernard and Freyssinet, as well as Viafrance, its roadworks subsidiary.

The 1990s
Several acquisitions gave SGE a European dimension.

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

1997
Compagnie Générale des Eaux reduced its holding in SGE to 51%. SGE sold its service assets to Compagnie Générale des Eaux and, in exchange, acquired GTIE and Santerne in electrical engineering and CBC in construction.

1999
The Group carried out a friendly takeover of Sogeparc, the leading French car park operator.

2000
Vivendi completed its withdrawal from SGE's share capital. SGE changed its name to VINCI and made a friendly takeover bid for GTM; Suez contributed its majority shareholding. The merger of the two companies formed the world's leading group in concessions, construction and related services.

2002
VINCI entered the CAC 40 index and acquired 17% of ASF's share capital.

2005
The French government selected VINCI to acquire ASF as part of the programme to privatise motorway companies.

2007
VINCI, the world's leading integrated construction and concession operation group, generated revenue of over €30 billion.


01


02

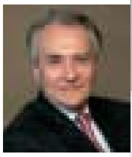
Sustainable development

Our priority commitments

Commitments	Achieved in 2007	2008 commitments
Social responsibility		
1/ To achieve zero accidents	■ Our accident frequency rate: 11.14 Our accident severity rate: 0.61	To vigorously pursue our accident prevention plan
2/ To comply with the VINCI Manifesto commitments (see opposite)		
To promote the creation of long-term jobs and recruit 12,000 people in France under unlimited-term contracts in 2007	■ 11,539 people recruited under unlimited-term contracts in France	To recruit a further 12,000 people under unlimited-term contracts in France
To offer a personalised training package to every member of our workforce within two years	■ 2.51 million hours of training provided worldwide, i.e. an average of 16 hours per employee	To increase the number of hours of training in France by 10%; to sign a skills and job planning agreement in all subsidiaries by the beginning of 2009
To provide diversity training to our managers; to carry out a diversity audit and publish the results	■ Over 1,000 employees followed diversity training in Europe; diversity audit carried out by Vigeo in 40 of our European subsidiaries	To publish the results and audit another 40 subsidiaries
To help all employees become shareholders	■ Employer's contribution increased to €3,500 for 2007; number of employee shareholders increased to 85,264	To boost employee shareholding
To encourage civic engagement	■ 141 projects supported by the VINCI Foundation for the Community; 13 projects supported in Africa; creation of the VINCI Foundation in the Czech Republic	To increase employee initiatives in Europe and elsewhere
Environment		
3/ To quantify our greenhouse gas emissions (GHG accounting in accordance with ISO 14064)	■ Initial quantification of Scope 2 emissions in France: 1 million tonnes of CO_2. Estimate worldwide: about 2 million tonnes	To identify the biggest sources of emissions and reduce them wherever possible
4/ To deploy the eco-efficiency programme	■ Development of eco-comparison tools: Equer, Gaia.BE®, PIC, routine application of life cycle analysis of structures	To routinely apply sustainable construction, urban mobility and eco-community life cycle analysis; to create an eco-design label for buildings; to finance an eco-design chair in major engineering schools (Ecole des Mines, Ecole des Ponts et Chaussées, AgroParisTech)
Research & Development		
5/ To strive for technological excellence	■ Over 45 R&D programmes in subsidiaries; over 150 internal research engineers; development of the Pirandello urban model; 1,083 projects submitted for the Innovation Awards Competition	To increase the number of cross-business programmes; to raise awareness of the 2007 award-winning innovations throughout the Group

Real success is the success you share.

Xavier Huillard
Director and CEO of VINCI



We are proud of being the world's leading construction and concessions company. Schools, hospitals, housing, offices, roads, bridges, urban development projects, telecommunications and energy networks, motorways and car parks: the work of our 142,000 employees is to design, finance, build and operate infrastructure to improve everyone's daily life. We believe that sustainable economic success must go hand in hand with an ambitious employment and social programme. That's why we have made the following commitments.

To create long-term jobs

We recruited 9,000 people in France in 2005 and 11,000 in 2006. We hire and train young people who have no qualifications.

> We commit to recruiting 12,000 employees under unlimited-term contracts in 2007.

To offer everyone training

All our employees, wherever they are in the world, have a right to training. Between 2004 and 2006, our training budget grew 50% to 2 million hours.

> We commit to offering a personalised training programme to each of our employees within two years and to increase our investment in training so that everyone can benefit.

To promote diversity and guarantee equal opportunities

Our duty is to set the example by improving the gender balance, promoting people from immigrant backgrounds and recruiting handicapped people.

> We commit to training our managers in best practices so that they can fight all forms of discrimination during recruitment and within our company, and to publish an audit each year carried out by an independent organisation.

To help all employees become shareholders

62,000 VINCI employees own 8.7% of the Group's capital. They are already our biggest shareholder and thus tied into its performance.

> We commit to facilitating our employees' access to VINCI's capital by paying each one an employer's contribution of up to €3,500 in 2007.

To encourage our employees' civic involvement

VINCI's Corporate Foundation for the Community helps non-profit and other job creation organisations sponsored by Group employees. Its objective is to encourage solidarity initiatives in the suburbs.

> Having doubled the foundation's budget, we commit to supporting 150 non-profit and other job creation organisations in 2007.

VINCI

The VINCI Manifesto, which was published in the daily press in November 2006, summarises the Group's commitments to employees and job creation.

Social responsibility
Sharing our success

01 Safety is a constant concern for VINCI, whose goal is zero accidents.

02 The VINCI Foundation for the Community promotes social cohesion and the creation of job opportunities for people in difficulty. The foundation has supported 510 projects in 13 countries since it was created in 2002.

03 VINCI endeavours to create long-term jobs and has committed to recruiting 12,000 people under unlimited-term contracts in France in 2008.

Because real success is the success you share, we are implementing our business strategy while pursuing ambitious social responsibility goals. In terms of management action, this translates into an active accident prevention and safety plan, together with the commitments in our Manifesto.

Ensuring the safety of all employees

Our goal is zero accidents. Within four years, we have doubled the number of safety training hours and reduced our accident frequency rate by 40%. Over the same period, the number of companies recording no lost time accidents increased from 42% to 47%. We have committed to continuing our improvement programme by strengthening even more our efforts to raise the awareness of our employees, customers, suppliers and subcontractors so that safety becomes a joint priority for all.

Fulfilling our Manifesto commitments

In this document, signed by our chief executive and published in the press in November 2006, we made five precise and measurable commitments that give structure to our policy and convert our social responsibility goals into a reality.

To create long-term jobs

We recruited almost 12,000 employees in France in 2007: commitment fulfilled. At the end of the year, we had a total of 158,628 employees, i.e. 15% more than in 2006, and 88% of them had unlimited-term employment contracts.

To offer all employees a personalised training programme

Our subsidiaries focused on expanding their training facilities. VINCI Construction France, for example, opened five new campuses in 2007.

To promote diversity and guarantee equal opportunities

In line with our commitment and in a first approach of its type for a major French company, we invited an independent organisation, Vigeo, to audit our equal opportunities policy. Some 40 subsidiaries and 1,000 people were interviewed. The results were made public during the first quarter of 2008. In each of the areas studied (gender mix, people with disabilities, people from immigrant backgrounds and the over 50s), the audit analysed and gave a score to the policies implemented, their deployment process and results (see page 112).

To help all employees become shareholders

We committed to facilitating our employees' access to VINCI's capital by offering an employer's contribution to encourage saving among employees with a modest income. Our employer's contributions totalled €97.4 million in 2007 and 85,264 employees were VINCI shareholders at the end of the year.

To encourage our employees' civic engagement

Our support actions through the VINCI Foundation and ISSA in Africa exceeded the target of 150 projects helped in 2007.

Total subsidies amounted to €6 million. The VINCI Foundation provides a framework for our employees' civic engagement. More than 2,000 of them are involved in the form of skills volunteering. The goal for 2008 includes extending the foundation's efforts to the rest of Europe, following the creation of a similar foundation in the Czech Republic. ■


03

Environment and R&D
Rethinking our practices, products and services

01 VINCI companies are developing sustainable construction solutions, such as the stay cables of Charilaos Trikoupis Bridge (Rion–Antirion) in Greece, which have a 100-year life cycle.

02 With its real-time information services and dynamic speed control system, VINCI Concessions helps to keep traffic moving on its motorways and reduce CO_2 emissions.

03 The Aspha-min® warm mix asphalts developed by Eurovia can be laid at a temperature 30 °C below those of conventional processes, thereby reducing energy consumption during production.

Implementation of our environmental policy is supported by strong commitment on the part of Group management and a number of tools and systems. We introduced an environmental reporting system in 2003 and expanded it in 2007. The indicators, which are common to part of the Group, are complemented by performance targets adapted to the various business lines and entities.

First carbon audit in 2007

We delegate responsibility for climate change issues to the players in the value chain, especially managers, and raise the awareness of all employees about the methods, materials and professional practices that generate low CO_2.
We launched our first carbon audit in France in 2007 using an internationally recognised methodology that is compatible with our companies' activities. Several companies completed their carbon audit in accordance with ISO 14064 over a much more extensive scope. In 2008, we will extend the carbon audit to all subsidiaries.

Towards eco-design

We are fully aware of what combating climate change implies for our companies. In-depth discussions were started on this subject in 2007 by a new club, the CO_2 Club, so as to accelerate the process of re-engineering constructive solutions and professional practices within the Group. Our first priority is to develop eco-design of buildings by routinely carrying out life cycle analysis (construction, use, deconstruction, recycling, etc.). The first eco-comparison tools associated with this approach were deployed in 2007: Equer (assessment of a building's energy performance); Gaïa.BE® (environmental comparator applied to roadworks); and Freyssinet's Sustainable Technology approach.
We intend to intensify our eco-efficiency policy in 2008, in particular through the creation of an eco-design label for buildings. More generally, we will accelerate the integration of solutions with high environmental value added in our bids, in particular within the framework of alternatives put forward in response to public tenders.

R&D: striving for technological excellence

As a new firm commitment in 2007, we strengthened our R&D and innovation policy in two complementary areas: technological excellence and raising awareness of innovations submitted for the VINCI Innovation Awards Competition. Our companies participated in over 45 R&D programmes. Internally, we have more than 150 research engineers and an investment budget of over €30 million. Innovation stretches beyond science and technology to cover safety, management, services, marketing and other aspects of business. R&D highlights in 2007 included the first eco-community models with their associated guidelines, and the development of the Pirandello urban model, a decision-making tool for urban development projects. ■

> For further information about our corporate social responsibility and environmental policy, read the 2007 sustainable development report on pages 94 to 135.


03

Stock market and shareholder base

The VINCI share
Good resilience in unstable financial markets

For the second time in two years, the Shareholders Meeting of 10 May 2007 approved a two-for-one split of our share. This, together with the share's good stock market performance, increased its market liquidity by attracting new investors, particularly individual shareholders. The VINCI share entered the DJ Eurostoxx 50 index on 24 September 2007 and is recognised as one of the leading European shares. Against an unstable stock market backdrop following the sub-prime crisis, our share showed good resilience and recorded 4.6% growth over the year, closing at €50.65 on 31 December 2007.

A 50% pay-out ratio
The dividend proposed to the Shareholders Meeting of 15 May 2008 corresponds to a pay-out ratio of 50%. At €1.52 per share, this represents an increase of 14% over the previous year's dividend and a return of 3% on the share price on 31 December 2007. The interim dividend paid on 20 December 2007 was €0.47 per share, leaving a final dividend of €1.05 per share to pay on 19 June 2008. We will be offering shareholders the possibility of being paid in new shares.

VINCI and its shareholders
During 2007, the number of individual shareholders rose almost 50% to 242,000 at year end. Our shareholder relations department has a free-phone number for callers using a landline in France, as well as a shareholders' page on our website at www.vinci.com. This page gives shareholders direct access to information about our business and financial performance. They can also register to receive press releases in real time and become members of the Shareholders' Club. A newsletter (available in French only) keeps shareholders up to date about the Group's news and outlook. With a view to increasing the opportunities to meet and talk to shareholders, we organised about 10 meetings around France during 2007. We also participated in the Actionaria investment fair held in Paris in November. We will maintain this policy in 2008.

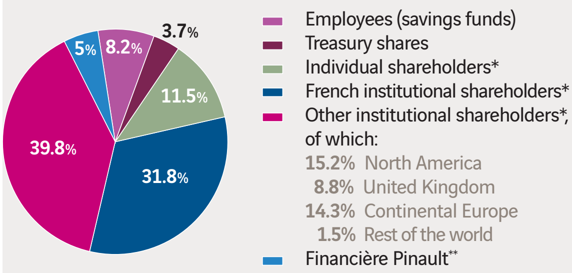
VINCI Shareholders' Club benefits
The VINCI Shareholders' Club, which had almost 8,000 members at 31 December 2007, provides a variety of benefits and additional meeting opportunities. One of the advantages is a special pass for the Château de Versailles, where we restored the Hall of Mirrors. For 2008, the club's programme includes visits to construction sites and facilities (Stade de France, Vauban docks in Le Havre, etc.). Club members also receive a discount on books we publish. Anyone who owns at least one VINCI share can apply to the shareholder relations department to become a member and benefit automatically from these special offers.

Institutional investors and financial analysts
Our communication policy as regards institutional investors (shares and bonds) and financial analysts aims to maintain constant dialogue with the financial community. To that end, we send analysts and investors regular information so that they can better understand our strategy and events that could impact on our performance. In 2007, our communication with the financial community included:
- information meetings when we published our annual and interim results;
- participation of senior managers in general or themed events organised for investors by financial institutions;
- presentation on ASF and Escota for financial analysts;
- telephone conferences when we published our quarterly revenue data;
- road shows held in major financial centres in Europe and North America so that our senior management could meet investors;
- individual meetings and telephone conferences between our financial department and institutional investors.

In addition, we organised road shows in Europe at the time of ASF's inaugural bond issue.

Overall, VINCI's management met more than 1,200 investors and analysts during 2007. ■

A stable, diversified shareholder base



At the end of 2007, our employee savings funds were our leading shareholder group, with 85,000 employees holding over 8% of our share capital. Some 242,000 individual shareholders held more than 11% of our share capital. Institutional investors, of which there were over 500, accounted for about 77% of our share capital, and were spread between France, the rest of Europe and North America.

* Estimates.
** On 11 June 2007, Financière Pinault declared that it had fallen below the 5% threshold and held 4.98% of VINCI's share capital.

VINCI Shareholder Relations Department

1 cours Ferdinand de Lesseps
92851 Rueil Malmaison Cedex, France

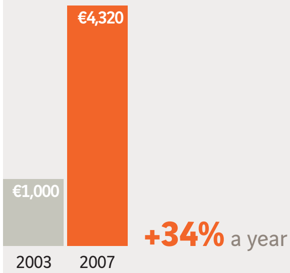
> Shareholders' page at www.vinci.com
> Individual and institutional shareholders
Tel: +33 1 47 16 45 39
Fax: +33 1 47 16 36 23

VINCI: 19th biggest market capitalisation in the CAC 40 on 29 February 2008

€22.4 billion at 29 February 2008

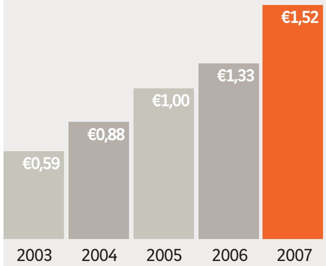
VINCI ranks 19th in the CAC 40 by market capitalisation and 13th by index weight. On 24 September 2007, our share entered the DJ Eurostoxx 50 index, which includes the top 50 shares in the euro zone, and was ranked 40th by index weight at the end of February 2008.

Shareholder return on investment in VINCI shares over five years



A VINCI shareholder who invested €1,000 on 1 January 2003 and reinvested all the dividends received (including tax credits until 31 December 2004) would have had an investment of €4,320 on 31 December 2007. This represents an annual return of 34%.

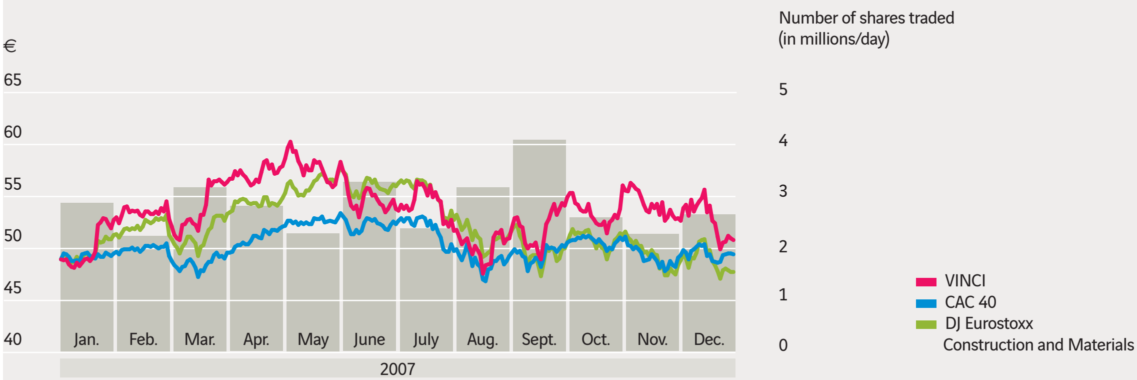
Dividend per share tripled in five years*



Our dividend has almost tripled in five years. The dividend proposed to the Shareholders Meeting in respect of 2007 is €1.52 per share, a 14% increase over the 2006 dividend.

* After restatement following the two-for-one splits in May 2005 and May 2007.

Share performance and average daily trading volume



Between 31 December 2006 and 31 December 2007, our share price rose 4.6% while the CAC 40 only rose 1.3% and the European construction index (DJ Eurostoxx Construction and Materials) declined 3%. The VINCI share reached a record high of €62.42 during trading on 8 May 2007.

Source: Euronext

2007 photo album

Facts and images

25.01.2007

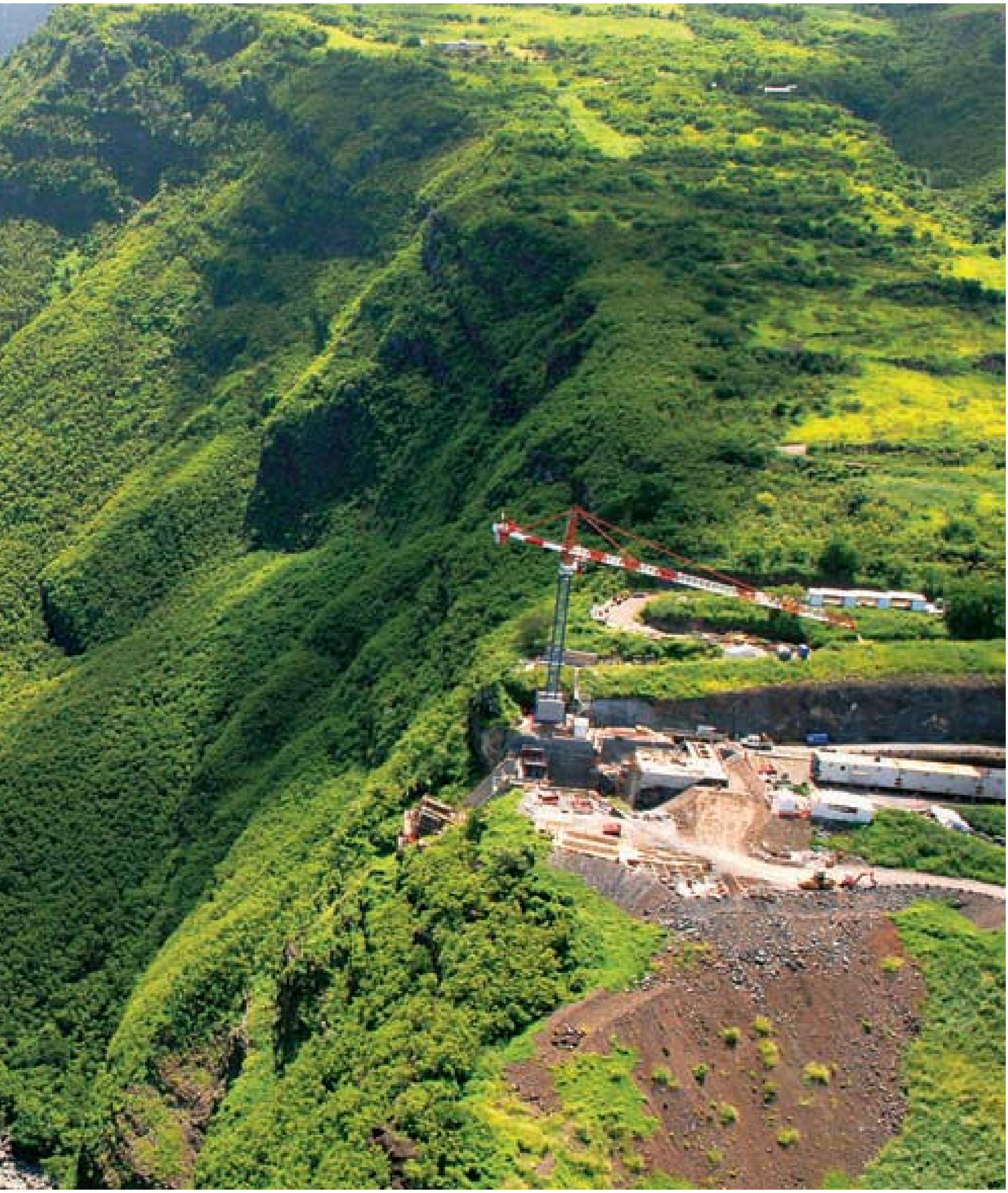
Solétanche Bachy joins VINCI

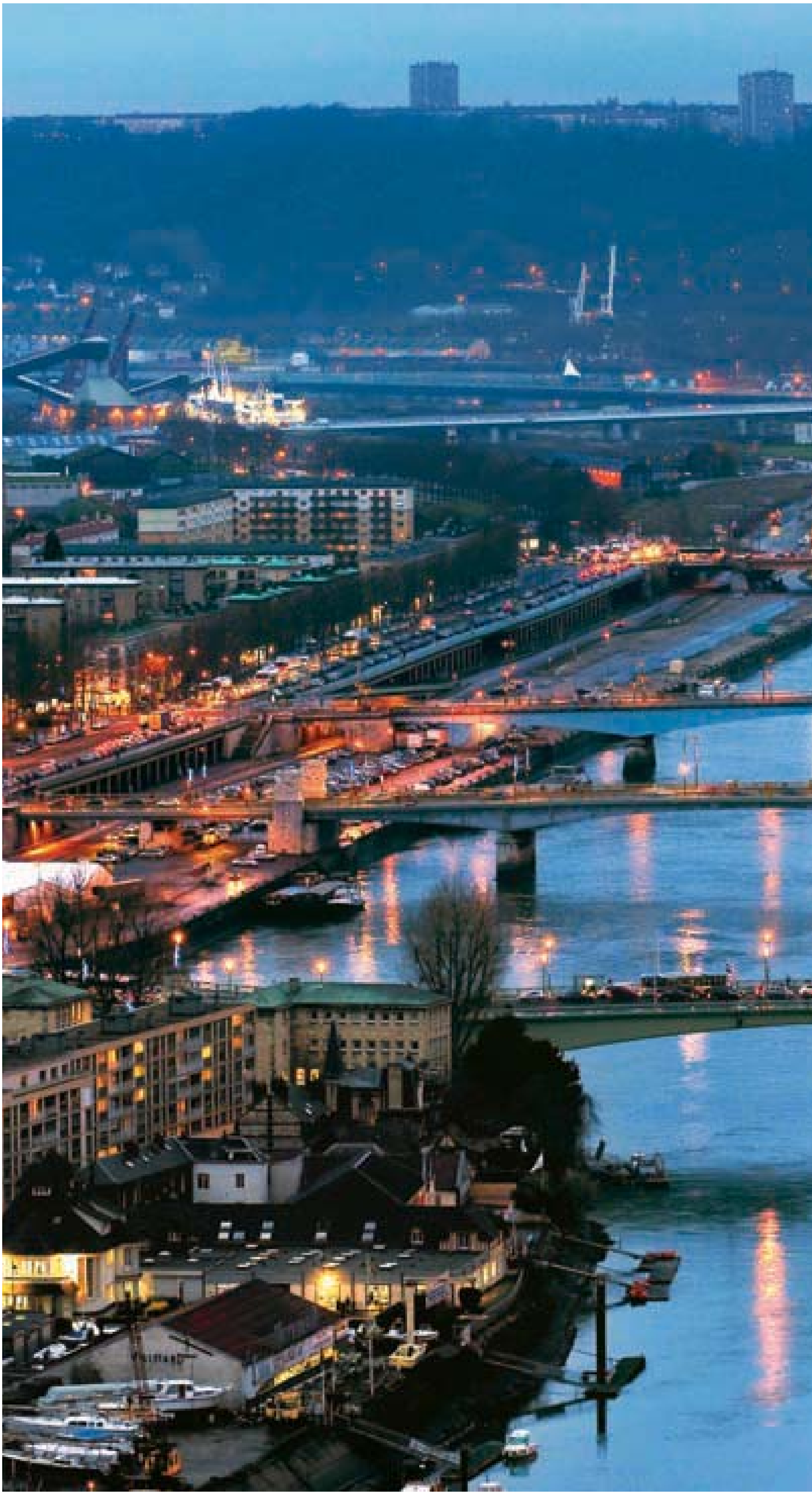
The acquisition of Solétanche Bachy, which was finalised in July 2007, strengthened our offering in ground improvement technologies, a key link in the construction chain. An expert in the full range of geotechnical processes, special foundations, underground works, ground improvement and pollution treatment and control, Solétanche Bachy participates in complex underground projects as a general contractor for ground engineering and technologies. The company is working on many major projects, including the Palm Islands in Dubai, underground works for Saint Pancras railway station in London, and the foundations of Russia Tower, Europe's highest tower currently under construction in Moscow. Its international network complements that of VINCI.

22.02.2007

Grande Ravine viaduct, Reunion Island

Seven VINCI Construction companies are involved in building the Route des Tamarins, a 35 km two-lane dual carriageway, much of it over mountainous terrain, which aims to alleviate traffic on the coast road. The new road, worth €275 million, includes three cut-and-cover tunnels, four viaducts, nine interchanges and three service areas.
The Grande Ravine viaduct is an exceptional structure with a 288 metre span over a 170 metre gorge. Work started with the very complex, deep foundations in February 2007. The viaduct is scheduled for delivery in 2009.

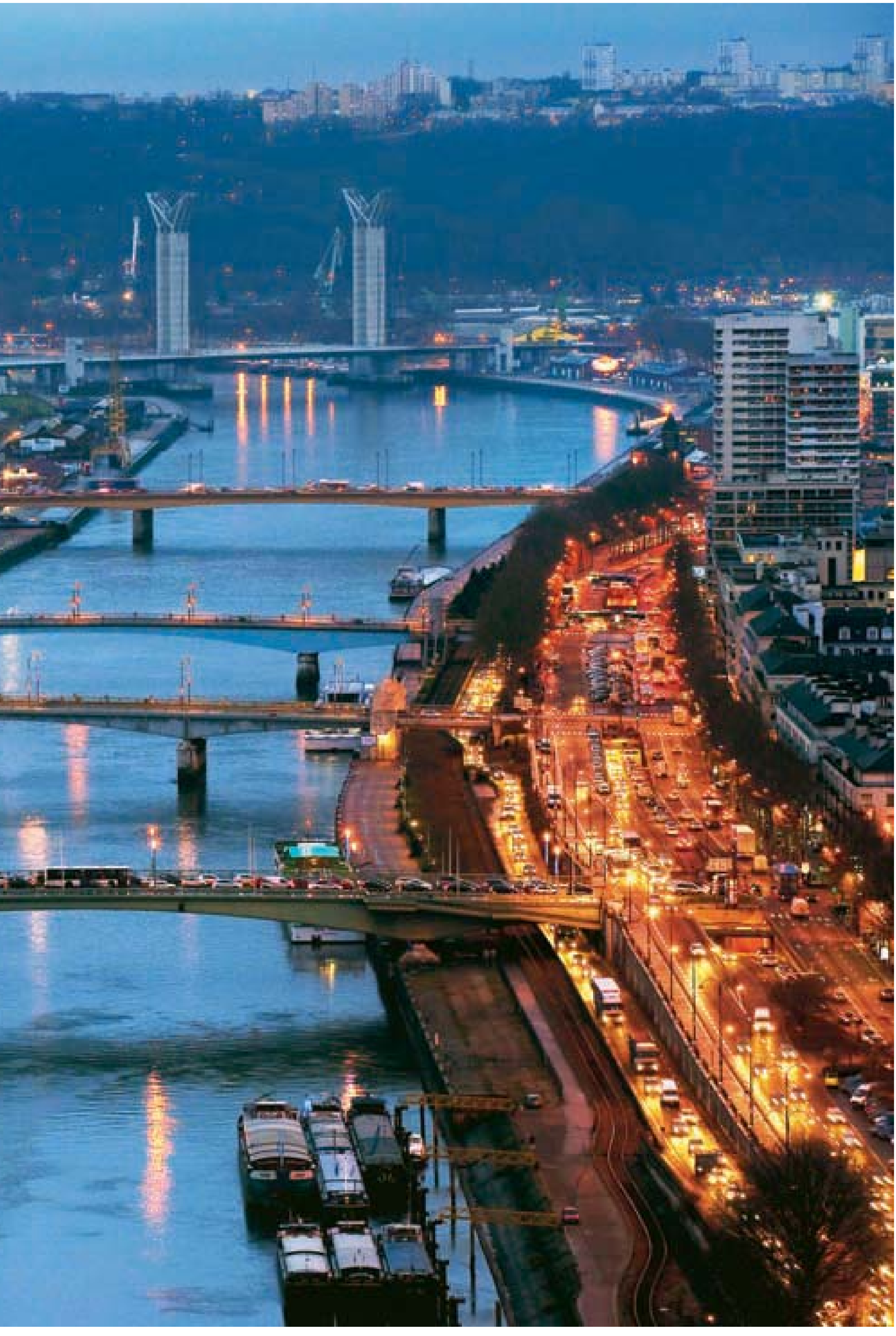




19.03.2007

Public lighting PPP in Rouen

No longer restricted to major transport infrastructure, public-private partnerships (PPPs) cover all types of public infrastructure and equipment. In March 2007, a consortium comprising VINCI Concessions and VINCI Energies won the contract for managing the public lighting (16,000 lighting points) and traffic lights in Rouen, Normandy. The contract is worth about €100 million over 20 years. VINCI Energies won two more PPP contracts for public lighting in France during 2007, one in Saumur in the Loire valley and the other in Hérouville Saint Clair, Normandy.



23.04.2007

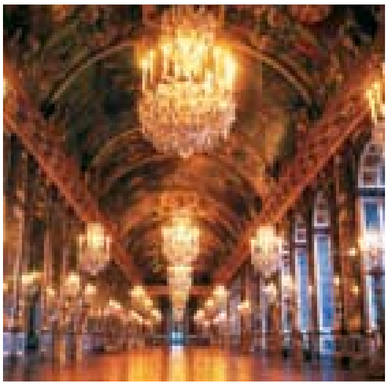
Biggest concession contract outside France

VINCI, who built and now operates Charilaos Trikoupis Bridge (Rion–Antirion) between the Peloponnese and mainland Greece, was part of the consortium awarded the concession for a 365 km motorway between Athens and Tsakona: 120 km to be repaired and widened; 163 km to be built. Worth over €2 billion, it is the biggest concession contract ever won by VINCI outside France. VINCI Construction Grands Projets, in a consortium with Greek and German partners, will execute the construction component of the contract. VINCI is also involved in another chapter of the motorway programme under way in Greece, the Maliakos–Kleidi section.

25.06.2007

The Hall of Mirrors restored to its former splendour

The first complete restoration of the Hall of Mirrors at the Château de Versailles was completed in June after three years of work during which the site remained open to the public at all times.
The paintings of Le Brun on the immense vault have been returned to their original radiance. In addition to an outstanding financial commitment (€12 million), VINCI participated in the restoration project in the form of a skills sponsorship arrangement, taking responsibility for project management and contributing its subsidiaries' know-how. An exemplary public-private collaboration.



17.10.2007

Completion of Granite Tower building shell

The traditional topping out ceremony was held to mark completion of the Granite Tower's building shell in La Défense, near Paris. A high environmental quality approach is being implemented for this Société Générale project. One level per week was built thanks to the self-climbing formwork technique used. Despite the complexity of the base (the first three levels of the superstructure) and the structure – it is a huge cantilever building 8 metres wide and 180 metres high – the shell was completed in 28 months and delivered two weeks ahead of schedule.
A technically exemplary project, it is also a fine example of social responsibility with a successful programme of employing young people without qualifications. Final handover will take place during the second half of 2008.

19.09.2007

Innovation momentum at Eurovia

Eurovia's strong innovation capability gives the company a significant competitive edge in the roadworks market. At its Mérignac research centre near Bordeaux, the company develops products and processes with high environmental value added. Its most recent innovations include NOxer®, the pollution-reducing road surfacing, plant-based binders, warm mix asphalts and temperature-sensitive resins. Eurovia set up a new research website (www.eurovia-rd.com) in September 2007 with a view to providing a forum for the scientific community, academics and students to exchange and share knowledge.

21.12.2007

Operating contract for Clermont Ferrand airport

The operation of French regional airports is being opened up to the private sector. Against this backdrop, VINCI is supporting local authorities with solutions that add vitality to air traffic and boost the region's economic growth. The VINCI Airports-Keolis Airport consortium, has been operating the Grenoble-Isère and Chambéry-Savoie airports since 2004, generating traffic growth of 163% and 68% respectively in four years.
The consortium has now won a seven-year operating contract for the Clermont Ferrand-Auvergne airport.

2007 business report

Concessions / Energy / Roads / Construction

Concessions

Profile

VINCI Concessions is Europe's leading operator of transport infrastructure concessions* (motorways, tunnels, bridges, car parks, airports and light rail systems) and a major player in the development of public-private partnerships (PPPs) within VINCI. Our acquisition of the ASF group in 2006 made VINCI Concessions the world's biggest private operator of motorway concessions*.

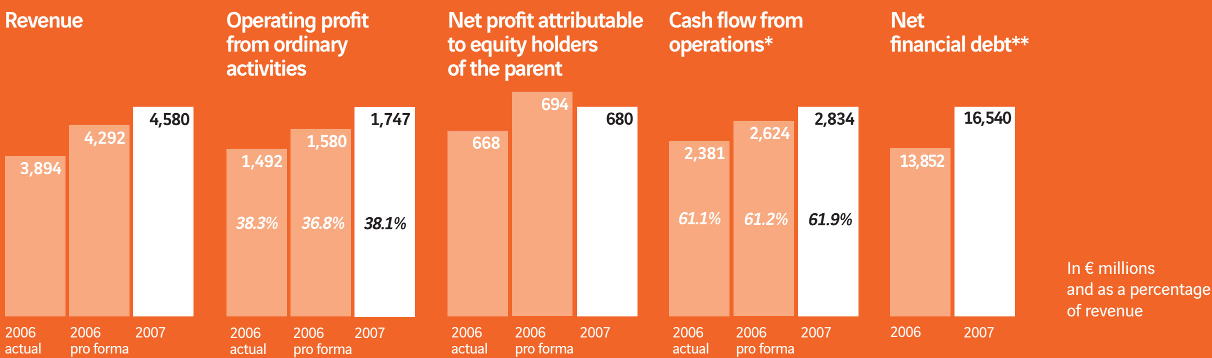
In France, VINCI Concessions holds a very strong position, with 4,373 km of motorway under concession to ASF, Cofiroute, Escota and Arcour (which holds the concession for the A19 between Artenay and Courtenay) and 447,000 parking spaces managed by VINCI Park. The company also has shareholdings in several concession and infrastructure operators: SMTPC, the operator of the Prado–Carénage tunnel in Marseilles; Openly, the operator of the northern ring road around Lyons; the operators of the airports at Grenoble, Chambéry and, since the end of 2007, Clermont Ferrand; and the Stade de France consortium. In 2008, the concessions for the MMArena in Le Mans and the Prado-Sud tunnel in Marseilles will be added to the company's portfolio.

VINCI Concessions' operations outside France include Charilaos Trikoupis Bridge (Rion–Antirion) and two new motorway concessions totalling 600 km in Greece; Toll Collect, the electronic toll collection system, and a new 45 km motorway concession in Germany; two bridges over the River Severn, the Dartford Crossing and the Newport Southern Distributor Road in the United Kingdom; two bridges over the River Tagus in Lisbon, Portugal; the Fredericton–Moncton motorway and Confederation Bridge in Canada; the SR-91 and I-394 Express Lanes in the United States; a 45 km section of motorway in Jamaica; the three international airports in Cambodia; and 588,000 parking spaces managed by VINCI Park in 15 countries. New concessions in Belgium, the Netherlands and Cyprus will be added to the company's portfolio after finalisation of the contracts.
In addition to being a shareholder in this unique portfolio of concessions in operation, VINCI Concessions develops and structures new concession projects. The company is therefore particularly well placed to benefit from the increased use of PPPs, which is being driven by public authorities' growing infrastructure needs.

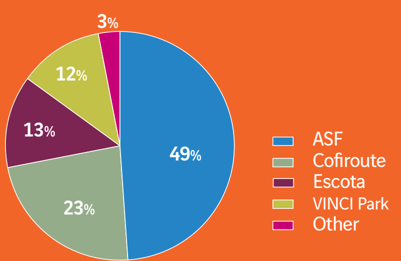
With a view to meeting the expectations of its 600 million end-customers, VINCI Concessions is developing new services for the infrastructure it operates in a socially responsible approach to managing public services. Its extensive expertise in the operation of transport infrastructure is set to expand beyond concession contracts, focusing in particular on services that support sustainable mobility: innovative toll collection systems, traffic information, winter maintenance, city car clubs, etc.

In 2007, to support the next steps in its growth and in application of its strategic objectives, VINCI Concessions set up a new organisation comprising five divisions: VINCI Autoroutes France; VINCI Park; VINCI Concessions Greece; VINCI Concessions Business Development; VINCI Concessions Asset Management.

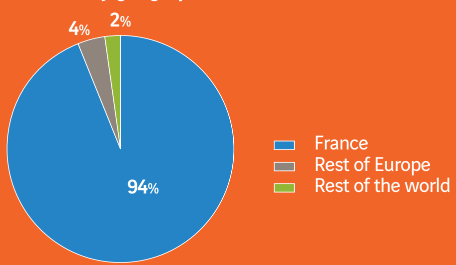
** See pages 41 and 51.*



Revenue by business line

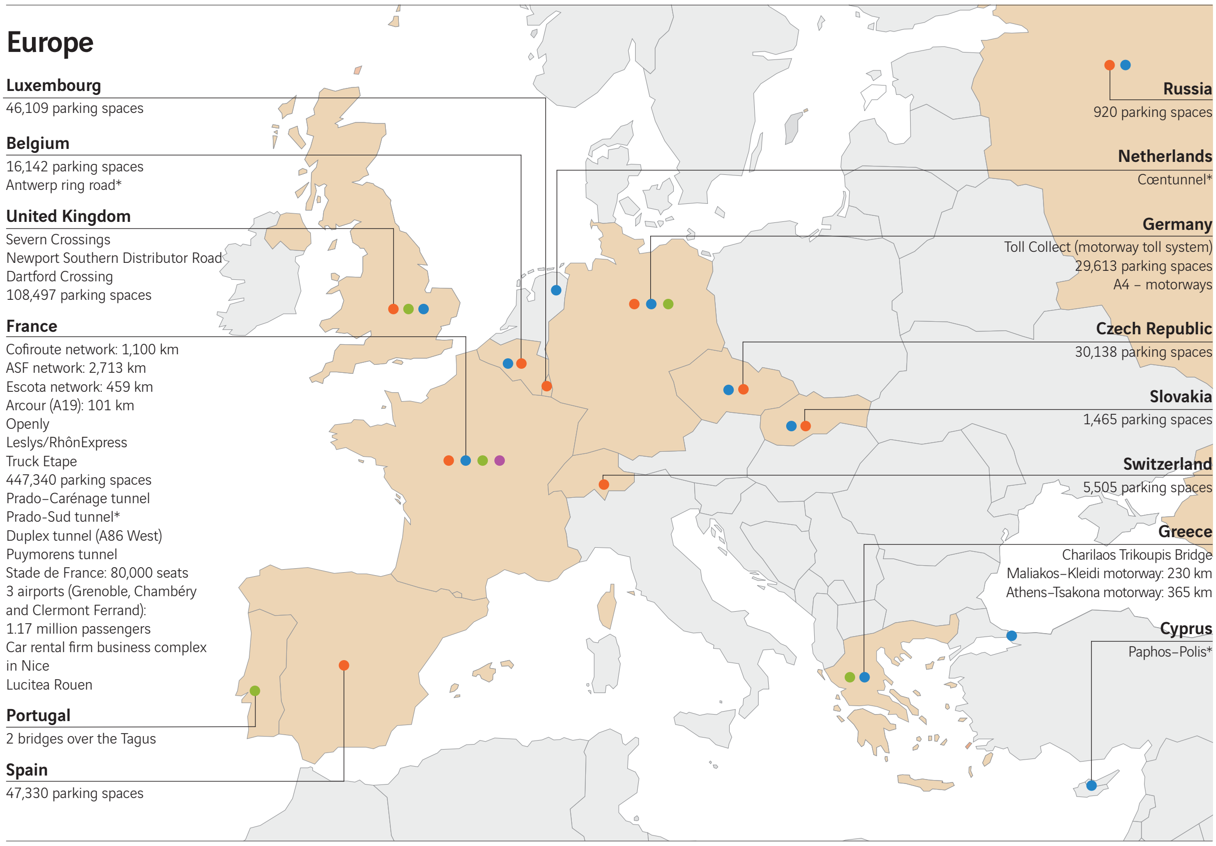


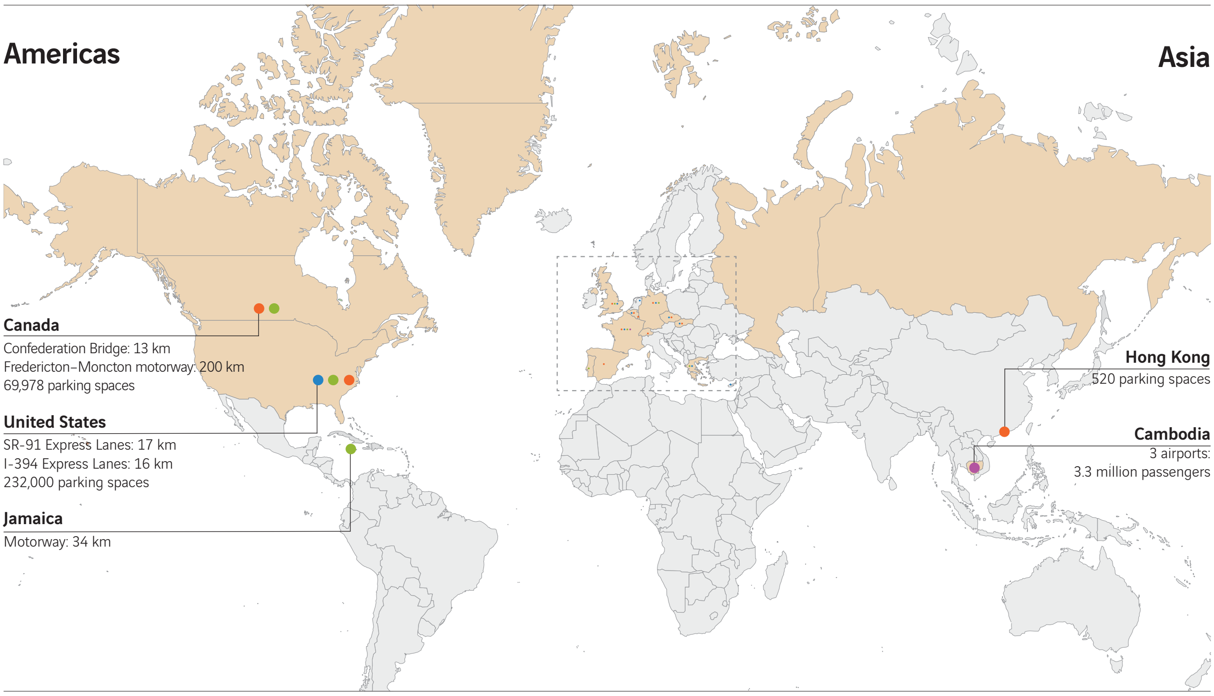
Revenue by geographical area



** Before tax and cost of debt ** At 31 December.*
Pro forma: full consolidation of ASF-Escota from 1 January 2006.

VINCI Concessions around the world

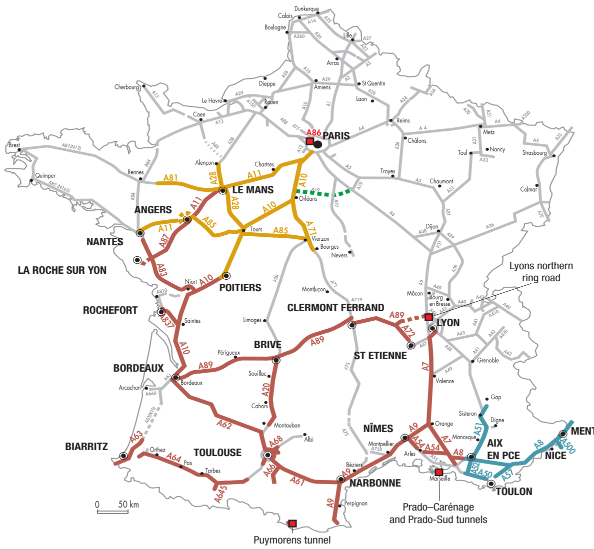




- Rail, road and motorway infrastructure
- Car parks
- Airports
- Infrastructure projects under study

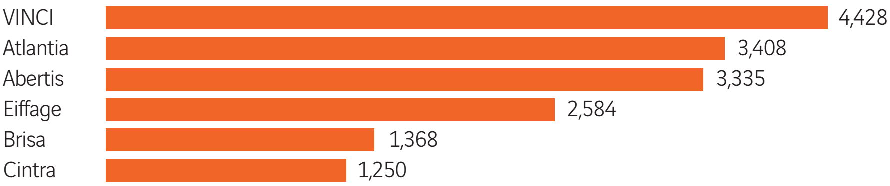
* *Preferred bidder.*

Our motorway concessions in France



ASF
Cofiroute intercity network
Escota
Arcour (A19)
Other networks

Motorway network under concession in Europe (in km)



Source: company press releases

Our concessions

Structure		Description	Country	Capital held	Revenue at 100% (in € millions)	Residual term of concession (in years) from 31/12/2007
Motorways		**Network under concession**				
Cofiroute intercity network		1,100 km	France	83%(1)	1,039	23
ASF network(2)		2,713 km	France	100%	2,234	25
Escota network		459 km	France	99%	578	19
A19 motorway(3)		101 km	France	100%	-	63
Newport Southern Distributor Road		10 km	United Kingdom	50%	9	35
Fredericton–Moncton motorway		200 km	Canada	12%	-	21
A4 – A-Model		45 km	Germany	50%	3	30
Bridges and tunnels						
Charilaos Trikoupis Bridge (Rion–Antirion)	Peloponnese–mainland		Greece	54%	48	32
Tagus bridges	Two bridges in Lisbon		Portugal	31%	63	23
Prado–Carénage tunnel	Tunnel in Marseilles		France	33%	33	18
Severn Crossings	Two bridges over the Severn		United Kingdom	35%	111	9
Confederation Bridge	Prince Edward Island–mainland		Canada	19%	21	25
A86 tunnels (Cofiroute)(3)	Rueil Malmaison–Versailles		France	83%(1)	-	70(4)
Puymorens tunnel (ASF)	Pyrenees		France	100%	-	30
Car parks		**Number of spaces**				
VINCI Park		1,035,000	France/Europe, United States, Canada	100%	562	26(5)
Airports		**2007 traffic (passengers)**				
Cambodia (three airports)		3.3 million	Cambodia	70%	48	33
	Phnom-Penh airport	1.6 million				
	Siem Reap airport	1.7 million				
	Sihanoukville airport	-				
Chambéry-Savoie airport		231,000	France	50%	6	4(6)
Grenoble-Isère airport		470,000	France	50%	8	1(6)
Clermont Ferrand-Auvergne airport		550,000	France	50%	-	7(6)
Stade de France		80,000(7)	France	67%	109	18

(1) We increased our holding in Cofiroute from 65% to 83% in early 2007 by acquiring the shares held by Eiffage and two banks.
(2) Including the Lyons–Balbigny section.
(3) Under construction.
(4) From the date on which the tunnels go into full service.
(5) Average residual term for the 359,375 spaces under concession.
(6) Public service contracts.
(7) Seating capacity.

01

VINCI Concessions Business Development

Acceleration of business development in France and rest of Europe

02

VINCI Concessions is a driving force in the consolidation of our integrated business model. The PPP projects secured in 2007 by our concessions division, working in synergy with our contracting divisions, enabled us to achieve the objective set in our strategic plan: to develop an annual average volume of new business representing capital employed of at least €1 billion (VINCI share).

VINCI Concessions' intense commercial activity in 2007 brought some significant contracts, reinforcing the division's strategy for growth in major European transport infrastructure.

VINCI Concessions, a new major motorway concession operator in Greece

In Greece, where we have been operating the Charilaos Trikoupis Bridge (Rion–Antirion) concession for several years, we won our biggest ever concession contract outside France as part of a vast motorway construction and repair programme covering the entire country. The Apion Kleos consortium, led by VINCI Concessions (36%) and including Hochtief of Germany (25%) and three Greek companies, was awarded the financing, construction, repair and 30-year operation of 365 km of toll motorway between Athens and Tsakona, which is in the south-west of the Peloponnese. The contract covers 83 km of existing motorway, 120 km to be repaired and widened, and 163 km to be built. The total value of the project exceeds €2 billion.
The works will be carried out by VINCI Construction Grands Projets in association with the consortium partners.
The concession contract was signed on 24 July 2007 and ratified by the Greek parliament on 29 November.
The effective start-up of the concession is expected during the first half of 2008.

We are also participating in another chapter of the Greek motorway programme. The Aegean Motorway consortium, in which we have a 13.75% interest, secured the 30-year concession for the 230 km section between Maliakos and Kleidi, which is the northern part of the Athens–Thessalonica motorway. The concession contract was signed on 28 June 2007 and ratified by the Greek parliament on 1 August.

A Greece division has been created within the company to support the start-up of these two new concessions, which make Greece VINCI Concessions' second biggest market after France. The division is also in charge of business development in the surrounding countries and has already had a first success in Cyprus. The consortium comprising VINCI Concessions (40%), J&P (consortium leader, 45%) and Cybarco (15%) was named preferred bidder at the beginning of 2008 covering the 30-year concession for the 31 km of motorway between Paphos and Polis on the west coast of the island. This is the first Cypriot PPP for road infrastructure. It involves a total of €470 million, of which €300 million in investment and €170 million for providing operational services. The concessionaire's remuneration will be calculated on the basis of the availability of traffic lanes and performance criteria. The work, which is scheduled to take 4.5 years, will be carried out by a consortium comprising J&P (60%), VINCI Construction Grands Projets (20%) and Cybarco (20%). It represents €275 million and includes the construction of nine viaducts and three tunnels.

03

01 VINCI Concessions will finance, build or repair, and operate 365 km of toll motorway between Athens and Tsakona in Greece for 30 years.

02 In 2007, VINCI Concessions was awarded the concession contract for the new car rental firm business complex at Nice-Côte d'Azur airport.

03 In Germany, revenue from the heavy vehicle toll system, Toll Collect, is being used to finance the A-Modell motorway repair and extension programme.

Other projects

In France, in addition to the contract to operate Clermont Ferrand-Auvergne airport (see page 52), two contracts were finalised that confirm the trend towards using PPPs for a broader range of public infrastructure. The first was for the car rental firm business complex at Nice-Côte d'Azur airport. This 32-year contract calls for the financing, construction and operation of a three-storey building with a total surface area of 60,000 sq. metres (2,500 parking spaces), representing an investment in the order of €45 million. The second contract, won jointly with VINCI Energies, was for managing the public lighting and traffic lights in Rouen for 20 years (see page 60) under a €100 million PPP arrangement. At the end of the year, VINCI Concessions was selected as concession operator for the new MMArena stadium (25,000 seats) in Le Mans and the Prado-Sud road tunnel in Marseilles (see page 54).

In Germany, the 50/50 consortium made up of VINCI Concessions and Hochtief signed the concession contract for a 45 km section of motorway between Gotha and Eisenach (A4) in Thuringia, central Germany. It is part of the A-Modell programme, which has been set up to finance the repair and extension of the country's motorway network. A consortium comprising Eurovia (project leader), Hochtief and some small and medium-sized German companies will execute the work, which includes the construction of a new 25 km section. The tolls for vehicles of over 12 tonnes on this section will be collected via the Toll Collect satellite system and paid to the concession operator. Cofiroute is a member of the consortium that set Toll Collect in place and has been operating it since 2005. The VINCI-Hochtief consortium is also competing on the A-Modell programme for the A1 (74.8 km section between Bucholz and Bremen-Kreuz) and A5 (60 km section between Offenburg and Baden-Baden) motorways.

In Belgium, a consortium led by VINCI Concessions and including CFE (a VINCI Construction subsidiary) was announced preferred bidder on the project to complete the Antwerp ring road. The contract, a 39-year PPP, calls for the design, financing, construction and maintenance of 30 km of motorway infrastructure (dual carriageway with two to six lanes). The work is scheduled to take four years and includes a 2 km tunnel under the River Escaut, a 1.2 km cable stayed bridge with two levels, four interchanges and a toll station. It is expected to start at the end of 2008 after contract signature.

In the Netherlands, the Cœntunnel Company BV consortium, which consists of VINCI Concessions, CFE and Dredging International (another VINCI Construction subsidiary), Dura Vermeer (leader), Arcadis, Besix and TBI, is in final negotiations to build and operate a three-lane dual carriageway submerged tunnel in Amsterdam for 30 years. The tunnel runs between the city centre and its northern suburbs. The project, with a total value of about €500 million, also includes repairing an existing tunnel. The concession operator will be paid an annual fee by the concession authority based on the actual availability of both tunnels.

At the end of 2007, VINCI Concessions was competing on a further 10 tenders to build transport and other public infrastructure in France and the rest of Europe. The VINCI Concessions business development division created at the end of 2007 is working on numerous greenfield projects. It will give fresh impetus to the momentum started in 2003. ■

01 With 4,373 km, VINCI Autoroutes France accounts for almost 50% of the French motorway network under concession.

VINCI Autoroutes France

At the end of 2007, we created VINCI Autoroutes France to group together the four French motorway concession operators: ASF, Cofiroute, Escota and Arcour. With 4,373 km, this entity has almost 50% of the country's motorway network under concession.

Following on from the initial collaborative arrangements already set up between these networks, VINCI Autoroutes France will accelerate the development of synergies in all areas: broadening and harmonisation of commercial offerings, widespread deployment of electronic toll collection (ETC), common services to motorway radio stations, purchasing policy, operating systems, etc.

In the medium term, pooling the operators' expertise will help build joint offerings in areas such as satellite-based toll collection systems. This will support the development of interoperability between motorway networks and toll collection systems across Europe, and will ensure that best use is made of VINCI Autoroutes France's resources within the framework of tenders we win in new markets.

More generally, bringing our policies, projects and motorway networks into phase will promote the emergence of new mobility services and create new business activities beyond the current scope of concession contracts.

Autoroutes du Sud de la France

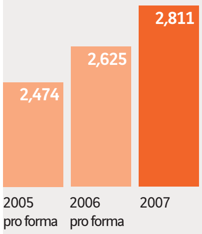
Autoroutes du Sud de la France (ASF), France's biggest motorway operator, celebrated its 50th birthday in 2007. The company operates a network of 2,590 km in service (at 31 December 2007), with a further 123 km under construction. Its network carries heavy commercial and tourist traffic from all over Europe, as well as significant regional traffic. ASF's operating and financial performance improved again in 2007. Under the combined effect of traffic growth (3.3% on a constant network basis) and the increase in tolls in February in line with its contract with the government, toll revenue rose 7.3% to €2,184 million. At the same time, the focus on productivity generated a further improvement in cash flow from operations, which reached 65.5% of revenue.

On 8 June, ASF signed the twelfth rider to its concession contract with the government. The new 2007–2011 master plan is a road map that gives the company good visibility for the coming years. In exchange for the annual increase in tolls as defined – amounts and terms of implementation – in its contract, ASF will invest almost €2.6 billion in its infrastructure over five years: more than half will be spent on building new sections and the remainder on modernising existing sections. The master plan also includes performance targets for safety, traffic flow, toll collection, quality of service provided to customers and sustainable development.

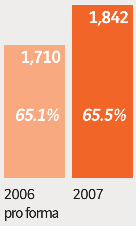
ASF continued its toll automation programme, with 67% of transactions during the year in automated lanes (transponders, bank cards, etc.) compared with 62% in 2006. Electronic payments increased 24.7% and represented 22.4% of total transactions, against 18.7% in 2006. This change is due in particular to the introduction of the electronic toll collection system for heavy vehicles transporting goods or passengers (TIS-PL) in April 2007, which replaced the former Caplis magnetic card system on 31 March 2008 in line with a European Union directive aimed at having a European toll collection system. Furthermore, in application of EU legislation (Eurovignette directive), the toll discounts for heavy vehicles are no longer calculated per fleet but per vehicle, which is more

ASF Group (Escota and ASF)

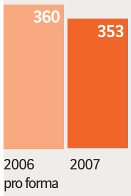
Revenue



Cash flow from operations*



Net profit



In € millions and as a percentage of revenue
** Before tax and cost of debt*
Pro forma: full consolidation of ASF-Escota in both 2005 and 2006

advantageous for small haulage firms. To stimulate migration to the new system, ASF took the initiative of offering a Caplis account cancellation bonus, topped up by an "environment bonus" for vehicles that comply with the new Euro IV and Euro V standards on pollution emissions. With regard to light vehicles, the number of transponders installed rose 18.6% to 427,000. Internally, the automation programme is being carried out in compliance with the company's human resources commitments as set down in agreements on toll organisation and on skills and jobs planning signed with all trade unions.

New sections

In accordance with ASF's master plan, two new sections were brought into the scope of the concession in 2007: the Montauban bypass (16 km) on the A20 and a 6.6 km section of the RN 620 located between Sorges and Mur Erigné. The latter section extends the A87 (Angers–La Roche sur Yon) and was part of the takeover of the eastern Angers bypass on 1 January 2008.

Regarding construction programmes under way, ASF completed the Thenon–Terrasson section on the A89 and it was opened to traffic on 16 January 2008. This final 18 km section gives 324 km of continuous motorway between Bordeaux and Clermont Ferrand. The overall project took 12 years to complete and an investment of €4 billion. On the A87, ASF carried out the earthworks for the southern bypass of La Roche sur Yon, a toll-free urban bypass that will give drivers two-lane dual carriage-way along the entire Paris–Sables d'Olonne route when it is opened to traffic during 2008. In October 2007, ASF started work on the 5 km link between the A75 and A9. ASF continued to carry out the necessary administrative procedures for the 53 km Balbigny–La Tour de Salvagny section awarded to it in 2006. Work on this section, which will extend the A89 to Lyons, is expected to start during 2008. In addition, the company obtained the Declarations of Public Interest relating to the creation of a dual carriageway on the A9 to the south-east of Montpellier and to widening the A63 between Ondres and Biriatou on the Spanish border to a three-lane dual carriageway (approximately 40 km).

ASF secured the renewal of its ISO 9001 certification for its "motorway design, construction and development" activity. The Saint Etienne operations division was awarded ISO 14001 environmental certification for the A89 Balbigny–La Tour de Salvagny construction site.

Network in service

ASF continued its investment in the modernisation of its network in service. On the A7, it completed the work to strengthen the central reservation between Vienne and Orange, and significant resurfacing work was done between Valence Nord and Sénas. Following on from the public debate on transport infrastructure in the Rhone Valley and south-west France, the company continued testing measures that might improve traffic management. In addition to the speed control system that has been implemented on the A7 during the summer since 2004 and gives recommended speed limits varying with traffic conditions, a ban on heavy vehicles and caravans overtaking was tested on two difficult sections in 2007.

The company signed several partnerships, enabling it to broaden the services it offers. With Bidegi, the concession operator of motorways in the Spanish Basque country, ASF signed the first cross-border toll collection agreement in Europe. Since 1 March 2007, Spanish transponders (VIA T) are accepted in France on the A63 (along the French Basque coast) and A64 (Bayonne–Lestelle), and French transponders (Liber-t Océan) are accepted on Spain's A8 motorway towards San Sebastian. In Toulouse, thanks to collaboration between ASF and the municipal authority, listeners to Radio Trafic FM are updated on traffic conditions on the Toulouse ring road and in the greater Toulouse area. In addition, variable message signs displaying journey times, updated every minute, have been installed on the eastern part of the ring road and ASF's roads that enter the city. In Perpignan, ASF has set up a city toll subscription plan (Zap Perpignan) with the local authority. Co-financed by both partners, it enables local residents to avoid the city centre by driving free of charge on the A9 between the Perpignan north and south toll stations, while benefitting from the advantages of electronic toll collection throughout France. Lastly, ASF conducted an initial trial >>>

▲

Lyons ring road

Openly, a wholly owned subsidiary of ASF, has been operating the northern ring road around Lyons since 2006 as part of an eight-year public service contract that includes structural repairs and refurbishment. This complex structure (four tunnels totalling more than 6 km, one viaduct, seven on/off slip roads and two toll stations) recorded traffic of 135,000 vehicles a day in 2007, of which 45,000 on the toll section alone.

01 ASF has been looking after the safety and comfort of millions of customers on its network for 50 years.

02 The 500-metre viaduct over the Cher on the A85 is designed to improve the flow of water when the river is in spate.

>>> of digital radio between Lyons and Toulouse on the A7 to test the capabilities of services broadcast by this method, which is set to replace the current analogue system.

In terms of road safety, ASF continued its accident prevention efforts aimed at motorists and heavy vehicle drivers. The company's actions in this regard include educational partnerships for learner drivers such as the one – for the third year – with Guitton high school in Niort and a new one with the Gustave Eiffel high school in Narbonne.

Cofiroute

Cofiroute operates 1,082 km of motorway in western France (A10, A11, A28, A71, A81 and A85), representing 12% of the country's motorway network, and records over 100 million toll transactions a year. Cofiroute also holds the concession for the A86 Duplex near Paris, on which work continued between Rueil Malmaison, Versailles and Vaucresson. The concession will run for 70 years from the date the tunnels go into service.

2007 was another year of strong growth for Cofiroute. On a constant network basis, traffic rose 6.5% for heavy vehicles and 3.3% for light vehicles. Taking the network extension into account, the increase was 7.6% for heavy vehicles and 3.3% for light vehicles. Toll revenue rose 8.3%, of which 4.9% was attributable to traffic growth, and crossed the €1 billion mark (€1,018 million). The company's efforts to improve competitiveness led to further growth in cash flow from operations, which reached 70% of revenue two years ahead of its initial targets. This performance was achieved in a new shareholding environment. In February 2007, we increased our shareholding in Cofiroute from 65% to 83% by purchasing the shares owned by Eiffage and two banks.

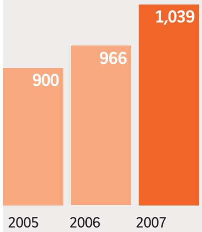
At the beginning of July, as part of its investment programme, Cofiroute reopened the 15-year bond issue contracted in 2007, increasing it to €1.1 billion with the issue of an additional €350 million, all at fixed rate. This refinancing operation, carried out with a limited number of investors, extends the maturity of the company's debt – now almost 10 years – and improves interest rate hedging.

New sections

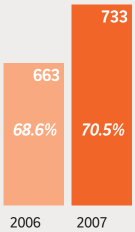
Cofiroute's construction programme, which corresponds to investments of €3 billion over the period of its 2004–2008 master plan, makes the motorway operator one of the key players in urban development in France. As in previous years, the programme led to intense construction activity in 2007, epitomised by the official opening in January of the company's 1,000th kilometre.

Cofiroute

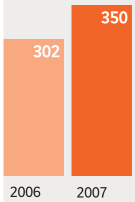
Revenue



Cash flow from operations*



Net profit (100%)



In € millions and as a percentage of revenue
** Before tax and cost of debt.*

On the intercity network, the construction of new sections focused principally on the A85. Several months ahead of contractual commitments, the Bourgueil–Langeais (25 km) and Saint Aignan–Druye (63 km) sections were brought into service in January and December 2007 respectively. These were the final links in the Angers–Tours–Vierzon (206 km) motorway, which runs east to west, and they provide continuity of the Lyons–Nantes corridor. To the south of Tours, at the junction of the two branches of the A85 built by Cofiroute, a 10 km section (Langeais–Druye), built and operated initially by the government, was transferred into Cofiroute's scope in June 2007 through a twelfth rider to its concession contract. The company expects the opening of the final two links on the A85 to have a significant impact on traffic on its concession.

On the A11, the northern Angers bypass progressed to schedule. This 14.3 km section, which includes a 532 metre viaduct and a 1.7 km cut-and-cover tunnel, will be opened to traffic before the summer of 2008, marking the completion of Cofiroute's intercity network.

Work also continued on the A86 Duplex, the underground motorway with two superposed traffic levels that will complete the A86 west of Paris. The pre-opening safety dossier was approved by the government in May 2007. The installation of fixtures and fittings continued at the end of 2007 with a view to opening the first 4.5 km tunnel between Rueil Malmaison and the A13, while civil engineering work continued on the Versailles–Vaucresson section, the tunnel boring machine Emma having broken through on 23 August 2007.

Network in service

Cofiroute sold 66,000 Liber-t transponders during the year, raising the total number in operation to 205,000. Electronic toll collection accounted for 20% of all transactions. The inter-company electronic toll collection system for heavy vehicles (TIS-PL) was deployed as scheduled and the number of TIS-PL transactions at the end of the year was equivalent to that of the Caplis card system it has replaced.

With a view to providing its customers with the same high quality service across its entire network, Cofiroute launched a three-year programme (2007–2009) to upgrade the facilities in all its toll stations, rest areas and service stations. Boutroux, the pilot rest area on the A10, was officially opened in May 2007 after complete refurbishment in compliance with the company's new visual charter for the network. The same quest for excellence is seen in Cofiroute's quality improvement programme and the ISO 9001 certification covering all its operations activities. A quality charter, together with a performance measurement system, sets down the company's commitments in terms of information accuracy, quality of customer support and optimisation of journey time.

Cofiroute exports its expertise as an operator of complex toll systems

Cofiroute has developed and implemented fully automated, free flow toll systems in the United States. In Los Angeles, the company operates the 91 Express Lanes (two-lane dual carriageway, 40,000 vehicles/day) using a variable road charging system (10 different time slots in each direction). In Minnesota, it operates high occupancy vehicle lanes on the I-294 using dynamic variable charging (the toll is adjusted every three minutes based on traffic conditions). In Germany, the Toll Collect consortium of which Cofiroute is a shareholder operates a motorway toll system for vehicles of over 12 tonnes covering the entire network (12,000 km). The system uses satellite technology combined with GSM links and achieves 99.7% accuracy, with less than 2% fraud. In 2007, the tolls collected on behalf of the German government amounted to €3.4 billion.

Lastly, Cofiroute implemented its first sustainable development plan (2007–2009). Combined with quantified targets, this plan gives a comprehensive framework for the company's environmental and social responsibility policy, which is now pivotal to its strategy and action. The initiatives launched in 2007 included a first carbon audit, the results of which were published during the first quarter of 2008.

01 The A19 motorway (101 km), currently under construction between Artenay and Courtenay, will link the A10 to the A6 and A77. It will be opened to traffic in 2009..

Escota

Escota, France's oldest toll motorway concession operator, has a network of 459 km (A8, A500, A50, A51, A52, A520 and A57) located entirely in the Provence-Alpes-Côte d'Azur region. The company records the highest traffic intensity per kilometre of all French motorways under concession, with 39,340 vehicles a day on average.

Escota's revenue increased 6.3% to €578 million in 2007. Of this, toll revenue amounted to €569 million, up 6.1%. On a constant network basis, the number of kilometres travelled rose from 6.4 billion to 6.6 billion, which breaks down into 2.6% growth for light vehicles and 3.2% for heavy vehicles. The number of electronic transactions, which was already at a high level, increased 4.4% to represent 31% of all payment transactions, making Escota France's leading motorway operator in this field. Despite the maturity of its market, Escota sold 26,400 new transponders during the year, an increase of 10% that took the total number of transponders in operation up to 255,000. The company introduced an electronic billing service for individual customers: of 30,000 customers contacted by email, 4,600 had opted for this service by the end of 2007.

After a period of technical assessment, Escota started deploying TIS-PL, the new electronic toll collection system for heavy vehicles, in April. The migration of Caplis subscribers towards the new system accelerated until, at the end of the year, TIS-PL payments accounted for 41% of toll revenue from heavy vehicle traffic.

Escota continued to invest in modernising its network. The pace of upgrading some 20 tunnels between Nice and the Italian border to meet new regulatory safety standards picked up significantly, with investment for the year amounting to €81 million. On the A8, major work was started or continued to widen the Châteauneuf le Rouge–Saint Maximin and Nice Saint Augustin–Nice Saint Isidore sections to three-lane dual carriageway, calling for heavy earthworks and the repair of numerous bridges and tunnels. Still on the A8, studies are under way for the creation or extension of heavy goods vehicle parking areas: 600 parking spaces in nine areas and the development of three emergency parking areas with a total of over 1,500 spaces. In application of a new EU regulation, Escota developed a noise map of all sections of its network carrying annual traffic of over 6 million vehicles – 350 km in total. As Escota's network is in a heavily populated area, an ambitious programme to protect local residents from noise was launched in 1987. This programme has led to the installation of 13,140 metres of noise screens, 13,750 metres of embankments and 2,250 individual noise barriers for houses and apartment blocks.

As part of its second sustainable development action plan, which covers the 2007–2009 period, Escota launched a series of initiatives including the installation of low-energy lighting in the refurbished tunnels; actions to optimise water usage; trials involving 32 biofuel-powered service vehicles; and the preparation of a first carbon audit report.

Escota created a quality and safety department in 2007 and, within the context of the road safety charter signed in 2006, implemented a driver diagnostic programme targeting all employees using company vehicles (80 employees tested in 2007). An awareness event using a driving simulator was also organised for the entire workforce. In addition, during the year, Escota participated in 24 road safety awareness days in schools and local authorities, and continued its partnership with driving schools and driving instructor training centres to raise the awareness of the instructors and their future learner drivers to the special requirements for motorway driving.

Arcour

Through its subsidiary Arcour, VINCI Concessions holds the concession to operate the future A19 motorway between Artenay and Courtenay (101 km), the southern link in the outer bypass around the Paris region. It will join the A10 to the A6 and A77. Arcour is prime contractor with responsibility for financing, and a consortium of VINCI companies is in charge of building the road, which will be operated by Cofiroute. The 65-year concession contract was signed in 2005.

2007 was a year of intense activity on the site, which was the biggest motorway construction site under way in France as work was carried out simultaneously over the entire route. The last of the 29 archæological surveys was completed in October, the first having started two years earlier. The principal activities in 2007 were earthworks and building tunnels and bridges (102 in all, including a viaduct over the Loing with a span of more than 1,000 metres) carried out by VINCI Construction France and VINCI Construction Grands Projets. Eurovia started paving in October (1 million tonnes of surfacing material).

Interoperability agreements on motorway's operation and toll system were initiated with the other French motorway operators. The A19 is scheduled for opening during the third quarter of 2009. ■

01

VINCI Park

VINCI Park creates Okigo, a carsharing company

VINCI Park and Avis have created Okigo, a carsharing company to meet the needs of urban residents who only use a car on rare occasions. Following trials in Paris during 2007, the service will be rolled out to about 30 sites in the Greater Paris area and other major cities. The concept of self-service cars, provided to subscribers for short periods, is a sustainable mobility solution for short journeys on two counts: Okigo vehicles are selected based on their low CO_2 emissions and a shared car can replace up to eight private cars.

VINCI Park designs, builds, finances and operates car parks and on-street parking spaces. Number one in Europe and world leader in car park concessions, the company operates 1,035,000 spaces divided fairly evenly between France and the rest of the world through 1,318 car parks and 792 contracts.

For VINCI Park, 2007 was a year of very strong growth, both in terms of spaces managed (an additional 175,000) and revenue (7.4% increase to €562 million), with operating profit representing 23.3% of revenue. Organic and external growth took the company over the mark of 1 million spaces managed. For the first time in the company's history, the portfolio of spaces managed outside France (588,000) exceeded that in France (447,000).

France

The operations activity remained stable overall in France, with revenue growing 4.9% to €396 million, due mainly to price increases. In Paris, hourly occupancy rose 3.3%, which is the best growth recorded in the capital since the creation of VINCI Park in 2001. Achieved in a context that is generally unfavourable to cars, these results reflect a change in drivers' habits, which includes increased usage of car parks. Outside Paris, the slight decline in hourly occupancy recorded during the year was due principally to major urban development projects that made it difficult to access some city centres. The projects have now been completed and growth in season tickets and rentals partially offset their impact.

In terms of expansion, the year was marked by some significant commercial successes. These included the brand starting operations in Evry (3,650 spaces), Sables d'Olonne (2,300 spaces), Noisy le Grand (1,410 spaces), Lorient (610 spaces) and Antibes (360 spaces). There was also growth in towns where the brand already had a presence: Neuilly sur Seine, where VINCI Park was awarded a public service contract for a new car park and an extension of on-street parking (4,140 spaces); Marseilles, where the urban authority awarded VINCI Park 16 new car parks (2,455 spaces); Strasbourg, where the company started operating two new facilities (1,140 spaces) and the biggest bicycle park in France (850 spaces); and Rueil Malmaison, where the concession has been extended to include three additional car parks (650 spaces). At the same time, VINCI Park consolidated its operations in major centres by securing the renewal of its contracts, the main ones being La Défense (22,600 spaces for six years, i.e. all 16 car parks serving the business district), Caen (4,000 spaces for 10 years), Saint Maurice (2,500 spaces for eight years) and Lille (910 spaces for five years).

In 2008, VINCI Park will continue to intensify its commercial efforts aimed at niche markets, particularly the hospital and retail sectors, which have generated significant contracts over recent years.

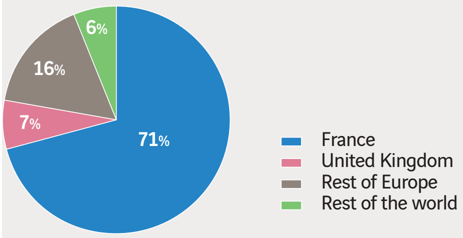
VINCI Park tailors its services constantly to make life easier for its customers. The company developed an innovative payment method with Cofiroute in 2008: the Liber-t transponder can now be used to pay VINCI Park's parking fees. This technical solution, which received a VINCI Innovation Award in 2007, was tested during the second half of 2007 in 11 car parks in the Paris region, Marseilles, Toulouse, Nice and Rouen. By the end of 2008, 200 parks will be equipped with the system.

VINCI Park will also be seeking business opportunities in intermodal parking and multimodal journeys (bicycle and city car club). Its responsible approach to sustainable mobility issues and improving urban living conditions is reflected in its new advertising campaign where VINCI Park "stands up for people's right to be pedestrians".

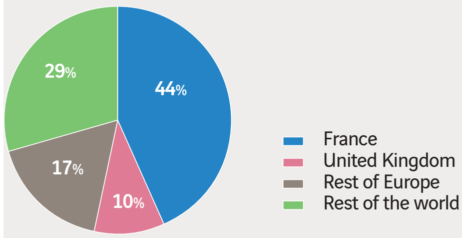
International business

By applying its strategy of focusing on high potential markets in Europe and North America, VINCI Park completed several important external growth and expansion operations. The main one was the acquisition of a 50% interest in LAZ Parking, which operates over 230,000 spaces in 77 cities in the United States,

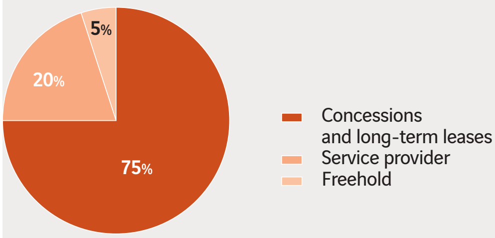
Revenue by geographical area



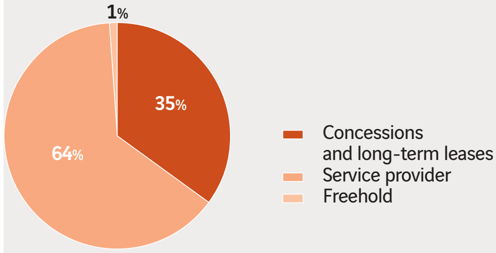
Parking spaces by geographical area



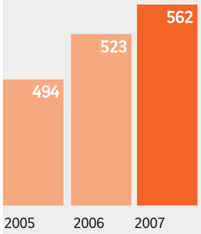
Revenue by type of contract



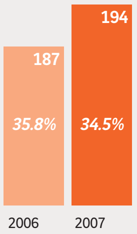
Parking spaces by type of contract



Revenue

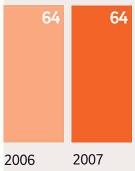


Cash flow from operations*

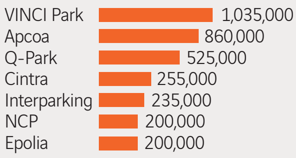


In € millions and as a percentage of revenue.
** Before tax and cost of debt.*

Net profit



VINCI Park, Europe's leading car park operator*



Number of spaces
** Source: VINCI studies, company press releases.*

including Boston, New York, Washington, Atlanta, Miami, Chicago and Dallas. Its contracts cover 14 States and a wide variety of locations: city centres, hotels, hospitals, universities and other public infrastructure. In the neighbouring Canadian market, where VINCI Park has been operating for about 10 years, 2007 saw the signature of a management contract for the 11,500 parking spaces at Montreal-Trudeau Airport, increasing the total number of spaces managed in Canada to 70,000.

In Germany, the acquisition of Netpark (12,300 spaces), following on from the signature in 2006 of a 15-year contract with Karstadt Quelle (56 car parks, 17,300 spaces), strengthened VINCI Park's position in that country. In the Czech Republic, VINCI Park acquired an 80% interest in Parking Praha (5,300 spaces) and won a management contract for on-street parking in three districts of Prague (30,000 spaces). In Belgium, two new contracts were signed in Mechelen and Ostend covering a total of 550 spaces. A first contract was signed in Russia to operate the car park at Terminal 1 of Sheremetyevo Airport in Moscow (920 spaces). In addition, the creation of Mosparkinginvest with a local partner aims to develop a comprehensive car park design, build and operate offering in order to respond to the Russian capital's major needs for infrastructure.

At the same time, VINCI Park withdrew from the Austrian market, where it managed 2,000 spaces, and sold most of its business in Hong Kong (46,800 spaces managed under service contracts).

VINCI and Fortis signed a memorandum of understanding in March 2008 with a view to merging the car park activities operated by VINCI Park and Interparking, a subsidiary of Fortis Real Estate (see Report of the Board of Directors, page 175).

VINCI Park's international growth is expected to continue at the same rhythm in 2008. ■

01 Chambéry-Savoie airport, a major gateway to the Alps, promotes tourism in the region.

02 Grenoble-Isère airport beat all previous traffic records in 2007, with 470,000 passengers.

Other infrastructure


01

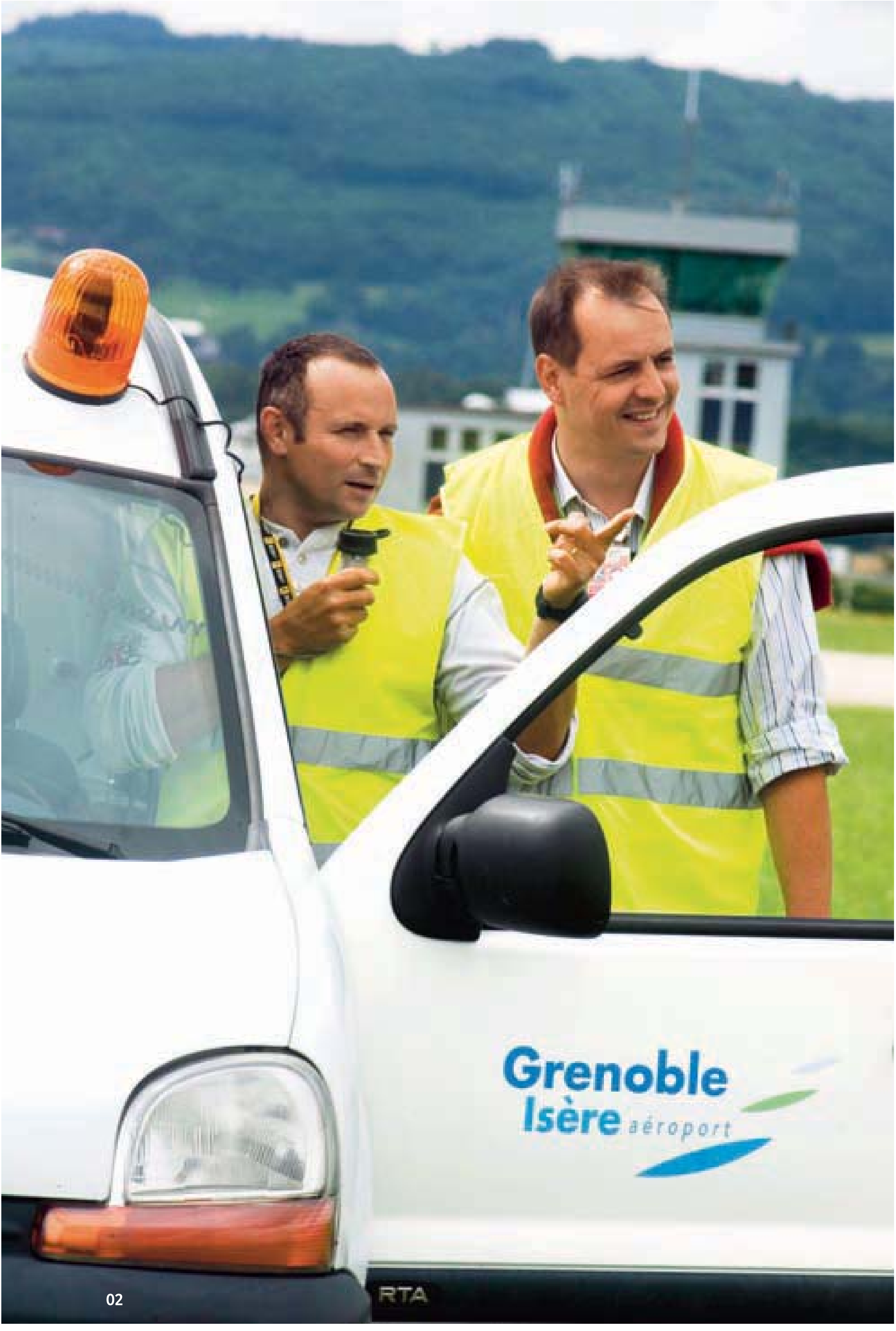
In addition to its strong position in motorway and car park operation, VINCI Concessions manages other infrastructure, including airports, bridges and tunnels.

France

ADP. At the end of 2007, VINCI announced its purchase 3.3% of the share capital of ADP (Aéroports de Paris). ADP owns and operates three airports serving the French capital (Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget), as well as 10 airfields and a heliport. Together, these locations handled over 86 million passengers in 2007, increasing 4.7% over the previous year. Through this financial investment, we reaffirmed our long-term interest in airport infrastructure. We support the profitable growth strategy put in place by ADP's management team but do not intend to raise our shareholding above the current level unless there is a change in the government's shareholding in the future.

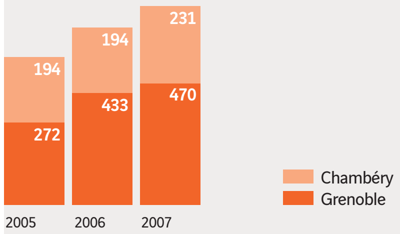
Regional airports. VINCI Concessions and Keolis have been operating the Grenoble-Isère and Chambéry-Savoie airports under public service contracts since 2004. Despite poor ski conditions and the negative impact this had on ski resorts during the winter, passenger numbers continued to increase: 8% at Grenoble (470,000 passengers during the year) and 19% at Chambéry (231,000 passengers), compared with the average of 5% annual growth for all French airports. In four years of operation, traffic has grown 163% at Grenoble and 68% at Chambéry. A proactive policy aimed at airlines, especially low cost operators, has made Grenoble-Isère and Chambéry-Savoie two major gateways to the Alps, stimulating regional tourism.

In June 2006, to capitalise on their first two contracts, VINCI Airports and Keolis Airport signed a strategic partnership. Against a backdrop of privatisation of French airports, their objective is to support local authorities by providing solutions that optimise the management of their airport infrastructure by stimulating air traffic for the benefit of the local economy. The partnership was reinforced at the end of 2007 when it secured a new operating contract for Clermont Ferrand-Auvergne airport. The contract came into effect on 1 January 2008 for a period of seven years. In addition to airport operation and maintenance (passenger terminal, runways, equipment, retail outlets), it stipulates that all the airport staff (170 employees) are to be hired by the entity created by >>>



02

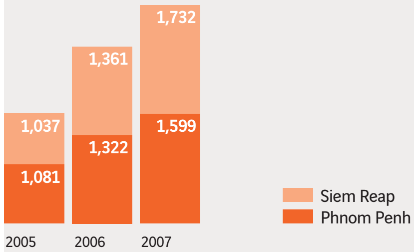
Air passenger traffic in France



In thousands of passengers.


01

Air passenger traffic in Cambodia



In thousands of passengers.

>>> the consortium. The new entity is tasked with stimulating business in an environment where passenger numbers have been declining strongly over the recent past.

Prado–Carénage tunnel (SMTPC), Marseilles. SMTPC's business continued steadily, with over 7% growth in revenue. On 22 June, the operator set a new record: almost 60,000 vehicles used the tunnel. The new Louis Rège Tunnel, financed under a limited extension of the SMTPC concession, was officially opened on 4 June 2007. VINCI and Eiffage, SMTPC's shareholders, submitted a bid to the Marseilles Provence metropolitan authority for a new concession for the future Prado–Sud Tunnel: a 1,400 metre cut-and-cover with two superposed lanes for light vehicles, which extends the Prado–Carénage tunnel. The VINCI-Eiffage consortium won the contract on 8 February 2008.

Leslys light rail system, Lyons. The first rail concession in modern-day France, Leslys is an express link between the city and its airport. The 30-year contract was awarded to a consortium led by VINCI Concessions. The light rail system will cover the journey from the railway station and Part Dieu district of Lyons to Saint Exupéry Airport in 25 minutes over a route that is interconnected with the city's public transport networks (metro and high speed train stations). Leslys will operate every day of the year, with a train every 15 minutes on average. The contract, which was signed in January 2007, calls for the financing, construction and operation of the line. It represents a total investment of €100 million. VINCI Construction and Eurovia will build the infrastructure (9 km of track between Meyzieu and the airport), and VINCI Energies will be in charge of electrical engineering with Cegelec. The consultation phase prior to the Declaration of Public Interest – a necessary stage before starting the work – was completed in October 2007.

International business

Cambodian airports

VINCI Concessions has been operating in Cambodia since 1995. Through its subsidiary SCA, the company holds the concession for the country's three airports. This long-term public-private partnership makes VINCI a key player in Cambodia's economic and tourism development. In 2007, SCA benefited from the buoyant market in Asia in general and Cambodia in particular. Traffic increased 21% at Phnom Penh airport and 27% at Siem Reap, where the new international terminal brought into service in 2006 helps to absorb the ever growing number of tourists visiting the Angkor temples. In total, the two airports handled 3.3 million passengers during the year.

Following the extension in 2006 of the concession scope to include Sihanoukville airport, the country's third airport, SCA started the transformation of this modest facility into an international airport. The challenge is to make this coastal region on the Gulf of Thailand more accessible as its superb natural environment would make it a new "sun and sea" holiday resort for Angkor visitors and Cambodia would become a tourist destination in its own right. In a major step towards this development, construction of a new runway capable of carrying wide-bodied aircraft is scheduled to start in 2008.

Toll bridges and tunnels

In Greece, there was further significant traffic growth on Charilaos Trikoupis Bridge (Rion–Antirion), which reached a daily average of 13,200 vehicles, a 6.8% increase over 2006. All vehicle categories contributed to this growth, with a 7.9% increase in heavy vehicle traffic. Corresponding revenue growth was 10.3%. Installation of the stay cable hydraulic dampers and noise protection systems was completed in 2007. Gefyra also continued its role as a cultural partner with local authorities close to the bridge and demonstrated its solidarity with the communities affected by the fires in the summer of 2007.

The other major road infrastructure operated by VINCI Concessions in the rest of the world recorded significant traffic growth.


02


03

01 In Cambodia, VINCI holds the concession contract to operate the airports at Phnom Penh (photo), Siem Reap and, since 2006, Sihanoukville, which will be developed to handle wide-bodied aircraft.

02 The Leslys light rail system in Lyons will provide an express service between the city centre and Saint Exupéry Airport. The 30-year concession contract was awarded to a consortium headed by VINCI Concessions.

03 In Lisbon, Portugal, VINCI Concessions operates two bridges over the Tagus: 25 April Bridge and Vasco da Gama Bridge.

04 The Prado–Carénage tunnel in Marseilles set a new traffic record on 22 June 2007: 60,000 vehicles.

In the United Kingdom, the two bridges over the Severn between England and Wales have been operated by Severn River Crossing, the concession holder in which VINCI is a shareholder, since April 1992 for the first and July 1996 for the second. The concession contract was signed in 1992 and will end in 2016. It called for the design, construction, financing and operation of the second bridge, as well as the takeover and operation of the first. The two bridges carry average daily traffic of 36,000 vehicles. Also in the United Kingdom, VINCI designed, built and financed the Newport Southern Distributor Road, a 9.4 km bypass that includes a bowstring arch bridge. Under the terms of the concession contract, Morgan-VINCI Ltd. will operate the bypass for 40 years from 15 December 2004. In 2007, traffic averaged 23,000 vehicles a day.

In Portugal, the Vasco da Gama Bridge (12.3 km), which crosses the Tagus estuary in Lisbon, was built for the Expo '98 to alleviate congestion on the 25 April Bridge. The concession contract, which ends in 2030, includes operating the two bridges (repair and maintenance), collecting tolls, providing vehicles for emergency services, etc. The bridges carried average toll-paying traffic of 103,000 vehicles a day in 2007.

In New Brunswick, Canada, the two-lane dual carriageway between Fredericton and Moncton (200 km) has been in operation since July 2002. The Confederation Bridge links Prince Edward Island to New Brunswick. This 13 km infrastructure, in operation since 1997, was built to replace a ferry service subsidised by the government. The bridge is used by 2,000 paying vehicles a day. VINCI Concessions also operates a 34 km motorway network in Jamaica through an ASF subsidiary, Jamaican Infrastructure Operator, on behalf of TransJamaican Highway, in which ASF is also a shareholder. ■


04

Outlook
A strategy in phase with a structurally buoyant market

01 Automation and electronic toll collection, now available for heavy vehicles within the framework of interoperability between motorway operators, are the precursors of the free flow toll systems of the future.

Tasked with heading all our concessions subsidiaries and implementing our strategic priority in PPP growth – with a greenfield investment target of €1 billion (our share of capital employed, including project debt) – VINCI Concessions is focusing its efforts on five complementary areas.

Improving the operating performance of infrastructure under our management, both by seeking productivity gains and increasing traffic. This will be achieved by greater marketing activity and the introduction of new services. The development of more synergies within VINCI Autoroutes France is a priority in this area, as is the deployment of new commercial initiatives and products by VINCI Park.

Continuing selective growth in greenfield projects (new turnkey PPPs), with an emphasis on mobility-related infrastructure. Geographically, the focus will be on markets in Europe where we already have operations (France, United Kingdom, Benelux, Germany and Greece), as well as promising markets in Central and Eastern Europe, Russia and the United States.

Creating value in projects secured, firstly by paying special attention to the construction phase and the commercial ramp-up of new projects and secondly by the active management of the portfolio of existing assets. The aim is to optimise value for us as a shareholder. To that end, strengthening VINCI Concessions' asset management competence is a priority.

Seeking brownfield growth (projects already in operation), targeting in particular companies operating infrastructure and car parks. In this area, within the framework of exclusive negotiations, VINCI Park and Fortis are studying the merger of VINCI Park and Interparking, the third biggest car park operator in Europe.

Business development through finer segmentation of products and services and by taking each aspect of our business farther, firstly in motorway operation, which will involve taking greater advantage of the full range of expertise of the operator of the biggest motorway network in Europe, and secondly in project development and financial engineering, which can become sources of value creation in their own right.

These strategic thrusts will be implemented in a structurally buoyant environment, characterised by the growth of PPPs in Europe, where we generate 90% of our revenue; increasingly complex projects, which benefit major industrial players in the sector; and by the gradual spread of the toll culture associated with strong demand for high-quality service – a trend that is fully in phase with our business model. ■


01

Energy

Profile

VINCI Energies is market leader in France and a major player in Europe in energy and information technologies. It meets the numerous and changing needs of its customers – energy, transport and telecommunications operators, industries, local authorities, service companies – by integrating these technologies in customised, high service content offerings.

Supporting its customers at the different stages of their projects – design and engineering, implementation, operation and maintenance – **VINCI Energies** operates in four areas:

> **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 and monitoring and control, mechanical engineering, air treatment, fire protection, insulation, 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.

VINCI Energies works under a great many recurring contracts, which incorporate a significant maintenance and replacement component. The diversity of its offerings is supported by its 760 business units, which are closely networked, mainly through six Europe-wide brands. This organisation enables the company to act as a systems integrator in developing solutions that are both local and global and that support its customers in all aspects of their projects. With a workforce of 32,000 employees in 20 countries, mainly in Europe, VINCI Energies generates nearly 30% of its revenue outside France.

VINCI Energies' competitive position
in its main markets

France

In 2007, VINCI Energies remained market leader in France. The company expanded its geographic coverage and expertise across all its business lines through acquisitions at local level. The Group's main competitors are Cegelec, Spie, Forclum (Eiffage), Ineo (Suez) and ETDE (Bouygues). In electrical works (which account for over 45% of VINCI Energies' business activity in France), VINCI Energies has a market share of approximately 10%.

Germany

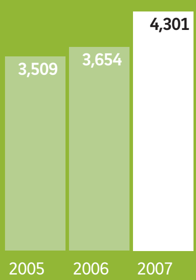
VINCI Energies is a major player in thermal activities (insulation, fire protection, climate engineering) and in 2007 it expanded its industrial automation capabilities and operations. Its competitors are Rheinhold & Mahla (Bilfinger Berger Group) and Thyssen Krupp (Industrial Services branch) in insulation and Minimax and Total Walther (Tyco) in fire protection.

Switzerland

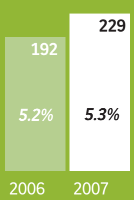
In July 2007, VINCI Energies acquired the Etavis group, a Swiss leader in telecommunications and electrical installations for the service sector and industry. Etavis, which has 45 business units and 1,630 employees, operates primarily in the German and Italian speaking parts of Switzerland. Its main competitors are Burkhalter and Atel.

Sources: internal study and company press releases.

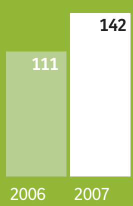
Revenue



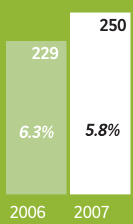
Operating profit from ordinary activities



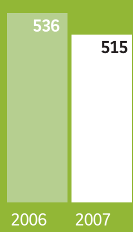
Net profit attributable to equity holders of the parent



Cash flow from operations*

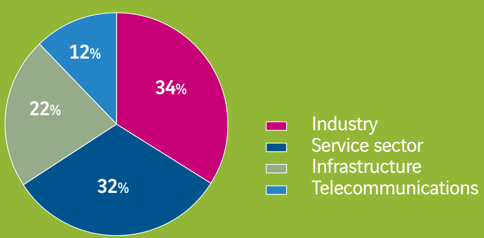


Net financial surplus**

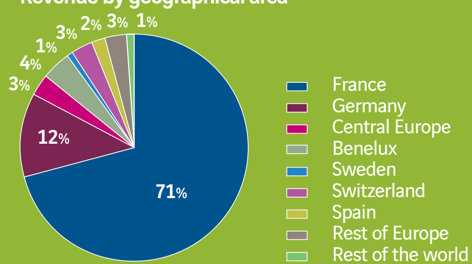


In € millions
and as a percentage
of revenue

Revenue by business line



Revenue by geographical area



** before tax and cost of debt.*
*** at 31 December.*

Public lighting PPP

In 2007, the city of Rouen in northern France awarded a PPP contract covering centralised management for the safety of its public spaces to the VINCI Energies–VINCI Concessions consortium. The 20 year contract, with a value of some €100 million, covers lighting (some 16,000 lighting points), traffic management and the video surveillance system.
Two other public lighting management and renovation PPPs were signed in the course of the year: one with the western French city of Saumur (€12.5 million, 15 years), the other with the northern French city of Hérouville-Saint-Clair (€19 million, 18 years).

Energy
Strong organic and external growth

2007 was a year of exceptional growth for VINCI Energies. Revenue increased 18% to €4.3 billion. At constant scope of consolidation, revenue grew 10.5%. The growth, which applied to all geographical areas and virtually all VINCI Energies areas of activity, reflects the strong roots of the company's business units and their ability to capture market potential in the buoyant business climate of 2007.

Meanwhile, VINCI Energies management stepped up the pace of acquisitions. Some 30 companies, accounting for full year revenue of €460 million and employing a total of 4,650 people, joined the Group in 2007. Most of this external growth (83%) took place in markets outside France, where VINCI Energies now generates nearly 30% of its revenue. The Group expanded its networks in approximately 10 European countries, notably acquiring leading positions in the Swiss, Romanian and Spanish markets with the acquisition of the Etavis (see page 64), Tiab and Tecuni companies respectively.

In France, VINCI Energies' traditional market, growth more than doubled to 12.5%, from 5.3% in 2006. Growth was particularly pronounced in the greater Paris, North, East, West, Centre and Normandy regions. In Germany, the second largest market after France, growth came in at 10%, with VINCI Energies making the most of its sound positions in the buoyant industry and energy markets. Elsewhere, the strongest growth was recorded in the United Kingdom, Belgium, the Netherlands, Portugal, Poland and Slovakia. Reflecting the controlled nature of this growth, operating profit from ordinary activities rose along with business activity, increasing 20% to reach 5.3% of revenue.

Infrastructure

Against a very favourable backdrop of renewed energy investments, the power generation and transmission activity grew organically by 25% in one year to nearly €200 million in France. All segments of this sector were involved.

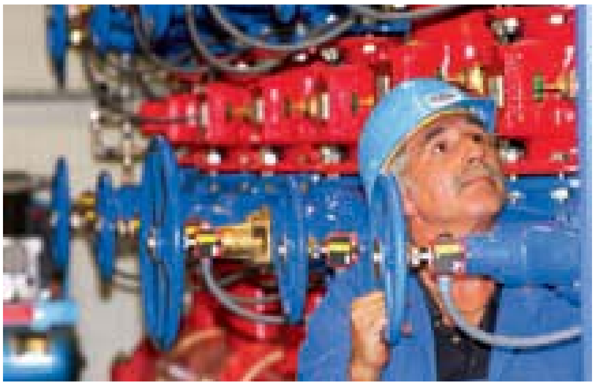
The high and very high voltage network activity (Omexom) was strengthened by major RTE (French power transmission operator) investments in infrastructure safety and modernisation. Among other activities, Omexom rolled out optical fibre networks used in network monitoring and control. The Group also participated in the construction of the new 400 kV Marlenheim-Vigy power line, which will ensure security of supply to the city of Strasbourg. The transformer station activity continued to diversify among industrial and power generation customers. For example, VINCI Energies took part in the construction of a new combined cycle power station >>>

01 VINCI Energies is taking part in the construction of the new VHV (400 kV) power line between Vigy and Marlenheim in eastern France, which will enhance security of supply to the city of Strasbourg.

01 Maintenance work on the sprinklered active fire protection system at the Papierfabrik Palm paper mill site in Wörth am Rhein in the south-eastern part of the German State of Rhineland-Palatinate.

400,000

lighting points managed by Citéos under long-term contracts with local authorities.



>>> (CyCoFos) for Gaz de France in Fos sur Mer. In addition to transformer stations, the power station sector generated a large volume of work in other VINCI Energies business lines (electrical engineering, monitoring and control, insulation, etc.) in Europe as well as in the Middle East, Australia, Vietnam, etc. The wind turbine market was a further area of diversification, as exemplified in 2007 in the Beausemblant projects in south-eastern France (six 2 MW wind turbines) and Villesèque des Corbières near Narbonne in southern France (installation of 24 wind turbines and an HV transformer station, in synergy with VINCI Construction France). VINCI Energies also did brisk business in its traditional rural electrification and local network activity, with the Group's business units achieving a good level of contract renewal on the back of sustained public spending.

The urban lighting and heritage illumination activity, covered in particular by Citéos business units, continued to expand in the run-up to the 2008 municipal elections in France. Beyond this institutional stimulus, local authorities are increasingly signing long-term contracts covering the upgrade and operation of their systems, and the global management offering developed by Citéos meets this need; Citéos is currently managing 400,000 lighting points under such contracts. Taking the practice a step further, public-private partnerships are increasingly being used for public lighting systems. Three new contracts of this type were signed in 2007, including the major public lighting and traffic management PPP with the city of Rouen (see page 60).

The complementary nature of VINCI Energies' expertise was also in evidence in the transport infrastructure market, likewise boosted by major facility construction and refurbishment programmes. The Group's business units worked on a large number of light rail projects (Montpellier, Le Mans, Mulhouse, etc.) and on the Lyons Part Dieu–Saint Exupéry airport (Leslys) link awarded to a consortium led by VINCI Concessions. In roads, again for VINCI Concessions, VINCI Energies is taking part in the construction of the A86 Duplex in the greater Paris area, the Angers bypass tunnel on the A11 motorway and the renovation of motorway tunnels and the northern ring road in Lyons; and it regularly works for the French government and local authorities on the national and local road networks. Last but not least, in the airport sector the company was involved in several projects at the Paris-Charles de Gaulle airport (new S3 satellite, CMH building for Air France, truck management system for Air France Cargo).

Industry

One of the year's notable trends was accelerated growth in the industry business activity (+14%, of which 10% organic growth). Combining local service and multi-site process solutions, the business units brought together in the Actemium brand generated revenue of €600 million and their results improved substantially. Actemium, the most European of VINCI Energies' network brands, brings together 100 business units in 12 countries (including Slovakia following the acquisition of the ProCS company in 2007), and supports its industrial clients in their international expansion. For example, several Actemium business units (Germany, Belgium and France) joined forces to equip the new site set up for a vaccine manufacturer in the North region (electrical engineering, process data management). Networking along similar lines was employed in the construction of the new Melton plant built by the Masterfoods food-processing group in the United Kingdom and the implementation of two assembly lines producing the same Renault vehicle (the new-generation Mégane) at the manufacturer's plants in Douai, France and Palencia, Spain. Complementing Actemium, the Opteor network of business units develops multi-technical industrial maintenance solutions and works with large industrial groups such as Snecma and Total. This approach to major accounts builds on the strong local roots of VINCI Energies' business units, which make it possible to spread the business activity across a large number of mainly recurring projects.

In terms of geographical markets, the year was again highly satisfactory in Germany, where activity increased 10% to €530 million as a result of organic growth. Building on the momentum of their main markets (major industry, conventional thermal power stations) VINCI Energies business units are particularly noted for their expertise in electrical engineering, monitoring and control, insulation, fire protection and services for industry.

In France, despite a less buoyant economic environment, VINCI Energies' local roots and the work done to enhance its offerings boosted revenue. The slowdown in the automotive sector was more than offset by a high level of orders in the petrochemicals, pharmaceuticals, food processing and environmental industries. VINCI Energies also continued its expansion in the industrial refrigeration sector, notably by acquiring the Thermo Réfrigération and CEF Nord companies in 2007.

Momentum was even greater in Belgium and the Netherlands (+38%). In recognition of the industrial expertise of their local subsidiaries, Actemium C&E Veghel and Starren won a prize in the VINCI 2007 Innovation Awards for an automatic software and document generation system (GBS Update) developed for the Oss site in the Netherlands, which belongs to pharmaceuticals group Organon. Business was also brisk in Scandinavia (Sweden, Norway and Denmark), where results improved substantially. In the United Kingdom, Lee Beesley stepped up its shift to service-sector activities to compensate for the cutback in the automotive industry.

Last but not least, there was strong activity in the biofuels sector across Europe, with 15 contracts under way in 2007: nine in France, two in the Netherlands, two in Belgium, one in Germany and one in Austria.

Service sector

VINCI Energies recorded its strongest growth in 2007 in the service sector. Revenue increased 27% overall and 23% in the greater Paris area. The market for both construction and renovation was buoyant and VINCI Energies made the most of the fine segmentation of its offering to capture a significant share of the growth on individual market segments. The company took full advantage of the momentum in the year's two most dynamic sectors: office buildings and health care.

This proactive approach is fully in phase with the fundamental market trend in major projects toward greater globalisation and complexity. VINCI Energies' complementary expertise (electricity, thermal engineering, fire protection, etc.) and business unit networking enable it to take on ever-larger projects whose size constitutes a barrier for most players doing business in the sector. A growing proportion of these projects is being carried out in synergy with VINCI Construction. They include such projects as the Granite Tower building in La Défense (see page 63); the CMA-CGN Tower building in Marseilles; the Le Lamentin and Sarreguemines hospitals in Martinique and north-eastern France respectively; and the Center Parcs du Lac de l'Ailette holiday resort in northern France. These major projects carried out jointly as well as major projects carried out by VINCI Energies alone complement the many smaller new building construction and renovation projects that make up the bulk of the Group's service sector activity. >>>

State-of-the-art waste treatment

Approximately 10 VINCI Energies business units took part in the construction of the Isséane waste treatment centre in Issy les Moulineaux near Paris. The new state-of-the-art facility, for which industrial commissioning got under way in the second half of 2007, brings together, at a single site, a waste sorting centre with a capacity of 55,000 tonnes/year and a waste-to-energy centre generating heat and power that will treat the household waste of 25 municipalities with a combined population of 1 million in the south-western part of the greater Paris area. The two works packages awarded to VINCI Energies (high-voltage; instrumentation and monitoring and control) have an overall value of €11 million.

Systems integrator for the Granite Tower technical works packages

The Granite Tower worksite in Paris-La Défense, being built entirely by VINCI companies, involved eight VINCI Energies business units working in parallel with VINCI Construction as the structural work progressed. VINCI Energies is responsible for all the technical works packages, with the exception of lifts-high voltage, generator sets, low voltage (fire detection, BMS security), voice-data image wiring, climate control, plumbing and pipe systems and fire protection.
These works packages, together with specific works requested by Société Générale, which owns the building, have a total value of €55 million.

01

New major position in Switzerland

With the acquisition of the Etavis company, VINCI Energies has become one of the Swiss leaders in electrical systems integration, operating in service sector, industry, telecommunications and business communications environments. Like VINCI Energies, Etavis is positioned as a global solutions integrator. It generated revenue of €215 million in 2007 and employs more than 1,600 people. For VINCI Energies, the acquisition opens up new prospects for European expansion, especially in industry, telecommunications and business communications.

>>> VINCI Energies has also been expanding in the buoyant commercial refrigeration sector (cold storerooms, refrigerated hubs, etc.). The year's notable projects included the equipment of 70 stores belonging to the Ed chain (Carrefour) in two months.

Despite competition, which was made worse by a sharp drop in insurance premiums and a low level of losses, the fire protection activity increased in VINCI Energies' two main markets, France and Germany, with revenue coming in at €165 million.

In the field of building maintenance (Opteor), new contracts were won with France Télécom, CIC Lyonnaise de Banque and Rennes Métropole. Partly thanks to this, volume held steady. A comprehensive in-depth review of offerings and business units has been initiated to support future business activity development.

Last but not least, there was strong growth in service sector activity in Portugal (29%), where Sotécnica in particular chalked up a number of successes in shopping centres.

Telecommunications

Infrastructure

VINCI Energies operates in a telecommunications sector undergoing profound change. The radio market is now mature – especially in France and in Belgium, where the intensive mobile communications network rollout phase is now nearing completion – and this resulted in relatively stable revenue (down 1%), standing at €232 million, within Graniou. Radio site maintenance and upgrades, particularly the move to the 3G+/HSDPA technology, are however bolstering business activity. Meanwhile, VINCI Energies recorded strong growth in Poland (35%), where its subsidiary Atem Polska is making the most of a balanced portfolio of expertise (fixed line/mobile) and business lines (construction/rollout) against the backdrop of a rapidly expanding market. In Spain, Spark Iberica took part in the network rollout of mobile telecommunications operator Yoigo and won the renewal of its contract with Telefonica covering network installation and maintenance in the Barcelona region.

In fixed-line telecommunications infrastructure, the overall situation appears brighter, especially in France. The development of ADSL and very high speed broadband is again creating momentum on this market. Graniou took part in the rollout of the FTTH (Fiber to the Home) network for operator Free in Paris, installing 67 km of optical fibre in the sewer system to connect a first group of 23,000 residents of the city's 15th *arrondissement*. Local authority projects, particularly under public service contracts, are a further avenue for growth. Examples are the new broadband network contracts for the municipalities of Gonfreville l'Orcher in northern France and Vannes in western France, as well as those for the Moselle and Ariège departments.

Business communications

At Axians, revenue rose 7% to €228 million against the backdrop of a more buoyant market. The positive trend was especially noticeable in France, with brisk business activity in the second half. As technologies converge, Axians is expanding its unified communication services and broadband network integration offerings. Axians rolled out telephony over IP solutions for the French National Library in Paris, Cetelem and NXP, as well as new network infrastructure for Unedic, France's unemployment benefits scheme (national WAN rollout covering 750 agencies). Axians' audiovisual projects included installation of the new video system in the committee rooms at the European Parliament in Brussels under a multi-year contract and several projects at the Arc de Triomphe and the head office of the French Football Federation in Paris. ■

01 The Sotécnica subsidiary implemented the electrical, safety, heating and ventilation systems at the Torre Vedras shopping centre near Lisbon, Portugal.

02 VINCI Energies teams rolled out 67 km of optical fibre for operator Free in Paris.

02

Outlook
Favourable trends for the short and long term

01 VINCI Energies was heavily involved in the construction of the light rail system in the city of Le Mans in north-central France, for which it implemented the power supply system, lighting and building management systems and equipped the maintenance centre.

VINCI Energies operates in markets sustained by favourable long-term trends. Energy and transport infrastructure projects are set to expand substantially. In building, tighter environmental standards will support activity, especially in energy renovation. In industry, more stringent productivity, safety and traceability requirements will drive accelerated replacement of equipment.

In all its markets, VINCI Energies will be emphasising its position as a service company. Building on its local roots and on its responsive, complementary and networked business units, it will be continuing to implement its European growth strategy based on both organic growth and acquisitions.

In infrastructure, massive investments in power networks and generation (conventional thermal and nuclear) and the development of renewable energy (wind, photovoltaic) will provide sustained market impetus. The urban lighting activity will be driven by major equipment modernisation requirements and by the growing use of global management contracts and PPPs. VINCI Energies will also continue to benefit from strong demand in the transport infrastructure sector (light rail, road and motorway information systems).

In industry, VINCI Energies will continue to expand its European networks, combining local roots with an ability to deploy multi-site solutions. Intensified networking and work to extend the offering will enable the company to optimise its market coverage, especially in the promising power station, chemicals, pharmaceuticals, food processing and environmental sectors.

In the service sector, the trend toward greater complexity in major projects will enhance the positions held by VINCI Energies, which has the ability to act as a systems integrator in technical works packages, particularly in the work it dœs in synergy with VINCI Construction companies.
Meanwhile, as VINCI Energies steps up its specialised work on individual market segments (offices, health care, retail, logistics, bancassurance, etc.), it will be boosting the expansion of its core business.

In telecommunications infrastructure, the development of ADSL and associated high and very high speed fixed line networks will drive future growth. The new positions taken by Graniou in the European countries with strong potential will also contribute. Last but not least, the convergence of business communications technologies and networks is an opportunity for Axians, which will be stepping up its efforts to develop applications, with a special focus on SMEs. ■

01

Roads

Profile

Eurovia is a world leader in road infrastructure and public spaces. Generating over 90% of its revenue in Europe (primarily in France, Germany, the United Kingdom, Central European countries and Spain), Eurovia also holds significant positions in the United States (North Carolina, Florida), Canada (Quebec) and Chile. The company employs 39,000 people and has a network of 300 works divisions and subsidiaries and 860 industrial production sites. It has developed an integrated set of specialised expertise:

> **roads and infrastructure.** Eurovia builds, renovates and maintains road, motorway, railway and airport infrastructure, as well as industrial and retail development sites. This business activity, carried out for both public and private clients, accounts for 47% of the company's revenue;

> **materials production.** Eurovia operates a network of 295 quarries producing 62 million tonnes of aggregate (Eurovia share) per year, 45 binder plants, 385 coating plants and 135 recycling facilities (producing 8.8 million tonnes of materials from construction waste and household waste bottom ash). These business activities, which account for almost 20% of Eurovia's revenue, contribute to the company's growth and profits while guaranteeing the availability of high quality materials for its projects. At the end of 2007, Eurovia controlled* the equivalent of 2.1 billion tonnes (Eurovia share) of aggregates representing about 30 years of production;

> **quality of life and environment.** Eurovia provides a broad range of expertise needed for quality urban development projects (enhancement of public spaces, roadbeds for light rail systems, etc.), transport infrastructure safety upgrades (road marking, signs and special surfacings) and quality of life and environment conservation;

> **services.** Eurovia ensures overall maintenance of road networks and urban transport infrastructure under multi-year global contracts. For example, Eurovia provides upstream design and coordination, consultancy and technical support services. Downstream, the company offers long-term maintenance services – network management, routine maintenance, winter maintenance and emergency response.

** Quarries and quarrying rights.*

Eurovia's competitive position
in its main markets

France

On the road and railroad construction and maintenance markets, Eurovia places second behind Colas and ahead of Appia (Eiffage Group). The rest of the market is divided among some 1,600 regional operators.

Eurovia is also the leading producer of road aggregates, in a market in which cement groups such as Lafarge and Ciments Français operate alongside a large number of local producers.

Germany

Eurovia GmbH places second behind Strabag, the other significant players operating on a regional basis.

Czech Republic

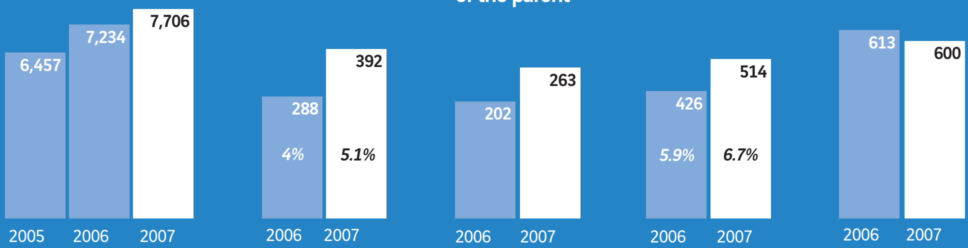
SSZ is market leader in road and railroad construction and maintenance. Its significant competitors are Skanska, Metrostav and Strabag.

United Kingdom

Ringway is one of the leaders in the long-term maintenance contract sector, in which the other major players are Carillon, Amey, Jarvis and McAlpine.

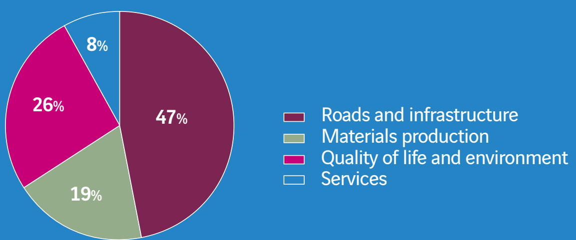
Sources: internal studies, company communication

Revenue | Operating profit from ordinary activities | Net profit attributable to equity holders of the parent | Cash flow from operations* | Net financial surplus**

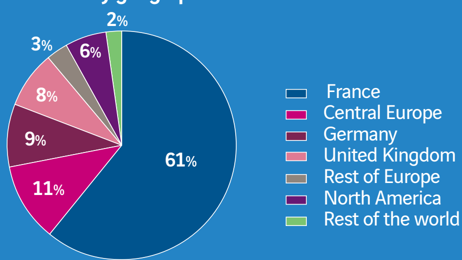


In € millions
and as a percentage
of revenue

Revenue by business line



Revenue by geographical area



* before tax and cost of debt.
** at 31 December.

Eurovia
Revenue and profit on a growth trajectory

01 Eurovia devotes 70% of its research capabilities to the development of products that protect the environment and enhance road safety. Every year, its research centre in Mérignac (near Bordeaux) performs 4,500 tests.

02 As part of the contract with the Meuse department covering one-off safety upgrades, Eurovia laid 9,000 sq. metres of Viagrip® on the steep Rozellier section of the RD903 highway in the Verdun region.

In 2007, Eurovia continued on its growth and profit improvement trajectory. Revenue increased 6.5% to €7.7 billion. Operating profit from ordinary activities, up 36%, exceeded 5% of revenue for the first time. Results improved in virtually all the subsidiaries, both in France and elsewhere.

The year's performance demonstrated the effectiveness of Eurovia's development model, which combines strong roots in the company's markets, business lines that complement each other technically and economically (works, materials production, services) and networking of teams and expertise. Tying the whole together is the Kheops information system, a tool that was rolled out in virtually all the entities in 2007 and is used simultaneously to support integrated management, coordinate activity and disseminate the common culture.

The integrated management system is combined with an innovation policy based on shared expertise. Building on the capabilities of its research centre in Mérignac near Bordeaux and on its worldwide technical network, Eurovia develops its own products and processes. The company's innovation policy is focused on the environment, with a view to meeting the growing requirements voiced by contracting authorities. Many products and processes illustrate this policy, including warm mix surfacings, which cut coating temperatures by 30 °C (while maintaining performance equal to that of a conventional mix) and products and processes that reduce the consumption of materials, such as thin and very thin overlays (Microvia®, Rugovia®), single-layer maintenance asphalt mix (Modulovia®), in-situ cold recycling to refurbish surface courses (Recyclovia®) and self-compacting backfill made in situ of material excavated from trenches (Recycan®). Eurovia's most recent innovations include pollution-reducing pavements (NOxer®), mixes using plant-based binders, which underwent a first series of experiments in 2007, and heat-sensitive resins that signal the risk of freezing by changing colour.

In quality of life works and developments, Eurovia's offerings are keeping pace with the increasing demand for global solutions, which make the most of the company's expertise in coordinating complex projects. The diversity of the work carried out on such projects is particularly in evidence in light rail projects, for which Eurovia not only builds the roadbed but also performs related works (drainage, waterproofing, displacement of utility networks, small civil engineering projects) and blends facilities into the urban environment. Through its tie-up with Signature, Eurovia has taken a major position in the very promising field of road equipment, especially road marking and traffic signs. >>>

02

01 Re-development of the banks of the Rhone River in Lyons. Following two years of work, the 10-hectare lower port on the left bank, previously used as a car park, has been transformed into a new public space.

02 The alluvial Hœrdt quarry in eastern France produces 600,000 tonnes of materials per year.

03 In 2007, British subsidiary Ringway managed more than 45 long-term maintenance contracts.

>>> In synergy with its works activities, Eurovia continued to boost its materials production capacity. It is the leading producer of road aggregates in France and is expanding its network of quarries in Europe so as to secure supplies for all for its markets. In 2007 it acquired an interest in Bremanger Quarry AS, on the western coast of Norway, as part of this strategy. The quarry produces 1.8 million tonnes of sandstone per year and has 500 million tonnes of reserves. It will be supplying northern European regions, which lack hard rock deposits, with high-quality aggregate. The drive to build a Europe-wide production industry also involves the development of processing and distribution facilities such as the one in Antwerp, Belgium, and acquisitions such as the Oberottendorf quarry in southern Germany and the Jakubcovice quarry in the Czech Republic.

France

Revenue growth was particularly strong (12.6%) in Eurovia's traditional market, with revenue coming in at €4.7 billion. Meanwhile, despite pressure on prices, operating profit from ordinary activities continued to increase and remained above 5% of revenue. A close-knit network of 175 divisions gives Eurovia excellent geographical coverage. Working simultaneously on a large number of local projects – totalling some 23,000 in 2007 – and major infrastructure projects, the company captures a significant share of the growth in its markets.

Eurovia is France's leading urban rapid transit system construction company. In 2007, the company worked on the light rail systems in Bordeaux (extension of Lines A, B and C), Lyons (T4), Le Mans, Strasbourg, Marseilles, Douai and Nice. At the end of the year, Eurovia received two orders for major projects: Line T2 of the greater Paris area light rail system (2.7 km section, with the Issy-Val de Seine station) and the Toulouse-Blagnac light rail system (11 km linking Toulouse with the airport, to be built in conjunction with VINCI Construction France).
Business activity was also buoyant in construction and refurbishment of major transport infrastructure: motorways (A8, A13, A42, A43, A63, A87 and A19 – see page 73); airports (Marseille-Provence, Toulouse-Blagnac, Méaulte, Saint Dizier airbase, Tarmac project for Airbus in Tarbes – dismantling of end-of-life aircraft); and port facilities (container storage hub in the western port in Dunkirk).

In industrial infrastructure, Eurovia built the new logistics hub for water producer Volvic in Riom in central France. The Group also worked on the Alcatel site in Marcoussis in the greater Paris area (main services works package for three new IT server host sites) and the Atomic Energy Commission site in Marcoule in southern France (re-structuring and upgrade to seismic standards).

The company's extensive heritage and quality of life work included the refurbishment projects in the area surrounding the arena in the southern French city of Nîmes, the square in front of Rheims cathedral in north-eastern France and the area surrounding the Saint Aubin collegiate church in Guérande in western France, as well as the completion of the Quai du Châtelet project in Orleans in central France and the banks of the Rhone in Lyons (a new 10 hectare public space project carried out with VINCI Construction France). In Paris, Eurovia took part in the construction of 400 Vélib' self-service bicycle stations.

Two new contracts were won under the competitive dialogue procedure, which fosters a proactive approach to the framing of bids and paves the way for a new type of partnership with public contracting authorities. The first involves maintenance, for an eight year period, of 40 km of roads in the western French municipality of Chaniers; the second covers the construction of a 46 km bicycle path in the Creuse Valley along the right of way of a former railway line.

Last but not least, in materials production, there was an order for 450,000 tonnes of aggregate for the Flamanville EPR project, a new-generation nuclear power plant being built by EDF in Normandy.

To bolster its industrial facilities, Eurovia commissioned a maritime and inland-waterway dock at its Gonfreville l'Orcher site in northern France, to serve as a transhipment point for materials excavated by marine dredgers. The site has an

03

unloading capacity of 3,500 tonnes/hr and a storage capacity of 250,000 tonnes.

In overseas France, revenue and profits grew at a similar pace, notably as a result of growth in Polynesia.

Western Europe

In Germany, overall revenue remained stable at €700 million. Eurovia's subsidiaries confirmed their sound footing in a market that is now picking up. Two major projects won at the end of the year will help boost activity in coming years. The first is the construction of a 25 km section of the A4 motorway between the cities of Gotha and Eisenach in Thuringia under a 30 year PPP covering a 45 km section, which was awarded to a consortium formed by VINCI Concessions and Hochtief PPP. The work, amounting to a total value of €183 million, will be carried out by a consortium made up of Eurovia (leader), Hochtief Construction and a number of German SMEs. This is part of the large-scale A-Modell programme designed to finance the refurbishment and extension of the German motorway system under private-sector concession contracts.

The other major order involves the development of the new Berlin-Brandenburg airport. The contract, awarded to a consortium of companies with Eurovia as leader, has a value of €215 million. It covers construction and development of one of the airport's two runways, as well as taxiways and aircraft parking areas.

In the United Kingdom, Ringway generated revenue amounting to €600 million. Ringway operates chiefly under multi-year (3 to 12 years) road and street maintenance contracts with counties, districts and large urban areas. In 2007, a partnership including Ringway won a six-year road maintenance contract (with a value of €44 million per year) covering the central part of greater London, consolidating the company's position of leadership in the capital. The company also won renewal of a similar contract (€30 million per year for five years) for the north-eastern road network in Scotland.

In Spain, the market was buoyant, offsetting the voluntary activity cutbacks undertaken in 2006. Eurovia subsidiaries confirmed their turnaround, with operating income again positive.

Central Europe

With revenue of €860 million, Eurovia's Central Europe subsidiaries account for the company's second-largest market after France and for more than a quarter of the company's revenue generated in the international market.

In the Czech Republic, revenue was stable at SSZ, the country's major road and railway construction company. After ten years of strong uninterrupted growth, >>>

One million tonnes of asphalt mix on the A19

Taking over from the VINCI Construction France teams handling earthworks in October 2007, Eurovia began pavement work on the 101 km Artenay–Courtenay A19 motorway, for which VINCI Concessions holds the concession. The project calls for over 1 million tonnes of asphalt mix, which is being produced in three mobile coating plants set up along the route. The aggregates are supplied by three quarries located in the Deux Sèvres, Morvan and Orne departments and are for the most part brought in by rail. The huge surfacing project is scheduled for completion in March 2009.

Gaïa.BE®, the environmental comparison software

Developed jointly by research and operational staff, the Gaïa.BE® environmental comparison programme was rolled out in Eurovia's divisions in 2007. It enables contracting authorities to assess the environmental impact of their projects using conventional techniques and compare it with the environmental impact of the same projects using Eurovia's techniques. Gaïa.BE® models environmental impact at each stage of a project, from materials quarrying to wearing course compaction. It calculates natural resource and energy consumption, pollution emissions, waste generation, conservation of quality of life for the surrounding community, etc. The references used are based on public data recognised by the roadworks industry.

01 In Slovakia, PPPs have enabled the city of Kosice to increase the number of kilometres of roads built or refurbished five-fold since 2005.

02 In 2007, teams from Bitumix in Chile worked on such projects as the Transantiago project, the Iquique airport in the north of the country and a road linking Chile with Argentina.

03 In the United States, a Blythe team refurbishes pavements in Lake Norman, near Charlotte, North Carolina.

>>> the Group took advantage of 2007 to prepare for the future by acquiring modern management tools. At the end of the year SSZ won a series of major contracts, accounting for €270 million in volume (SSZ share), which will be driving activity over the coming three-year period. The first covers the construction of a 16 km section of the D8 motorway between Lovosice and Rehlovice, north of Prague. 550,000 sq. metres of asphalt mix will be laid on the project, which includes the construction, in a consortium with SMP (VINCI Construction Filiales Internationales), of three interchanges, three engineering structures and two tunnels. This project will succeed the major project currently under way on the D1 motorway, on which SSZ is building an 8 km section between Morice and Kojetin, including 11 engineering structures. The other orders at the end of the year confirm SSZ's expansion on the rail infrastructure market. They involve the development of a 40 km section of the Prague-Frankfurt line (including 53 signal boxes, 41 engineering structures and 9 km of noise barriers), the reconstruction of the Breclav railway junction and the rehabilitation of a 25 km section of the Prague–Warsaw line.

Business activity was brisk in the other Central Europe markets. In Slovakia, following the PPP for the city of Kosice, similar projects were initiated in motorways. This should further bolster an already buoyant market. In Poland, activity increased more than 50% through organic growth. The establishment of new works centres and coating plants and the introduction of an aggregate supply system based on materials from Eurovia's Czech and Slovakian quarries will make it possible to cope with an upturn in activity driven by major transport infrastructure upgrade programmes. Last but not least, Eurovia took positions in Croatia, with the acquisition of Tegra, and Rumania, with the acquisition of Viarom, in 2007.

Americas

In the United States (North Carolina, Florida) operating profit rose substantially, while revenue was virtually stable at €349 million. Blythe Construction won two major projects in North Carolina in the course of the year: the renovation of US 601 in Union County (widening from two to four lanes in both directions over a 10.8 mile section), with a value of $54 million; and the construction of a 6.3 mile section of US 311 in Guilford and Randolph Counties, including 15 engineering structures and a major I-85 interchange. In Florida, Hubbard won the extension of an expressway in Maitland, comprising 1.7 km of roads and a 925 metre bridge.

In Canada, both revenue and profits held steady at a good level. DJL started work on its largest-ever contract, an extension of the A5 motorway in the Outaouais region. The project will comprise 600,000 cu. metres of earthworks, 110,000 tonnes of aggregates, 25,000 tonnes of asphalt mix, 900 linear metres of pipes and the construction of two precast girder bridges and two arch culverts.

In Chile, revenue rose sharply, while profit remained at a very satisfactory level. ■


igloo
igloo
03

Outlook
Growth expected in all markets

01 Pavement refurbishment on the A43 motorway at Saint Michel de Maurienne in south-eastern France. Eurovia laid 70,000 tonnes of asphalt mix on this project, which involved both traffic directions of a 55 km section.

Continuing the trend of the previous year, the large order book at the end of 2007 heralds further revenue growth in 2008. All Eurovia's French and international markets are expected to grow. Meanwhile, the policy of selective order-taking combined with control of overheads will be continued and should result in further improvement of operating profit from ordinary activities – more particularly thanks to ongoing performance improvement in the international subsidiaries.

In the long term, fundamental market trends support Eurovia's growth. Eurovia's leadership positions enable it to make the most of the increasing need for large and complex projects to build and refurbish major transport infrastructure. Its multimodal expertise in roads, motorways, railways, urban rapid transit systems and airports enables the company to adapt to changing public policies on its various markets. In terms of financing, the continuation of the European Union's large investment programmes, especially those benefiting the new member states in Central Europe, as well as the increasing use of PPPs will help generate new projects.

Eurovia's innovation policy, focused on the development of high environmental value added products and processes, also gives the company a competitive edge in markets in which environmental criteria are becoming paramount.

In roadworks, Eurovia's operations in both major infrastructure programmes and a very large number of local projects will promote optimal market coverage. In materials production, Eurovia will continue to expand its network of quarries, distribution facilities and production plants in an integrated approach enabling it to guarantee supplies for its worksites in all its markets. Building on its complementary expertise, Eurovia will also pursue growth in buoyant quality of life markets (development and enhancement of urban spaces) and services, including road maintenance under multi-year contracts. Last but not least, Eurovia will pursue an ambitious but selective strategy of acquisitions in Europe and North America so as to continue to expand its networks of companies and boost its materials production capacity. ■

01

Construction

Profile

French market leader and a world major in construction, VINCI Construction brings together an unparalleled array of capabilities in building, civil engineering, hydraulic engineering and related services.

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

> **mainland France,** with VINCI Construction France, formed in 2007 by the combination of Sogea Construction and GTM Construction, which has a network of 400 profit centres firmly rooted in their regional and local markets;
> **local markets outside mainland France** covered by a network of subsidiaries offering the full range of construction activities in their areas: VINCI PLC in the United Kingdom; CFE (in which VINCI holds a 46.8% interest) in the Benelux countries; VINCI Construction Filiales Internationales in Germany, Central Europe, overseas France and Africa;
> **activities that are worldwide in scope:** major structures, covered by VINCI Construction Grands Projets; specialised civil engineering with high technical content, covered by Freyssinet; foundations and soil technologies, covered by Solétanche Bachy; dredging, covered by DEME (in which CFE holds a 50% interest); and oil and gas infrastructure, covered by Entrepose Contracting.

VINCI Construction is the matrix for the Group's entrepreneurial culture and management system, which combines decentralised organisational structure, networking, a profit culture, empowerment at local level and individual responsibility. This model has enabled the Group to virtually double its revenue and achieve constant improvement in its results over the last five years, against a backdrop of strong growth in the construction business lines.

VINCI Construction's competitive position
in its main markets

France

VINCI Construction is leader in France in a market estimated at nearly €200 billion, ahead of Bouygues Construction, Eiffage Construction, Fayat and Spie-Batignolles. The remainder of the market is split among a high number (estimated at 327,000) of small and medium-sized companies.

United Kingdom

VINCI PLC is a medium-sized player in a market estimated at €200 billion. The main British groups are Balfour Beatty, Carillon, Amec and Laing O'Rourke.

Belgium

CFE is one of the leaders in the Belgian market, estimated at €29 billion, alongside Besix and subsidiaries of large European groups such as BAM and Eiffage.

Central and Eastern Europe

VINCI Construction continues its development, especially in Poland, Hungary and the Czech Republic, where it has been operating through local companies for the past decade.

Germany

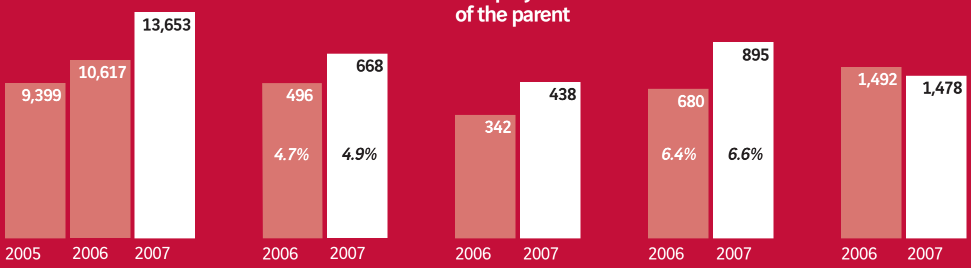
VINCI Construction's activity is carried out by two specialised subsidiaries operating in niche markets (facilities management, architectural fitting and finishing).

International

VINCI is one of the world's leading players in major construction projects with VINCI Construction Grands Projets, specialised civil engineering with Freyssinet and Solétanche, oil and gas infrastructure with Entrepose Contracting and dredging with DEME.

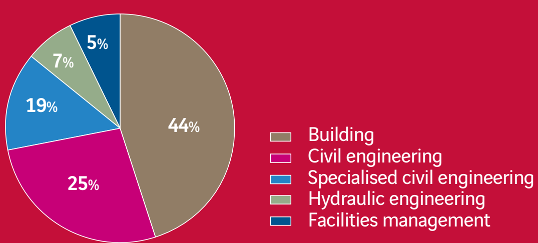
Sources: Euroconstruct – Summary Report, *November 2007 (market volume);* Le Moniteur-Expert, *company press releases (competitive position); French Directorate of Economic and International Affairs (DAEI)* – Major economic aggregates *in construction, September 2007 (number of companies).*

Revenue | Operating profit from ordinary activities | Net profit attributable to equity holders of the parent | Cash flow from operations* | Net financial surplus**

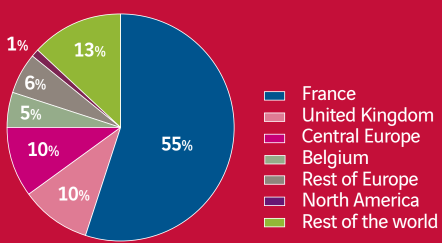


In € millions and as a percentage of revenue

Revenue by business line



Revenue by geographical area



** before tax and cost of debt.*
*** at 31 December.*

Construction
Largest contributor to the Group's growth

01 Construction work began on the prestressed foundation piers of the first six turbines of the Thorntonbank offshore wind farm in the port of Ostend, Belgium, in 2007.

02 A new and very original façade completes the redevelopment of the Guy's and St Thomas' Hospitals in London, U.K.

Of the Group's divisions, VINCI Construction recorded the strongest growth in 2007: revenue increased 28.6% to €13,653 million. The momentum primarily reflects organic growth (18%), which was equally pronounced in France and outside France and was amplified by the effects of external growth (10%). Acquisitions made in 2007 account for full year revenue of €2.3 billion. The main acquisitions were Solétanche Bachy, a leading player in the world market for foundations and soil technologies, Entrepose Contracting, specialised in oil and gas infrastructure, and Nukem Ltd, a British company specialising in nuclear decommissioning.

Mainland France

VINCI Construction's revenue in its traditional market came in at €6.2 billion, up 20% from the previous year. In a move initiated in 2006 and completed in 2007, Sogea Construction and GTM Construction came together to form VINCI Construction France, the French building and civil engineering leader. The tie-up was highly effective. It optimised market coverage and resource allocation, enabling VINCI Construction France to capture a major share of the growth in the domestic market. Revenue growth was especially strong in the greater Paris area (33%) and in eastern France (21%). In terms of business lines, the highest growth was in building (26%).
With the bulk of its business carried our under medium-sized contracts handled locally by a network of 400 profit centres, VINCI Construction France is made up primarily of businesses that have little exposure to the business cycle and its fluctuations.

Outside mainland France

Revenue outside France grew 37% to over €6 billion.
The increase was spread evenly over acquisitions during the year and strong organic growth in most of the divisions.

Western Europe. In the United Kingdom, revenue rose 22% to €1,131 million; VINCI PLC extended its geographical coverage (opening new offices in Wakefield and Reigate) and benefited from the booming building market. In Belgium, revenue increased 25% to €1,518 million at CFE (in which VINCI Construction owns a 46.8% interest), driven by the buoyant dredging market in which its subsidiary DEME operates, and by an ongoing high level of activity in building and multi-technical services (electrical systems, climate engineering). In Germany, where VINCI Construction operates in niche markets, subsidiary SKE continued to expand in the facilities management sector, winning three new PPP contracts in educational and cultural facilities.

Central Europe. With markets still expanding, VINCI Construction's revenue increased 43% overall. Growth was particularly robust in Poland, where Warbud continued its development and took full advantage of the strong growth in all markets, especially private-sector building (residential, >>>


02

01 The new 200 km road between Gao, Ansongo and Labézanga in Mali completes the road link between Bamako and Niamey, Niger.

02 Pipeline installation work in Yemen.

03 The new head office of the European Investment Bank (EIB) under construction in Luxembourg combines technical complexity and exacting architectural standards.

>>> industrial, health care, etc.). In the Czech Republic, the acquisition of the Prumstav company (€73 million revenue) in 2007 strengthened the positions the Group, which is one of the national majors.

Overseas France. Following very strong growth in 2006, revenue continued to rise (22% to €700 million). VINCI Construction made the most of the excellent fit between its standard business lines across all the construction trades and major projects currently under way, which bring together the teams of VINCI Construction Filiales Internationales, VINCI Construction Grands Projets and VINCI Construction France.

Africa. Sogea-Satom, which has doubled its revenue over the last four-year period, continued on its growth trajectory. Revenue was up 17% to €540 million. In an increasingly competitive business environment, the company builds on its traditional roots in some 20 countries, mainly French-speaking, and on the quality of its expertise and methods to maintain its competitiveness. This added value is expressed in major road projects in particular – a sector in which activity was strong in 2007.

World markets

Major projects

At VINCI Construction Grands Projets, revenue grew 11% to €860 million. The start of new projects, together with the signature of substantial contracts for the next few years, ensures an ongoing order backlog. Operating primarily in Europe (including Russia), North Africa, Jamaica, the Middle East and Asia (Vietnam and Malaysia), VINCI Construction Grands Projets faces a market in which projects are increasing in size and complexity – a trend that gives the company, with its strong engineering capabilities, an edge. To support this change in the French market and to better coordinate VINCI Construction's resources in a period of high demand, VINCI Construction Grands Projets and VINCI Construction France's civil engineering division have been placed under unified management. The resulting division is particularly tasked with bidding on transport infrastructure tenders expected in 2008.

Soil technologies

In January 2007, VINCI acquired 81% of the capital stock of Solétanche Bachy, now wholly owned. The company, a world major in foundations and soil technologies, rounds out the Group's offering with a key link in the construction chain. In 2007, Solétanche Bachy generated revenue of €1.4 billion, up 26%, chiefly through organic growth. Half its activity (55%) is generated in Europe (25% in France), 15% in the Americas, 15% in the Africa-Middle East zone, and 15% in the Asia Pacific zone. Solétanche Bachy has strong local roots through its subsidiaries, and at the same time it is able to take on major complex projects involving substantial underground works, operating in most cases as general contractor. This positioning enabled it to make the most of the buoyant business environment in 2007.

Specialised civil engineering

Freyssinet also recorded substantial revenue growth (34%, including 23% organic growth, to €831 million). Bringing together highly technical offerings (structures, soils, nuclear) and international coverage (France, Europe, Middle East, Asia, Americas), Freyssinet captured the best of a booming business cycle and exceeded its profitability objectives. Its nuclear division took on a new dimension with the acquisition of Nukem Ltd., a British engineering company specialising in decommissioning, decontamination, waste treatment and radiation protection. Operating at the main nuclear sites in the United Kingdom, Nukem Ltd generated revenue of €96 million in 2007.

Dredging

DEME, in which CFE holds 50% of the share capital, again experienced strong growth during the year (22%), with revenue standing at €1.3 billion. Recent investment in seven new dredgers (the most recent is to be launched in 2008) and the initiation of a new €460 million investment programme enable it to strengthen its leading positions in a rapidly expanding world market. In addition to the large marine and port projects, activity growth is driven by DEME's diversification into soil remediation, offshore works and lifting.

Oil and gas infrastructure

In June 2007 VINCI acquired 41% of the share capital of Entrepose Contracting and filed a takeover bid for the remaining shares. At the end of 2007 the Group held 77% of the company. This operation gives VINCI a foothold in the promising oil and gas infrastructure market. Entrepose Contracting, a benchmark in the sector, offers turnkey treatment and transport services and facilities (gas and oil field production start-up, compressor and pumping stations, gas and oil pipelines, coastal operations) as well as storage tanks. In 2007, its revenue rose 50% to €508 million thanks to strong organic growth and the acquisition in May 2007 of the Spie-Capag company, a world leader in onshore pipeline laying.

Building

The building activity underwent particularly strong growth in France: at VINCI Construction France, revenue was up 26% in this sector to €3.9 billion, accounting for 62% of overall revenue; growth was particularly pronounced in the greater Paris area, where building revenue rose from €1.2 to €1.6 billion in one year. Across all countries, building accounted for 44% of activity at €6 billion.

Office buildings, private-sector buildings

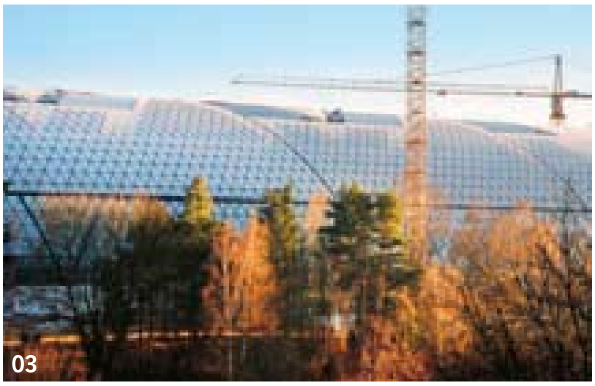
In the service sector market, the growing proportion of large and more complex construction and renovation projects enables VINCI Construction to make the most of its positions of leadership. The year's main projects in the greater Paris area included the completion of structural work on the Granite Tower in La Défense for Société Générale, the start of the 34,000 sq. metre Eureka complex in Nanterre, which is being built using a high environmental quality (HEQ) approach, the order for the 66,000 sq. metre River Ouest project in Bezons and the first instalment of the CNIT refurbishment project in La Défense; and in Marseilles, the construction of the CMA-CGM Tower building.

Outside France, VINCI Construction continued work on the new 72,000 sq. metre European Investment Bank building in Luxembourg and the future headquarters of the national television station in Hanoi, Vietnam. In Moscow, Russia, VINCI Construction won the contract for the foundations of the the Russia Tower: the Group will be building the 58 metre deep diaphragm walls, corresponding to eight underground levels, for the 612 metre building, the tallest in Europe.

Other private-sector building markets were similarly buoyant, especially shopping centres, where there were several major projects: the 90,000 sq. metre Raduga shopping centre in Saint Petersburg, Russia, inaugurated in April 2007; the 180,000 sq. metre Arena Plaza in Budapest, Hungary; the Vauban Docks project in Le Havre, France, with 66,000 sq. metres of retail space; the 35,000 sq. metre project in Sterpenich, Luxembourg; the 30,000 sq. metre Felicia shopping centre in Lasi, Rumania, handed over during the year; the 88,000 sq. metre shopping centre in Wroclaw in Poland; and the Shannon's Mill project in Wallsall in the United Kingdom. In industrial buildings and logistics hubs, VINCI Construction completed the construction of the new 50,000 sq. metre Dell production site in Lodz, Poland and is building the Powakaddy production unit in Sittingbourne and a number of warehouses in Bristol and Basildon in the U.K. In the hotel sector, the Group handed over the Center Parcs de l'Ailette holiday resort in France and will be building the Hevelius complex in Gdansk.

Housing

In residential building, activity was buoyant in France, with a large number of new construction and rehabilitation projects for both the private sector and public housing authorities.



Major projects included, in the greater Paris area, the Bergeries project in Draveil Vigneux (500 units in 199 buildings), the Pont de Pierre (512 rental units) and the Parc des Courtillières (635 units) projects in Pantin; and in Marseilles, the Cœur Saint Charles project for Kaufman & Broad. In Poland, activity was sustained at a high level on the private-sector residential market, with a major project under way in the Potok Sluzewiecki Valley (four 15 and 11 storey buildings) and a major contract for the Melody Park complex in Warsaw. In Belgium, CFE is building the luxury Place Brugmann project in Brussels and the Finis Terra project in Knokke le Zoute.

Public facilities

Major public facility programmes commissioned by local authorities, especially under PPP contracts, continued to boost activity and order intake.

In France, VINCI Construction remained very active in all market segments: construction and renovation of schools (handover of the Villemandeur middle school built under a PPP in the Loiret region; reconstruction of the Anne Frank middle school in Roubaix as part of an HEQ project, etc.); hospitals and health care facilities (Estain Hospital in Clermont Ferrand, Sarreguemines Hospital in the Moselle region, Côte Fleurie Hospital in Criquebœuf in Lower Normandy, a large number of nursing homes for the elderly built under PPPs, etc.; sports facilities of all types (Buclos swimming pool in Meylan, in southern France; refurbishment of the Youri Gagarine nautical stadium in Villejuif near Paris; beginning of the refurbishment of the National Institute of Sport and Physical Education (INSEP) in Paris under a PPP). Overall, VINCI Construction France has won over 200 PPP projects with a combined value exceeding €500 million since 2003.

Overseas, VINCI Construction Filiales Internationales handed over the structural work on the Mangot Vulcin Hospital (90,000 sq. metres, 400 beds) in Martinique and took part in several school building projects: the Robert middle school in Martinique; the new IUFM in Cayenne and the middle schools in Rémire, Saint Laurent du Maroni and Mana in French Guiana; and the Tourtereaux middle school on Reunion Island. >>>

Renovation of the Charles Bridge in Prague

SMP, VINCI Construction's Czech subsidiary, is renovating the most famous bridge in Prague, built in the 14th century. The project involves restoration of the balustrade, the pavement and two access ramps as well as the drainage system. The work is systematically carried out on one-half of the deck at a time so as to keep the bridge open to pedestrian traffic. The work got under way in August 2007 and will take 34 months to complete.

>>> In the United Kingdom, VINCI PLC signed a 25-year PFI (Private Finance Initiative) contract to build two new schools in Doncaster, won a contract to build a university dormitory in Lancaster and continued or completed several other university (Birmingham, Derby, Brunel University, Hackney Academy) and school (Leicester) projects. VINCI PLC also started a major project at the Royal Air Force's Northolt site in London and continued to participate in the national prison renovation programme.

Last but not least, there was the new contract for the Medicover Hospital in Warsaw, Poland, the country's largest private-sector hospital.

Civil engineering

Earthworks, transport infrastructure

In France, the motorway earthworks activity was brisk, with the completion of the last sections of the A85 (Cofiroute) and the A89 (ASF), the continuation of work on the A19 between Artenay and Courtenay (a 101 km motorway for which VINCI also holds the concession) and the start of widening work on the A36 between Belfort and Montbéliard. VINCI Construction is also carrying out a 37 km TOARC (earthworks, engineering structures and communication restoration) works package on the Rhine-Rhone high-speed rail line between Besançon and Dijon. Alongside these major earthworks projects there were a large number of smaller projects being carried out by VINCI Construction France's local agencies (hard surfaces, interchanges, flood control works, etc.).

On Reunion Island, several VINCI Construction companies are involved in the very large Route des Tamarins project. In Africa, business remained brisk thanks to roadworks projects: Bamako-Bougouni and Gao-Ansongo-Labezanga (200 km) in Mali, Engong-Evinayong in Equatorial Guinea, Mai-Mahiu-Lanet in Kenya, Kandi-Banikoara in Benin and the RN14 highway in Burundi. In Burundi, Sogea-Satom has also won a new contract to refurbish streets in Bujumbura and pave 104 km of roads between Gutega and Muyenga. In the Republic of Congo, the Group refurbished the runways at the airport in Owando. In South Africa, it won the order for 12,000 pre-cast segments for the construction of tunnels along the railway line (Gautrain) linking Pretoria, Johannesburg and Oliver Tambo International Airport.

Elsewhere, VINCI Construction won the contract for works on the 365 km Athens–Tsakona motorway as part of the largest concession ever won by VINCI outside France. In the United Kingdom it will be widening, as part of a consortium, a 23 km section of the M1 motorway, in a project with a value of approximately €426 million now being finalised under an ECI (Early Contractor Involvement) procedure.

Last but not least, in Belgium CFE is building the first section of the Brussels–Namur regional express line.

Bridges

In France, VINCI Construction handed over to the Group's motorway concessionaires the 653 metre Langeais Viaduct on the A85 and the Elle Viaduct on the A89 in the Dordogne region. Work continued on the Loing Viaduct (1,000 metre span, main engineering structure on the A19) and on the N31 bypass viaduct in Compiègne (a 2,150 metre low-lying structure); work got under way on the Térenez Bridge, a cable-stayed structure that will link the Finistère region with the Crozon Peninsula across the Aulne River. VINCI Construction also won the contract for the Côtière viaduct (1,200 metres long on the bypass around the Lyons urban area) and received notification to proceed with the construction of the Bacalan Bridge in Bordeaux.

In Poland, construction-refurbishment work of the Kwiatkowskiego viaducts started. In Hungary, the Köröshegy Viaduct, the country's longest at 1.8 km, was completed, as was the 600 metre Nymburk Bridge over the Elbe in the Czech Republic. VINCI Construction is continuing work on the Grande Ravine Viaduct (with a single 208 metre span) along the Route des Tamarins on Reunion Island and the 1,200 metre incrementally launched Kincardine Bridge in Scotland and a motorway interchange including a 600 metre curved slip road in Trinidad and Tobago.

Freyssinet worked on a large number of projects, including the Konin Bridge in Poland (a 1,675 metre incrementally launched bridge), the Serebryany Bor motorway bridge in Russia (modelling studies and stay cables), the Carregado Bridge in Portugal (interior and exterior prestressing of the viaducts). Its heavy structure handling expertise was also employed in the placing of two rail bridges in Boissy Saint Léger in the greater Paris area (two structures weighing 3,500 and 12,500 tonnes respectively, placed using the Autofonçage® and Autoripage® methods) and the lifting of the 4,200 tonne spans of the Ulyanovsk Bridge over the Volga in Russia.

Underground works

In France, the boring of the second section of the A86 Duplex Tunnel (5.5 km between Pont Colbert and the A13 motorway) >>>

01 The Térenez Bridge, a cable-stayed structure with a length of over 500 metres, will connect Brittany with the Crozon peninsula.
It is scheduled to open to traffic in 2010 after three years of works.

01

01 Placing a tunnelling machine element in the access shaft of the Bridgewater drinking water project in Seattle, USA.

02 Following a marathon worksite (30 months, 154,000 cu. metres of concrete cast in 18 months), VINCI Construction handed over the nitrification-denitrification unit of the SIAAP wastewater treatment plant in Achères, near Paris, in June 2007.

>>> was completed during the summer. During the year, the Tima (Ivry-Masséna) Tunnel in Paris and the two tubes of the Bois de Peu Tunnel near Besançon were also handed over; boring operations on the Andra underground laboratory in Bure (northern France) were completed; work continued on the Chavanne Tunnel along the Rhine-Rhone LGV high-speed rail line and the Line 1 metro extension in Marseilles. A new order was received for the extension of Line 12 of the Paris metro between the Porte de La Chapelle and Aubervilliers (boring of a 4 km tunnel using a TBM).

Outside France, VINCI Construction continued work on the Brightwater Tunnels in Seattle, USA, the Hallandsås Tunnel in Sweden, the Budapest metro (two 7.3 km tunnels and 3 stations) in Hungary and the Algiers metro (construction of 10 stations and a 16,000 sq. metre technical building). In Egypt, VINCI Construction has won, as part of a consortium, a contract to build a 5 km tunnel section and five underground stations on Line 3 of the Cairo metro. In Belgium, it was selected to build the rail link between the E19 motorway and the Zaventem airport terminal, including a 1,080 metre bored tunnel and a 550 metre cut-and-cover tunnel.

Solétanche Bachy, meanwhile, worked - often together with other VINCI Construction companies - on a large number of underground structures: the 65 metre deep Carrousel emergency shaft on the A86 West Duplex, the T33 Tunnel in Monaco, Line 4 of the Budapest metro (18 metre deep diaphragm wall) and the Fountain Valley Tunnels in Los Angeles in the United States (under the first contracts of this type in that country). During the year, the major refurbishment project at London's Saint Pancras station was also completed, with the construction of two tunnels as part of the CRTL (Channel Tunnel Rail Link) project.

Port, maritime and river works

In France, in addition to the many river works on the Rhone and the Seine, VINCI Construction completed repairs on Basins 2 and 3 of the Brest shipyards and took part in the restructuring work on the ports of Saint Cast and Erquy Brittany.
At the Port 2000 site in Le Havre, on which a large number of Group companies have worked during recent months, VINCI Construction began work on six new berths.

VINCI Construction continued port extension work on Reunion Island, building a 635 metre diaphragm-wall wharf, and in the United Kingdom it successfully completed renovation of the South Hook wharf in the former oil port converted to an LNG (liquid natural gas) terminal. In the United Arab Emirates, the Group completed construction of a 20 km diaphragm wall to support the seafront where the Al Raha Beach complex is to be built, and in Dubai it continued work on the large Palm project, a complex of artificial islands created by dredging the seabed and then consolidating the soil.

Industrial and energy infrastructure

In the year's major order, VINCI Construction in a consortium with Bouygues won the design and build contract for the containment of the damaged reactor in Chernobyl and its sarcophagus (see page 87). The Group also continued work on the Soyuz launch pad in French Guiana, a cement works for Lafarge in Morocco (four concrete silos) and the 100 MW Goro Nickel and 720 MW Ca Mau conventional thermal power stations in New Caledonia and Vietnam respectively. In Vietnam, VINCI Construction will be consolidating the hard surface of the new Nhon Trach power station, using the Vacuum process developed by Freyssinet's subsidiary Ménard.

In Belgium, VINCI Construction is taking part in the construction of the country's first offshore wind farm, the Thorntonbank project off Zeebrugge; the first phase of the project (six 5 MW turbines) will be up and running at the end of 2008. In the oil and gas infrastructure and equipment sector, synergies developed between VINCI Construction Grands Projets and the new Entrepose Contracting subsidiary resulted in a large contract (total value €800 million), won as part of a consortium, to build a re-gasification terminal in the port of Rotterdam. The project includes the construction of a plant, a tanker unloading jetty and three LNG storage tanks with a unit capacity of 180,000 cu. metres. Other tank projects (LNG, LPG, produced water, etc.) were built or won in Spain, Tunisia, Azerbaijan, Kuwait and Nigeria. Meanwhile, Entrepose Contracting worked on a large number of pipeline contracts (United Kingdom, Spain, Algeria, Yemen, Angola), undersea pipelines and infrastructure projects in France (underground storage site) and Algeria (construction of a pumping station for crude and a 120 km natural gas supply line). In addition, there were a number of new contracts in the waste treatment plant construction activity: the organic waste recycling facilities in Forbach, Vannes and Angers in France and the Mansfield and Worksop units in the United Kingdom.

Last but not least, in the nuclear sector, VINCI Construction took part in the first phase of the Sellafield silo project (treatment, encapsulation and storage of intermediate nuclear waste).

Hydraulic engineering

Dams, drinking water systems

The construction of the Naga Hammadi Dam on the Nile in Egypt, which will be used for both irrigation and power generation, has entered its final phase, while work on the two Wadi Dayqah dams (600,000 and 800,000 cu. metres) that will supply the cities of Muscat and Quriyat in Oman with drinking water was ramping up. The fusegate activity (Hydroplus) took new orders in France (Allan River embankment), Morocco (Sidi Driss Dam) and the United States (installation of nine 9-metre fusegates, the world's highest-ever, on the Canton Dam near Oklahoma City).

Water systems and treatment plants

In France, the hydraulic engineering activity is spread across a large number of medium-sized contracts, in addition to larger pipe system projects related, in particular, to urban development (utility network displacement for the Valenciennes light rail system), industrial projects (construction of the TGV high-speed rail line maintenance centre in Lyons Gerland) and the connection of the new wastewater treatment plants. In this last sector, VINCI Construction is developing global solutions that encompass civil engineering, wastewater treatment processes and plant operation. In addition to handing over the nitrification-denitrification unit at Achères near Paris, the world's second largest wastewater treatment plant, VINCI Construction worked on a large number of wastewater treatment plants, including those in Strasbourg, Village Neuf (Trois-Frontières plant in eastern France), Corbeil and Chartres.

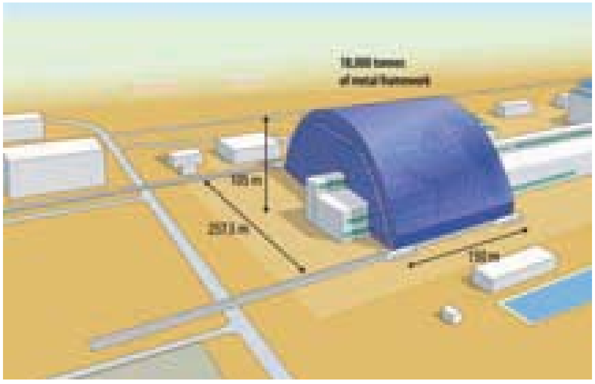
In Hungary, VINCI Construction is building, as part of a consortium, the Csepel wastewater treatment plant that will treat 50% of the wastewater generated by the city of Budapest. In the United Kingdom, new contracts were signed as part of the five-year Severn Trent Water programme to refurbish water production and wastewater treatment plants in three counties. In Africa, the Group continued rehabilitation work on the sewer system of the Algerian city of Ouargla; and installation of a pipeline to secure drinking water supplies for the cities of Rabat and Casablanca (with a combined population of approximately 5 million) in Morocco. In Rwanda, it handed over the Karenge pumping and treatment stations (capacity of 12,000 cu. metres per day). In Libya, it won a new contract as part of the Great Man-Made River project (construction of an interconnected set of 24 tanks with unit capacity of 250 cu. metres). In Jamaica, VINCI Construction is rehabilitating the drinking water supply system in the Kingston region under a fourth contract with the local authorities. In addition, a study aimed at optimising drinking water resources was carried out for the Istanbul water authority in Turkey.

Services

VINCI Construction maintains public facilities under PPP contracts. In the United Kingdom, contracts of this type are under way for the Swindon (Wiltshire) and Medway (Kent) police stations. In Germany, where the Group has long been maintaining the bases of the United States Armed Forces, three new PPPs were signed in 2007 covering schools in Kirchseeon in Bavaria and Lohmar in the Rhineland, as well as the media library in Mühlheim in the Ruhr region.

In France, VINCI Construction is working under a 30-year PPP signed in 2006 with INSEP (national institute for sports and physical education) to supply a series of services (accommodation, catering, maintenance, security). In addition, under the Manei brand, VINCI Construction manages 1,600 multi-technical and multi-service maintenance contracts in the greater Paris area. These cover service-sector buildings for the most part. In Belgium and Luxembourg, Sogesmaint-CBRE is the leading office building management company.

VINCI Construction also provides environmental services, operating water treatment plants and waste recycling facilities, and manages optical fibre networks under public service contracts. A new 22-year contract was won in 2007 for the rollout and operation of the broadband network in the Hérault department in the south of France. ■



▲

An arch for Chernobyl

VINCI Construction Grands Projets and Bouygues Travaux Publics, equally represented in the Novarka consortium, signed a contract with a value equivalent to €432 million with the Ukrainian authorities to design and build the future Chernobyl "arch". The 18,000 tonne metal structure with a height of 105 metres, a length of 150 metres and a span of 257 metres will serve not just as a containment but as a cover for the sarcophagus and damaged reactor during the planned dismantling operations. The arch will be assembled and fitted out in an area adjacent to the damaged reactor and then slid over the existing sarcophagus. The contract, signed in September 2007, marked the beginning of 53 months of work, including 18 months of design studies.

Outlook
Controlled growth momentum

01 Lifting tools were specially designed and manufactured to place the 4,200 tonne spans of the Ulyanovsk Bridge being built over the Volga southeast of Moscow, Russia.

No significant slowdown in activity was observed during the fourth quarter of 2007 and VINCI Construction's order book reached a record high of €14.3 billion. Having increased 24% over 12 months (11% on a constant consolidation scope basis), it represented one year of business activity. VINCI Construction has therefore strong visibility for 2008.

In 2008, VINCI Construction will benefit from the full effect of the major acquisitions carried out in 2007. Beyond this, activity growth will be driven mainly by organic expansion, with new acquisitions targeted at recurring and highly technical business lines. This momentum will go hand in hand with an increased focus on selective order taking and consolidation of plant and equipment, in a controlled growth strategy aimed at achieving sustained results.

Activity and results will have even greater visibility in the medium term, thanks to the increasing use of PPPs in France and in many other European countries in response to growing construction and refurbishment requirements in the areas of transport infrastructure (motorways, new urban systems, high-speed rail links, metros, light rail systems, etc.) and public facilities (health care, education, safety). Synergies with VINCI Concessions – as brought to bear in the works contracts starting up in 2008 under PPPs recently won by the Group – open up significant prospects in this area.

The markets in which VINCI Construction operates will also be driven, in the long term, by tighter environmental standards, especially in France, VINCI Construction's main market, where the Grenelle Environment Forum will result in very large thermal renovation programmes in existing buildings.
The development by Group companies of new "eco-designed" offerings that take the entire life cycle of structures on board will help transform the new regulatory constraints into business opportunities. ■

01

01 In the heart of Marseilles, the Radisson SAS Marseille Vieux Port Hotel is a four-star hotel with 189 rooms. It was handed over fully furnished and equipped.

Property
A year of growth consolidation

VINCI Immobilier operates in the French business and commercial (office accommodation, hotels and retail) and residential (housing and serviced apartments) property markets. Its complementary planning, development and management business lines enable it to provide a comprehensive multi-product, multi-service offering. With a network of 16 locations and 300 employees, VINCI Immobilier operates in the principal regional urban areas of mainland France and began operating in Martinique in 2007.

Following a year of record activity in 2006, VINCI Immobilier consolidated its growth in 2007. Revenue amounted to €558 million and net profit stood at €39 million, i.e. 6.9% of revenue. At the end of the year, the property portfolio contained 10,400 residential units and 110,000 sq. metres of business property.

In line with its strategy of providing a comprehensive offering, VINCI Immobilier boosted its capabilities in two business lines upstream and downstream of its property development activity. The first is land planning, carried out within a department dedicated to large complex projects, especially within the framework of urban renewal projects initiated by municipalities. The second encompasses services provided to buildings. This part of the business is handled by CDB Gestion SAS, a property management company operating in the Paris region that was acquired in 2007. It reports to the VINCI Immobilier property management division and now manages 14,000 units and 300,000 sq. metres of office space.

VINCI Immobilier also initiated the acquisition (completed in 2008) of the Strasbourg property development company Hermes. Hermes, which accounts for some 200 units annually, recently won a competition organised by the city of Strasbourg for the construction of the Porte de France site.

Business property
With revenue amounting to €168 million, activity remained buoyant on the business property market (offices, retail, hotels), where VINCI Immobilier operates within a variety of contract forms geared to clients' needs, including off plan selling, property development and delegated prime contractor contracts.

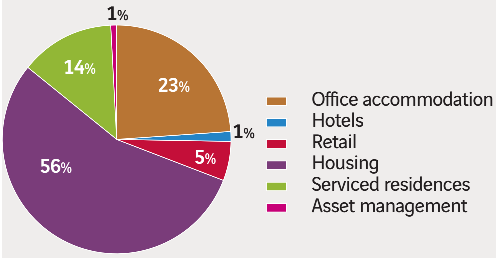
Major transactions took place during the year: in office space there were the Ilot A2 project in Boulogne Billancourt (11,000 sq. metres), the Henri Barbusse project in Clichy (17,500 sq. metres) and the Onix project in Lille (15,000 sq. metres); in retail space, the large Vauban Docks project in Le Havre (see opposite). The year's many >>>

Vauban Docks project in Le Havre

The first large-scale regional retail project launched by VINCI Immobilier, the 66,000 sq. metre Vauban Docks project in Le Havre, Normandy, brings together some 60 shops (including approximately 10 restaurants), a 12-cinema Gaumont multiplex (totalling 2,400 seats) and 1,100 parking spaces. The transformation of the former port warehouses into a new urban attraction illustrates VINCI Immobilier's expertise in complex projects. The works are being carried out by VINCI Construction France. With more than a year remaining before the opening, half the retail space had already been reserved. The project, co-developed with ING Real Estate, was sold in July 2007 to the Unibail Rodamco property company.

01 Carré Elysée, a complex near the Disneyland Paris theme park with 126 residential units and 600 sq. metres of retail space.

Revenue by market segment



>>> handovers included three significant projects:

> in Paris, the Parc Avenue Building (12,000 sq. metres of office space, 800 sq. metres of retail space). The fourth operation built by VINCI Immobilier in the new Paris Rive Gauche business district, this building, acquired under an off-plan sale from IVG Immobilien AG, is rented in its entirety to the Caisse d'Epargne Group;

> in Nanterre, the Vectorial 4 Building (13,000 sq. metres of office space) acquired by Opéra Rendement (BNP Paribas REIM) is rented in its entirety to ADP GSI France;

> in Marseilles, the four-star Radisson SAS Marseille Vieux Port Hotel (189 rooms, eight meeting rooms and a 300-space car park on five levels operated by VINCI Park), was acquired by Union Investment.

Residential property

Despite increasingly strong competition in the residential property market, VINCI Immobilier again recorded growth during the year, thereby consolidating its market share. Revenue amounted to €386 million at the end of the year. The number of housing starts came in at 3,596, and reservations numbered 3,054. The year's first operations began in regions where VINCI Immobilier has only recently set up locations, with the pre-sale of four projects in the Midi-Pyrénées region, three in Brittany and the Pays de la Loire as well as a 20,000 sq. metre mixed high-end office and housing complex in Fort de France, Martinique. In the greater Paris area, which accounts for nearly 60% of the residential activity, VINCI Immobilier initiated the second instalment of the Rives de Seine operation in Boulogne Billancourt, a very large development on the former site of the Renault automobile plant, where a total of nearly 6,000 housing units will be built by 2011. An 80-unit project was also started in the Paris city centre.

VINCI Immobilier also consolidated its leading positions on the booming market for serviced residences. 1,292 units in nine residences were started during the year. The bulk of these are executive suites and nursing homes for the elderly.

Environmental programme

VINCI Immobilier was awarded NF service-sector buildings HQE (high environmental quality) certification for the three phases (brief, design, construction) of its head offices in the Rue Heyrault in Boulogne Billancourt. Five other HQE service-sector projects are currently under construction or on the drawing board, including the future Generali Tower high-rise in La Défense, with a height of 300 metres. In residential property, VINCI Immobilier is also developing a controlled environmental programme. Some 15 housing projects were completed in 2007 under the Habitat & Environment programme, which takes site ecosystems on board and gives priority to techniques that reduce energy consumption and conserve natural resources.

Outlook for 2008

VINCI Immobilier will be pursuing the development of comprehensive offerings covering the full range of property development business lines. The first planning projects, for which studies were initiated in 2007, could come to fruition in 2008; the ramp-up of this new business line should also contribute to broadening the amount of property available under viable economic terms and conditions, by the same token fostering the overall development of VINCI Immobilier. The extension of the division's geographical coverage through the creation of agencies and the acquisition of local property development companies, especially in the eastern and western parts of France, will help drive this development.
In the international market, VINCI Immobilier will step up its focus on selecting risk-free transactions and continue to transact a number of one-off projects – as it is currently doing in Belgium (serviced residences) and Morocco (delegated prime contractor construction of a luxury hotel in Marrakech).
In the residential market, VINCI Immobilier will be making the most of its strong positions on the booming serviced residence market, while continuing to enjoy strong demand in the housing sector, where its activity is grounded in a large number of medium-sized transactions.

In business property, VINCI Immobilier will be continuing to study targeted major projects for institutional users and investors as turnkey projects; it will thus be able to make the most of its leading position in an area that remains closed to players without the required expertise and financial capacity. ■


01

A responsible group

Sustainable development report

A responsible group
VINCI's sustainable development programme

Our goal is to combine economic performance with a humanistic social policy, and this goal underpins our sustainable development programme.

Our priority commitments

Our sustainable development programme is built around five priority commitments:

> to achieve zero accidents;
> to fulfil its Manifesto commitments;
> to quantify greenhouse gas emissions;
> to implement its eco-efficiency programme;
> to strive for technological excellence.

Covered briefly on page 14, these themes are described in greater detail below.

Coordination of the sustainable development programme

VINCI appointed a delegation responsible for sustainable development in 2000, an extremely streamlined structure at central management level. Reporting to the executive committee, its task is to drive forward the programme and ensure that the guidelines set by the sustainable development committee are applied. The sustainable development committee is made up of 20 people covering all aspects of our activities. Committee membership comprises appropriately qualified individuals nominated by each division's management, a representative of our corporate human resources division, the director of our audit department and the director of the central purchasing coordination unit. The committee met five times in 2007.

The general policy is supported by a network of correspondents and coordinators in the various subsidiaries. The main network of sustainable development correspondents (excluding social and environmental reporting) currently consists of more than 300 people. This structure is supplemented by numerous clubs and themed working groups: accident prevention, equal opportunities, CO_2, health and the environment, carbon audit, training for heads of business entities, wind power, photovoltaic power, etc.

Social and environmental reporting

When VINCI was created, it initiated a social and environmental reporting system, which has been built up over the years to reflect its various activities and the related risks. The system is part of an improvement programme that consists of target setting and performance assessment.

The approach chosen in the 2007 report on sustainable development is based on Article 116 of France's new economic regulations law (NRE) and its enabling decree of 20 February 2002. It also aims to meet the information needs of socially responsible investors and rating agencies. To that end, it draws on the transparency guidelines set out in the Global Reporting Initiative. With a view to ensuring the information provided is reliable, from 2002 to 2006, we asked our Statutory Auditors to express an opinion on the social and environmental information reporting procedures; in 2007, we requested an opinion on the procedures and a selection of environmental and social data (see page 135).

Social reporting has covered all activities worldwide since 2002. Environmental reporting covers 78% of revenue worldwide (50% in 2006), excluding Solétanche Bachy and Entrepose Contracting, which will be integrated in the reporting system in 2008.

Dialogue with stakeholders and contributions to public debate

We operate in a complex environment comprising a varied customer base (local authorities, companies and private individuals) and a wide range of activities carried out in many locations (some 260,000 projects a year in 90 countries). Our business cycles also vary. They are short or medium for construction, energy and roads, but long for concessions. Because of this environment, our companies have created opportunities for dialogue with their stakeholders. The measures set in place include customer and employee satisfaction surveys, questions raised at shareholders meetings, contact points on their websites, and meetings with employee representative bodies, local residents and the press. The dialogue established and the resulting feedback allow our companies to adapt their practices to the present and future expectations of their stakeholders.

VINCI participates regularly in the work of a number of national and European organisations on various aspects of its sustainable development policy:

> Diversity: the French government's anti-discrimination and equal opportunities commission (HALDE), Enda-Europe,

Institut du Mécénat de Solidarité (IMS), Club du XXIe Siècle, Dynamique Diversité.
> Climate change: École des Mines de Paris (eco-design), Entreprises pour l'Environnement (EPE; construction and greenhouse gases), Carbon Disclosure Project and the Annual Forum for European Responsible Investment. VINCI also contributed to the MEDEF discussions at the Grenelle Environment Forum, in particular in the "Construction" and "Transport" workshops; Yves-Thibault de Silguy, chairman of VINCI, led the group "Promoting modes of ecological development favourable to competitiveness and employment".
> Social dialogue: Observatoire de la Responsabilité Sociale d'Entreprise (ORSE).
> Socially responsible purchasing: International Council for Local Environmental Initiatives (ICLEI), for the Respiro project.
> Industrial and commercial sponsorship: Admical.
> Business and community relations: Comité 21 and industry trade associations (EGF-BTP, ASFA, etc.).

We respond positively to requests from schools and universities for talks on topics relating to sustainable development, both in France and other countries.

VINCI's listing in socially responsible investment indices

Our share is monitored regularly by rating agencies specialising in socially responsible investment (SRI).

In 2007, we increased the number of face-to-face meetings with French and European investors. At the Annual Forum for European Responsible Investment (FAIRE 2007), for example, which promotes a better understanding of the factors creating long-term value and of the links between financial and non-financial performance, we gave a presentation on reducing greenhouse gas emissions, analysing the opportunities opened up by the new efficiency standards in the construction sector. We also participated in a conference on the stock market implication of climate change at the Paris Investment Forum-Savings Trade Fair.

In its annual analysis of social and environmental information provided in companies' annual reports, the French corporate responsibility research centre (CFIE) noted that VINCI is making considerable progress: "In terms of content, the comprehensiveness of the environmental section and the precision of the social section have improved. All NRE law themes have been covered. The Group is very transparent as regards its objectives and what must be done to achieve them" (extract from the 2007 CFIE Report, page 116).

Each year, the Alpha Group's centre for economic and social studies assesses the application of the new economic regulations law. In 2007, it ranked us among the companies that "play fair, [by publishing] comprehensive and good quality social information, [...] of a quality at least as good as that in the previous year's report."

Our share is monitored by the European agency Vigeo and forms part of the ASPI Eurozone® index (Advanced Sustainable Performance Index), made up of the 120 listed companies in the euro zone (DJ Euro Stoxx universe) with the best social and environmental performance. After benchmarking the construction sector at our request, Vigeo confirmed our leadership, with improved ratings in four areas: human resources, the environment, civic engagement and human rights (see page 98).

VINCI is also included in the Ethibel Pioneer Index® and the Ethibel Excellence Index®, composed of companies listed in Europe, North America and the Asia-Pacific region. These shares are selected by Forum Ethibel (www.ethibel.org), an independent organisation, on the basis of the Vigeo rating. ■

Global Compact implementation

VINCI signed the UN's Global Compact in 2003. Participation has led to concrete actions being taken, as featured on the United Nations website. In 2007, we confirmed our commitment by joining the Forum of Friends of the Global Compact in France, and by participating in July in the UN's Global Compact summit in Geneva.

THE GLOBAL COMPACT

Commitments/principles	Initiatives in 2007
Human rights **1. To support and respect, within the Group's sphere of influence, the protection of international law relating to human rights** **2. To ensure that Group companies do not become complicit in human rights abuses**	■ Implementation of the Global Compact compliance clause in framework contracts with approved suppliers; inclusion of an "ethics alert" clause in new framework contracts with temporary worker recruitment companies ■ Initiatives Sogea-Satom pour l'Afrique support for 13 community, health and educational projects ■ HIV/AIDS awareness raising in Africa
Labour standards **3. To uphold freedom of association and the effective recognition of the right to collective bargaining** **4. To eliminate all forms of forced and compulsory labour** **5. To uphold the effective abolition of child labour** **6. To eliminate discrimination in respect of employment and occupation**	■ Anti-discrimination training for human resources managers, members of the Group Works Council and members of the European Works Council: 1,000 people trained ■ 1,323 agreements signed with social partners ■ Diversity audit
Environmental protection **7. To support a precautionary approach to environmental challenges** **8. To undertake initiatives to promote greater environmental responsibility** **9. To encourage the development and dissemination of environmentally friendly technologies**	■ Awareness raising campaign on climate change issues for the Group's 300 top managers ■ Carbon audit of VINCI 's activities in France (ISO 14064) ■ Carbon footprint assessment quiz for employees on the intranet ■ Various Group companies participated in the Grenelle Environment Forum ■ Development of software packages for measuring the energy efficiency of buildings and structures ■ Creation of R&D programmes on performance guidelines for eco-communities and eco-cities ■ Launch of The City Factory, a think-tank on urban and mobility issues.
Anti-corruption **10. To work against all forms of corruption, including extortion and bribery**	■ Further reinforcement of internal controls

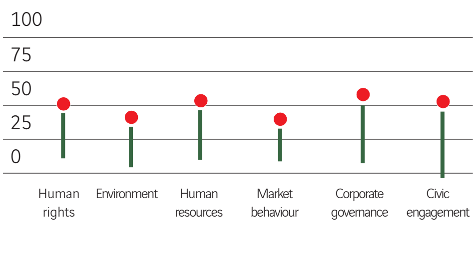
2007 Vigeo rating

vigeo

Environmental, social and corporate governance performanc

Areas min --/max ++	Score 05/2007	Rating 05/2007
Human rights	58	++
Environment	47	++
Human resources	60	++
Market behaviour	47	+
Corporate governance	51	+
Civic engagement	59	++

VINCI's performance ● relative to companies in its sector (min —— max)



The **score** indicates the level of social responsibility commitment on a scale from 0 to 100. It is obtained by analysing the relevance and effectiveness of policies.
The **rating** illustrates how the company's performance compares with that of others in its sector.

++ Company is one of the most committed in its sector.
\+ Company is above average in its sector.
= Company is average in its sector.
\- Company is below average in its sector.
-- Company is one of the least advanced in its sector.

Human rights: fundamental human rights, trade union freedom, collective bargaining, non-discrimination, forced labour, child labour.
Environment: protection of the environment during the manufacture, distribution, use and elimination of products.
Human resources: social dialogue, working conditions, health and safety, development of jobs and skills, systems of remuneration.
Market behaviour: relations with customers, suppliers and sub-contractors, compliance with the rules on competition, prevention of corruption.
Corporate governance: Board of Directors, audits and control mechanisms, shareholders' rights, executive pay.
Civic engagement: local impacts, contribution to economic and social development, and to community projects.

Summary of actions taken in 2007 and objectives for 2008

Priority areas and projects	Commitments	2007 results	2008 actions
Economic performance (see pages 116-119, 130-133 and 138-152)			
Corporate governance	**To ensure transparency**	■ Meetings held with more than 1,200 investors ■ Recomposition of the Board of Directors	■ Increase actions to disseminate information
	To reinforce internal control procedures	■ Level of controls in non-French subsidiaries strengthened (management tools deployed) ■ Audits carried out in all subsidiaries and risk maps updated or produced	■ To strengthen the level of control ■ To continue audits
Management of supplier relations	**To integrate social and environmental factors in the value chain**	■ Development of a training module, "Purchasing and sustainable development: possible lines of action" ■ More than 50 people trained ■ Two training sessions for trainers ■ 100% of VINCI framework contracts include the Global Compact clauses on safety, waste, greenhouse gas emissions	■ To train all the Group's Purchasing Clubs ■ To continue deployment across Europe ■ To roll out VINCI framework contracts throughout the Group
	To encourage buyers to be innovative and entrepreneurial	■ Supplier survey on compliance with the Global Compact clause ■ Production of a guide on subcontracting (VINCI Energies)	■ To implement suppliers' social and environmental audits ■ To promote the exchange of best practice and disseminate the requisite tools
Management of customer relations	**To improve the selectiveness of products and services, and to propose differentiating commercial solutions**	■ Design and development PIC (Program Impact Construction) programme by Freyssinet ■ Many high environmental quality projects completed ■ First positive-energy building	■ To develop "Integration of CO_2 impacts in proposals" training programme for project developers at VINCI Concessions ■ To develop eco-comparison tools for public-private partnerships
	To strengthen dialogue and consultation	■ Numerous information meetings with local residents, non-profit organisations and local authorities	■ To develop tools for measuring the quality of subsidiaries' intranets, to pool shared data bases
R&D and innovation policy	**To strive for technological excellence**	■ Over €30 million invested in research and development; more than 150 research engineers and over 45 sector R&D programmes ■ Development of the Pirandello urban model ■ First VINCI guidelines for eco-communities	■ To continue sector-specific programmes and strengthen joint programmes ■ To increase the use of eco-community and eco-city modelling ■ To launch The City Factory
	To foster participative innovation	■ 1,083 projects submitted by more than 2,500 employees in the 2007 Innovation Awards Competition, 10% more than in the previous edition	■ To capitalise on and disseminate the 2007 innovations ■ To prepare the 2009 edition of the VINCI Innovation Awards Competition

Priority areas and projects	Commitments	2007 results	2008 actions
Human resources (see pages 102-112)			
Jobs and skills planning	**To identify talented employees capable of evolving towards new skills and jobs**	■ Introduction of jobs and skills planning system	■ To deploy jobs and skills planning throughout all VINCI entities
	To recruit and prepare new employees	■ 30,000 people reached by recruitment campaigns (student forums) ■ 11,539 people recruited on unlimited-term contracts in France	■ To maintain partnerships with educational establishments ■ To recruit 12,000 people on unlimited-term contracts in France ■ To give recruitment a more European scope
	To offer a personalised training package to every employee	■ Creation of new in-house training centres in the regions ■ 12.3% increase in the number of training hours in 2007 ■ 2,566 young people taken on as apprentices	■ To increase the number of training hours provided to all employees ■ To foster mentoring schemes
	To expand employee profit-sharing and increase the number of employee shareholders	■ In France, 84% of employees benefit from incentive and/or profit-sharing schemes ■ Worldwide, 85,264 employees are VINCI shareholders, owning more than 8.2% of VINCI's capital ■ €326 million invested in incentive schemes, employee profit-sharing and social welfare	■ To help all employees become VINCI shareholders through employer contributions schemes
Fostering diversity and guaranteeing equal opportunities	**To combat all forms of discrimination**	■ Gender mix: 23% of new employees in 2007 were women ■ 2,633 employees with disabilities ■ Subcontracts with companies created to employ disabled people represented revenue of €2.1 million ■ Cultural diversity: inclusion of an "ethics alert" clause in framework contracts with temporary worker recruitment companies ■ Employees over the age of 50: creation of new indicators	■ To recruit women for operational posts ■ To keep people with disabilities in the workforce ■ To strengthen partnerships with companies providing jobs for disabled people ■ To provide for in-house promotion and ensure satisfactory functioning of upward mobility ■ To offer opportunities for career development ■ To improve working conditions
	To provide diversity training for employees	■ More than 1,000 employees trained ■ Special training module for members of the European Works Council and the Group Works Council	■ To continue the training effort ■ To create an in-house group of diversity auditors ■ To create diversity audit guidelines
	To publish a diversity audit carried out by an independent organisation	■ 40 subsidiaries in six European countries audited	■ To publish the results ■ To audit a further 40 subsidiaries
Accident prevention plan	**To achieve zero accidents**	■ 2007 accident frequency rate: 11.14 ■ 2007 accident severity rate: 0.61 ■ Companies reporting no lost-time accidents: 47% ■ First reporting of workplace accidents by temporary worker recruitment companies ■ Gradual involvement of subcontractors in the 15-minute safety meetings	■ To continue working towards zero accidents ■ To improve the reporting system for temporary worker recruitment companies ■ To introduce and implement accident prevention tools for subcontractors
	To anticipate and control road risk	■ Implementation of the Vigiroute plan across all business lines (in particular for the 31,852 employees at VINCI Energies) ■ Continuation of the VINCI-Renault partnership: training kits, discussions about load securing techniques and the fitting out of commercial vehicles	■ To create and disseminate requisite tools
	To manage health and environment risks	■ Risks maps updated	■ To maintain constant vigilance over the different types of risk and country contexts
Social dialogue	**To ensure the satisfactory operation of employee representative bodies**	■ 1,323 collective agreements signed	■ To involve European representatives in the implementation of the Group's social policies
	To involve European employee representatives	■ 13 countries represented on the European Works Council	

Priority areas and projects	Commitments	2007 results	2008 actions
Contributions to social and community projects (see pages 113-115)			
Social integration through work	**To support social and community projects that promote employment for socially excluded people**	■ 141 projects supported by the VINCI Foundation for the Community with subsidies totalling €2,451,600 ■ 1,061 people worked in VINCI companies after being helped by a non-profit organisation supported by the VINCI Foundation ■ Creation of a VINCI Foundation in the Czech Republic	■ To encourage civic engagement
	To promote economic and local development	■ 13 projects assisted by Initiatives Sogea-Satom pour l'Afrique (ISSA) ■ Over €6 million spent on corporate sponsorship	■ To develop more initiatives in the immediate vicinity of worksites in Europe and elsewhere
Heritage conservation	**To complete the restoration of the Hall of Mirrors at the Château de Versailles**	■ Inauguration of the first comprehensive restoration of the Hall of Mirrors (total budget: €12 million over four years)	
	To showcase archæological discoveries as near as possible to worksites	■ Numerous archæological and palæontological discoveries made	■ To support the development of rescue archæology and best possible use is made of discoveries
Respecting human rights	**To respect human rights**	■ Social risks map updated ■ More than half of Sogea-Satom's African worksites follow health-AIDS road map	■ To develop health/AIDS road maps
Environment (see pages 120-129)			
Environmental policy	**To carry out a carbon audit of VINCI in France in accordance with ISO standard 14064**	■ First quantification of VINCI's Scope 2 greenhouse gas emissions	■ To extend quantification to entities outside France ■ To identify the biggest sources of emissions
	To consolidate the common core of VINCI environmental indicators	■ Consolidation of data for part of the Group: environmental training and awareness raising, environmental certification guidelines, hazardous waste management, quantification of greenhouse gases	■ To extend to entities outside France ■ To increase the number of common indicators
Climate strategy	**To delegate responsibility to all the players in the value chain**	■ Frequent talks with the various partners in the sector to develop products and services integrating climate change into business plans	■ To start joint work on measurement tools
	To give managers climate strategy training	■ Central theme at senior management convention (350 people) ■ Discussion of some 50 carbon initiatives ■ Creation of a CO_2 Pivot Club	■ To create pedagogical tools for decision-makers ■ To increase strategic intelligence gathering: carbon capture and storage, photovoltaic energy, etc.
	To make employees aware of low-CO_2 methods and materials	■ Numerous technical exchanges ■ Training of sustainable development coordinators	■ To intensify awareness raising efforts
Eco-efficiency policy	**To analyse the life cycle of structures and use eco-comparison tools a matter of routine**	■ Creation of assessment tools such as Equer, "Sustainable Technology" motto and Gaïa.BE®	■ To support the establishment of an Eco-design chair ■ To create an eco-design label (VINCI Construction France)
	To develop green products and vectors for growth	■ Development of eco-concretes ■ Participation in the renewable energy development programme	■ To continue R&D
Reduce the environmental impact of VINCI activities	**To control consumption of natural resources (energy, water); prevent pollution and manage logistics and transport**	■ See results on pages 126-129 ■ Launch of Okigo carsharing company and trials of new urban mobility services ■ Introduction of bicycle spaces in car parks	■ To promote high environmental quality facilities, positive-energy buildings, eco-communities, eco-cities, intermodal transport, etc.
	To preserve biodiversity	■ More than 15,198 hectares of natural spaces maintained and 381 animal crossings (VINCI Autoroutes); more than 108,000 sq. metres of vetiver planted in Mali and the Congo (VINCI Construction Filiales Internationales) ■ Renewal for three years of ASF's sponsorship of the Nicolas Hulot Foundation	■ To consolidate biodiversity reporting system
	To manage and recycle waste	■ Numerous reprocessing and recycling solutions (Eurovia) ■ 8.8 million tonnes of materials recycled	■ To foster experience sharing via an Environment Forum on the VINCI intranet

Social responsibility
Sharing our success

At 31 December, VINCI had 158,628 employees worldwide, a 15% increase on 2006, and 8.6% of them came from companies we acquired. In 2007, we recruited 27,000 people for long-term jobs to meet our business growth. Built on the principles of transparency, independence and empowerment, our human resources policy aims to provide all employees with an induction programme and training, enabling them to develop to their full potential. Since 2006, it has included the commitments to equal opportunities set down in our Manifesto.

Human resources policy

VINCI's decentralised human resources management policy aims to develop and promote skills, guarantee equal opportunities during the recruitment process and in the workplace, provide safe working conditions and foster effective and appropriate social dialogue. Employee renewal is an important issue for the Group given our demographic structure and rapid business growth.

Our integrated concession-construction business model requires us to put together teams capable of seeing projects through to the end, whether they be of short, medium or long duration. It also requires bringing together skills and taking action to varying degrees. In the short term, the human resources policy involves identifying potential talent capable of evolving towards new skills and jobs. The model adopted, jobs and skills planning (GPEC), is appropriate for both the local and global issues associated with our operations. We also aim to update our social dialogue. At the end of 2007, a human resources seminar attended by over 200 of our HR managers was an opportunity to exchange the best practices implemented since the introduction of GPEC. To provide the best support possible for our management model and our human and social goals, we reorganised our human resources division in four departments: human resources development, employee relations development; community affairs, and remuneration and social benefits.

Our workforce

In 2007, VINCI had 158,628 employees in 90 countries, an increase of more than 15% compared with 2006.
Of these, 8.6% came from companies we acquired. During the year, we recruited 27,000 people worldwide for long-term positions, of which almost 12,000 in France.
Over the past five years, due to our dynamic recruitment policy and acquisitions, our workforce has grown 24.5%. European entities accounted for 86% of the workforce in 2007 compared with 82% in 2003. This dynamic employment growth policy is an appropriate response to natural turnover. Furthermore, the use of temporary workers gives our policy greater flexibility and adaptability.

Relationships with schools and employment organisations

In 2007, we stepped up our efforts to promote our businesses and careers to schools and the French Ministry of Education in order to meet the employment commitments of VINCI companies in France: we recruited almost 12,000 people on unlimited-term contracts during the year, of whom 2,500 recent graduates (with two years of higher education, of whom over 1,000 young engineers). Our recruitment awareness campaigns reached over 30,000 students in France across the board.

A network of 150 campus managers promotes and coordinates our relationships with around 100 schools, ranging from apprentice training centres through to major engineering schools. This network is assisted and backed by the network of human relations employees. In 2007, we participated in about 30 recruitment forums, with an emphasis on France's major engineering schools (ESTP, ENSAM, École Nationale des Ponts et Chaussées and École Polytechnique). Group executives of the highest level were involved in this approach.

At the same time, VINCI companies accepted more than 8,000 students on work placements or thesis projects and about 100 for international volunteer work. In addition, we continued to implement our proactive policy for integrating young people on work-and-study programmes (3,477 contracts of this type in 2007 compared with 2,654 in 2006).

VINCI companies sponsored certain programmes in French engineering faculties: ESTP, École Centrale de Paris, Master in Law and Workplace >>>

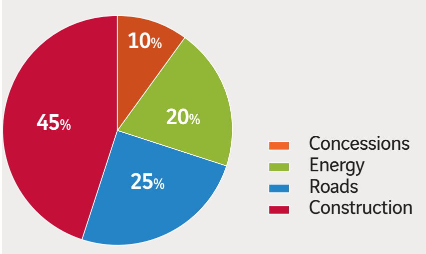
Workforce by geographical area and by business line at 31 December 2007

	2007							2007	2006	2006/2007
	Concessions	Energy	Roads	Construction	Property	Holding companies		Total	Total	Change 2007/2006
France and former overseas territories	11,666	20,588	22,890	34,346	304	322	57%	**90,116**	83,730	7%
Germany	201	3,339	3,805	1,439	-	11	6%	**8,795**	8,906	-1%
United Kingdom	780	463	3,403	4,222	-	-	6%	**8,868**	8,058	10%
Belgium	15	319	456	4,958	-	-	4%	**5,748**	4,936	16%
Spain	200	1,386	726	1,044	-	-	2%	**3,356**	1,876	79%
Central and Eastern Europe	155	877	4,687	5,934	-	-	7%	**11,653**	8,263	41%
Rest of Europe	190	4,826	340	2,201	-	-	5%	**7,557**	3,137	141%
Europe	**13,207**	**31,798**	**36,307**	**54,144**	**304**	**333**	**86%**	**136,093**	**118,906**	**14%**
Americas	1,785	-	3,497	3,139	-	-	5%	**8,421**	5,862	44%
Africa	2	54	-	9,759	-	-	6%	**9,815**	9,923	-1%
Asia & Middle East	878	-	-	3,064	-	8	2%	**3,950**	3,534	12%
Oceania	-	-	-	349	-	-	0%	**349**	299	17%
☑ **Total**	**15,872**	**31,852**	**39,804**	**70,455**	**304**	**341**	**100%**	**158,628**	**138,524**	**15%**

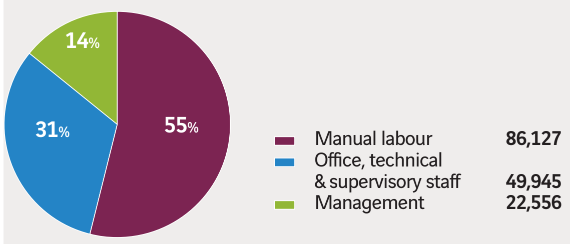
Workforce by category, gender and business line at 31 December 2007

	2007							2007	of which	2006
	Concessions	Energy	Roads	Construction	Property	Holding companies		Total	France	Total
Management	1,344	5,985	4,272	10,562	171	222	14%	**22,556**	16,519	18,758
Men	986	5,177	3,816	9,181	121	146	86%	**19,427**	14,030	16,154
Women	358	808	456	1,381	50	76	14%	**3,129**	2,489	2,604
Office, technical & supervisory staff	9,779	10,831	9,499	19,584	133	119	31%	**49,945**	29,591	42,825
Men	5,780	8,244	6,757	14,813	29	48	71%	**35,671**	20,461	29,954
Women	3,999	2,587	2,742	4,771	104	71	29%	**14,274**	9,130	12,871
Manual labour	4,749	15,036	26,033	40,309	-	-	55%	**86,127**	44,007	76,941
Men	3,673	14,626	25,530	39,418	-	-	97%	**83,247**	43,094	73,616
Women	1,076	410	503	891	-	-	3%	**2,880**	913	3,325
Total	**15,872**	**31,852**	**39,804**	**70,455**	**304**	**341**	**100%**	**158,628**	**90,116**	**138,524**
☑ Men	10,439	28,047	36,103	63,412	150	194	87%	**138,345**	77,585	119,724
☑ Women	5,433	3,805	3,701	7,043	154	147	13%	**20,283**	12,531	18,800

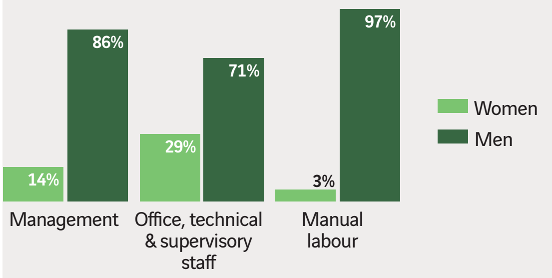
Workforce by business line



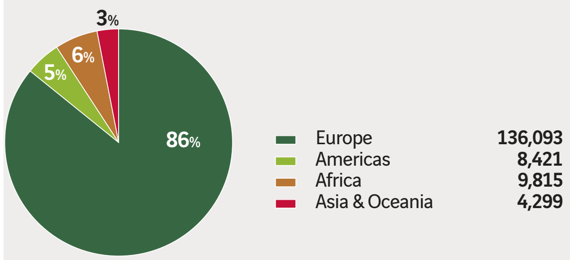
Workforce by job category



Gender mix by job category



Workforce by geographical area



Data at 31 December 2007.

☑ *Audited indicators (see pages 134-135).*

Social responsibility

>>> Relations Practices (Paris 2 Panthéon-Assas and Montpellier universities). In 2007, we increased the number of study scholarships. For example, we sponsored 26 students in the classes of 2008 and 2009 at ESTP for a total budget of €280,000.

Eleven of our subsidiaries created an employer group to promote social integration through work and qualifications (GEIQ) in the greater Paris area at the end of 2006. Its aim is to help people in difficulty find work and, at the same time, meet our companies' recruitment needs. In 2007, the GEIQ signed 67 contracts and prompted nine first job opportunities. Christine Lagarde, French Minister for the Economy, Finance and Employment, visited the GEIC on 30 November 2007 at its offices in Nanterre.

In March 2007, we signed a national agreement at corporate level with EPIDe, state organisation under the authority of the French ministries for Defence and Employment. Its mission is to ensure the social and professional integration of young volunteers at the end of a comprehensive educational programme. This arrangement helps young people enter working life by enabling them to acquire the necessary social skills to live within a work community. EPIDe is one of the sources of recruitment for VINCI subsidiaries and for the GEIQ Ile de France.

In 2007, GTM Bâtiment established the Rehabilitation School as part of Cesame, VINCI Construction France's internal training centre. Thirteen job-seekers aged between 23 and 53, with qualifications obtained after two or more years of higher education, all from disadvantaged neighbourhoods, were trained to become assistant works supervisors for public housing rehabilitation projects. All were subsequently recruited under unlimited-term contracts with a 10-month professional development period.

Promoting our business lines

As a signatory of the charter for equal opportunities in education, we strengthened our partnership relations with the French Ministry of Education by:

> giving presentations in junior and senior high schools to raise awareness of our business lines and helping to direct students towards appropriate technical streams;
> maintaining our policy of work placements for careers advisors and economics teachers;
> organising site visits for school principals, head teachers of general and targeted vocational courses, teachers, etc.

Combating discrimination

VINCI's commitment to diversity and equal opportunities dates back to 2004 when we created the Equal Opportunities Committee. The committee identifies the issues, analyses the latest information, identifies the best practices applied by VINCI and other companies, puts forward a programme of actions and produces practical methods and systems. At the end of 2006, we publicly stated our commitment to promoting equal opportunities in our Manifesto, notably when publishing the results of an independent audit (see page 112).

Our guiding principle is to prevent discrimination during the recruitment process and in the workplace (salary, promotion and training), and to raise all employees' awareness to discrimination issues. The equal opportunities policy is promoted by our network of human resources managers and our social partners. It is structured along the lines of four priority topics: gender mix in the workplace; hiring and retaining people with disabilities; hiring and retaining people of immigrant background; and employing people aged 50 or more. In September 2006, drawing on our British subsidiaries' experience, we introduced equal opportunities training in France. Seventeen sessions were held in 2007 attended by over 1,000 people (human resources managers, operations managers and social partners).
The members of the Group Works Council and the European Works Council – around 100 people – attended a three-day seminar on combating all forms of discrimination. Their findings were included in concrete proposals presented to VINCI's CEO. Also in 2007, more than 46,000 employees received a document entitled *Pour plus de diversité* (for more diversity). This document sets out the challenges and initiatives for each of these issues. The approach to promoting diversity is also based on partnerships and contributions to the public debate. For example, VINCI took part in work by HALDE, Club du XXI[e] Siècle, Enda Europe and Dynamique Diversité.

Gender mix

In 2007, we had 20,283 female employees, an increase of 1,483 compared with 2006. Women accounted for 13% of the total number of employees. They are primarily office, technical and supervisory staff (29% in 2007). As relatively few women opt for specialist training programmes, there is still only a relatively low number in management positions (14%).
Although women are starting to access positions such as crane or site equipment driver, they are still highly under-represented in the manual labour job category (3% in 2007).

Hiring and retaining disabled employees

We have 2,633 disabled employees throughout the Group. As the identification of these people is based on voluntary declaration, it is probable that the available figures fall short of the real data.

Temporary worker recruitment companies also contribute to the number of disabled employees: more than 200 temporary employment assignments in VINCI subsidiaries were filled by disabled people.

In 2007, we strengthened our partnerships with institutions specialising in creating jobs for handicapped people, in particular Association des Paralysés de France (APF). A total of 1,779 subcontracts were awarded under these partnerships, representing revenue of €2.1 million. In addition, Eurovia set up a disability unit and VINCI Construction France carried out an audit of disabled employees. VINCI Energies signed an agreement with the French trade union for companies specialising in creating jobs for people with disabilities.

Promotion and integration of people of immigrant background

Human resources managers are particularly aware of their responsibilities to ensure equal treatment for people of immigrant background, in all areas: recruitment, access to training, salary, etc. The creation of a relevant measurement system is under examination and contact has been made with the Observatoire des Discriminations (Discrimination Observatory) in this regard.

VINCI is a member of the Cité Nationale de l'Histoire de l'Immigration (French centre for the history of immigration). Officially opened in 2007 in Paris, this centre is highlighting the contribution and integration of immigrant groups in France and helping to bring about a change in people's attitudes towards immigration in France. VINCI gave the Association des Amis de la Cité a subsidy of €100,000. >>>

New employees by business line at 31 December 2007*

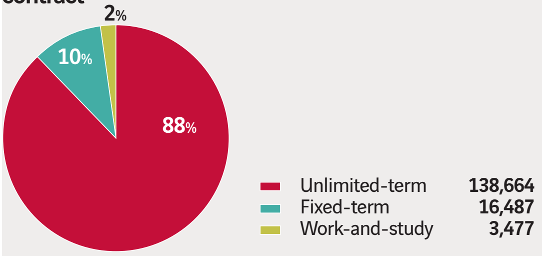
	2007							2007		2006
	Concessions	Energy	Roads	Construction	Property	Holding Companies		Total	of which France	Total
Fixed-term contracts	14,721	1,264	2,617	10,408	18	4	49%	29,032	16,812	29,455
Work-and-study	741	514	641	662	4	4	4%	2,566	1,553	1,484
☑ **Total**	**17,779**	**5,168**	**8,197**	**27,754**	**123**	**53**	**100%**	**59,074**	**29,904**	**54,539**

** Excluding changes in consolidation scope.*

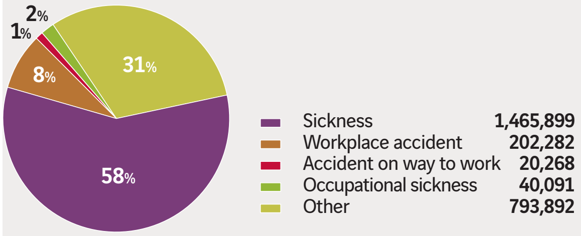
Workforce by type of employment contract and by business line at 31 December 2007

	2007							2007		2006
	Concessions	Energy	Roads	Construction	Property	Holding Companies		Total	of which France	Total
Unlimited-term contracts	14,721	28,989	37,212	57,120	292	330	88%	138,664	85,643	122,043
Fixed-term contracts	1,115	1,644	1,567	12,146	8	7	10%	16,487	1,930	13,827
Work-and-study	36	1,219	1,025	1,189	4	4	2%	3,477	2,543	2,654
Total VINCI employees	**15,872**	**31,852**	**39,804**	**70,455**	**304**	**341**	**100%**	**158,628**	**90,116**	**138,524**
Temporary employees	439	3,293	4,423	10,297	11	17	12%	18,480	14,573	16,333

Workforce by unlimited-term/fixed-term/work-and-study contract



Breakdown of days off by reason



Departures by business line*

	2007							2007		2006
	Concessions	Energy	Roads	Construction	Property	Holding Companies		Total	of which France	Total
☑ **Total**	**17,904**	**4,251**	**7,203**	**21,608**	**32**	**18**	**100 %**	**51,016**	**25,861**	**47,664**
Of which redundancies	14	70	203	91	-	-	4%	378	64	601
Of which other dismissals	486	514	553	1,735	5	-	1%	3,293	1,964	3,519

** Excluding changes in consolidation scope.*

Breakdown of days off by reason

	2007							2007	2006
Number of days	Concessions	Energy	Roads	Construction	Property	Holding Companies		Total	Total
Sickness	160,962	291,556	473,669	535,187	1,924	2,601	58 %	1,465,899	1,328,507
Workplace accident	12,007	24,946	48,430	116,737	31	131	8%	202,282	158,181
Accident on way to work	1,713	3,568	8,089	6,776	122	-	1%	20,268	14,464
Occupational sickness	2,817	6,014	22,405	8,855	-	-	2%	40,091	30,475
Other	86,558	83,871	327,966	294,374	737	386	31%	793,892	626,079
Total	**264,057**	**409,955**	**880,559**	**961,929**	**2,814**	**3,118**	**100%**	**2,522,432**	**2,157,706**

☑ *: Audited indicators (see pages 134-135).*

Social responsibility

Employment of people aged 50 or more

Our workforce in 2007 included 21% of employees aged over 50. They represented 5% of all new recruits, a figure that is up against previous years. Employees over 50 often benefit from internal transfers.

Employee integration, training and qualifications

In 2007, VINCI companies maintained the general lines of the human resources management policy: encouraging apprenticeships, skills development, employee training, and career development opportunities.
We offer apprenticeship contracts at all levels of qualification, giving more weight to the energy, curiosity, intelligence and capabilities of our young employees rather than their diplomas. When joining a VINCI company, employees are assured of receiving career-long training.
The internal training centres provide employees with the opportunity to hone their technical, managerial and safety skills. We recruit people who are keen to work and, through our professional development contracts and fast-track training systems, enable them to climb rapidly through the ranks of our business lines.

Apprenticeships and work-and-study programmes

We are making a determined effort to promote work-and-study programmes, hiring more than 2,566 young people under this type of contract in 2007.
When signing the Apprenticeship Charter in 2006, we committed to increasing the number of apprentices working in our companies by 20% over the period 2006-2007. In fact, growth over the period tripled to 60%.
We also encourage mentoring, which is the preferred method of passing on know-how from one generation to the next. Site managers and team leaders are provided with appropriate training for this task.

At VINCI Construction France, more than 200 skilled workers, team leaders, site supervisors and engineers are "master builders". They form a network of employees chosen for their human qualities and their ability to pass on their know-how. They take young newcomers under their wing and smooth the way for their integration. Master builders are given special training with refresher courses every five years.

At VINCI Concessions, especially within the motorway operators, there are more than 300 internal trainers who make sure that employees' skills keep pace with developments.

Employee training

Our approach to training combines a decentralised organisation with the determination to create and exploit synergies within the Group. Each business line has established its own training centre offering programmes tailored to its particular activities and needs.

VINCI Construction France extended its network of training centres, Cesame, to include five new regional campuses, bringing the total number to eight at the end of 2007.

In four years, the number of training hours for subsidiary employees increased more than 77% from 1.42 million in 2004 to 2.51 million in 2007. Over the same period, the number of trainees increased 47%.

Senior managers follow cross-business training at the VINCI Academy, which organises the Entretiens de VINCI lecture-debates (six sessions a year for 150 people) and the Management Forums targeting high-potential managers (two three-day sessions a year).

In 2007, training represented an investment of more than €111 million, with a strong emphasis on accident prevention and safety. VINCI Construction France introduced a two-day training course called Attitude Prévention, which aims to bring about a sea change in behaviour. All VINCI Construction France employees will have attended this course by 2010.

Group companies are also implementing France's law on the individual right to training (DIF). VINCI Park was awarded a gold trophy at the first DIF awards held by Demos in partnership with the publications *L'Expansion* and *L'Entreprise*. The award was in recognition of the company's swift action in response to upcoming changes by establishing its own training centre as early as 2004.

Career development opportunities

Our international dimension, and the diversity of our facilities and business lines offer employees very interesting career development prospects, which we promote through a proactive job mobility policy. In 2007, 3,347 employees (1,233 in 2006) benefited from internal transfers.

The job mobility section of the VINCI intranet site lists all positions currently available, according to business line, region, company and country. Between 2006 and 2007, the number of offers almost doubled to 929. The Jobs and Careers Observatory enables human resources departments to identify possible transfers between different business lines, thereby facilitating job. All requests for transfers and training voiced at annual interviews are taken into account in order to match personal career development objectives with those of the company.

Inter-company twinning also encourages job mobility by promoting employee exchanges and the transfer of skills between French and international teams.

To that same end, we created a graduate training scheme, which helps recent graduates take up positions of responsibility in various European countries. The principle is to recruit and train young engineers in countries other than their native country to provide them with additional in-depth knowledge of a second European culture and gain fluency in another language. After this apprenticeship and development phase, they will be in a position to apply the skills as an entrepreneur when they return to their country of origin or transfer to another European country. In two years, 88 employees have benefited from this unique scheme.

Accident prevention programme

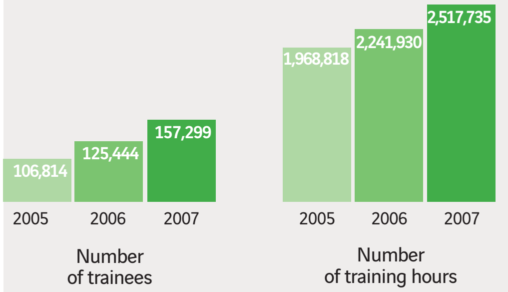
Accident prevention is one of our top priorities. Our goal is zero accidents both at workplace and during work-related travel. In five years, our programme has led to a significant drop (50% in both cases) in the accident frequency and the accident severity rates.

We have been monitoring the economic impact of our drive for zero accidents for several years with IFGE (French corporate governance institute). Since 2003, 70 subsidiaries have been tracked and significant correlations have been established between economic performance and safety. >>>

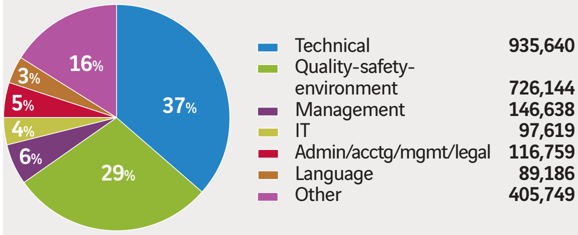
Development of in-house training centres

Training centre	Division	Number of training hours	Number of trainees
Cesame/VINCI Construction France	Construction	149,752	7,508
Centre Eugène Freyssinet	Construction	2,779	125
VINCI Park School	Concessions	17,308	1,084
Winter maintenance centre, ASF	Concessions	5,892	293
Cofiroute Campus	Concessions	72,574	6,075
Road Industry Training Centre, Eurovia	Roads	90,360	2,154
VINCI Energies Academy	Energy	63,100	3,490

Change in the number of training hours and trainees



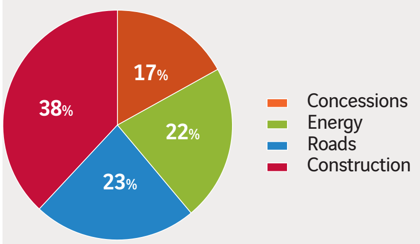
Breakdown of training hours



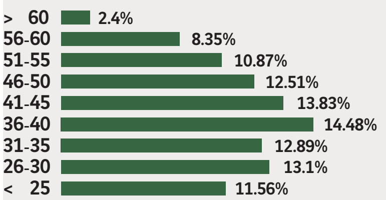
Change in number and breakdown of training hours

	2007						2006	
	Management	Office, technical & supervisory	Manual labour		Total world	of which France	Total	Change
Technical	88,767	291,049	555,824	37%	**935,640**	538,621	852,621	10%
Quality-safety-environment	77,214	229,601	419,329	29%	**726,144**	503,000	622,640	17%
Management	69,907	55,320	21,411	6%	**146,638**	85,230	155,096	-5%
IT	38,519	51,251	7,849	4%	**97,619**	56,574	142,713	-32%
Admin/acctg/mgmt/legal	51,505	57,636	7,618	5%	**116,759**	79,670	121,264	-4%
Language	35,595	46,281	7,310	3%	**89,186**	25,618	71,724	24%
Other	79,567	127,043	199,139	16%	**405,749**	178,710	275,871	47%
☑ **Total**	**441,074**	**858,181**	**1,218,480**	**100%**	**2,517,735**	**1,515,554**	**2,241,930**	**12%**
Hours of training per employee	20	17	14	-	**16**	17	16	-

Employees with a disability by business line



Age pyramid



Data at 31 December 2007.

☑ *: Audited indicators (see pages 134-135).*

A responsible group

Social responsibility

>>> In 2007, the frequency rate in France was 13.98 and the severity rate 1.08. Alongside these encouraging results, the number of profit centres recording no lost-time accidents during the year rose from 42% in 2004 to 47% in 2007, a 12% improvement overall.

A network of more than 300 accident prevention specialists provide their expertise at all operating levels. Action plans with a high degree of management involvement throughout the Group have been implemented, from senior management down to local sites. Depending on the risks specific to the various business lines and companies, action plans take the form of a number of initiatives: induction programmes for newcomers, 15-minute safety meetings, inter-company challenges, training for specific risks, accident analysis, publication of statistics, etc. Most of these actions have now become routine and will lead to further improvement in the results.

In 2007, we introduced an improvement clause together with the implementation of a workplace accident reporting system in the framework contracts signed with temporary worker recruitment companies. Only those companies committed to an active safety policy have been approved. Preventive measures initially introduced for VINCI employees have now been extended to cover temporary employees as well. These include safety tests (more than 5,000 temporary employees sat these tests in 2007 at Eurovia before being allowed onto the company's worksites); 15-minute safety meetings held at least once a month; induction programmes for newcomers to boost their awareness of accident prevention and make sure they have the minimum knowledge required before being allowed to work on a site. To give just one example, the accident frequency rate involving temporary employees on VINCI Energies' worksites in France was 31.68 in 2007.

The initial report reveals a discrepancy of 1 to 3 between the result for Group and temporary employees. Current measures aim to improve the reliability of this measuring tool, refine the risk analysis for each job and implement the appropriate accident prevention systems.

Synergy between the various business line accident prevention specialists has been stepped up so as to pool their initiatives. For example, the play "Watch out! Work in Progress!" is an innovative way of raising safety awareness that was created at Eurovia in 2006 (VINCI 2007 Innovation Award, Management category). It had been performed more than 70 times for the company's 20,000 employees in France, from manual labourers to management, before being adapted by VINCI Construction France under the new name of "Worksite. Authorised personnel only!" Adopting the same approach as Eurovia, each performance is followed by a discussion.

Managing road risk

Road risk concerns all VINCI employees who drive any of the 30,000 company vehicles and 5,000 site machines, as well as the 600 million customers who use our roads, motorways, car parks and other VINCI structures worldwide. In order to reduce road accidents, our companies have devised various awareness programmes. The Vigiroute® accident prevention plan, initially launched at Eurovia, has gradually been extended to all business lines. We continued the collaboration with Renault, following signature of a partnership agreement in 2006, by developing training kits and organising visits to discuss techniques for arranging and securing utility vehicle loads, and the safe driving of these vehicles.

ASF and Cofiroute signed a national charter with DSCR (the French government's road safety and traffic department), the French Ministry for the Ecology, Infrastructure and Sustainable Development, and the national health insurance fund. Under this charter, the companies undertake to implement systematic training for employees using company vehicles and carrying out an analysis of driver behaviour of all employees using light vehicles or lorries. On 26 November 2007, ASF, Cofiroute and Escota signed the European Road Safety Charter. This document calls in particular for actions to raise safety awareness among lorry drivers.

Managing health-environment risks

In 2007, the occupational health and environment group, comprising qualified persons from our various business lines, continued its work on:

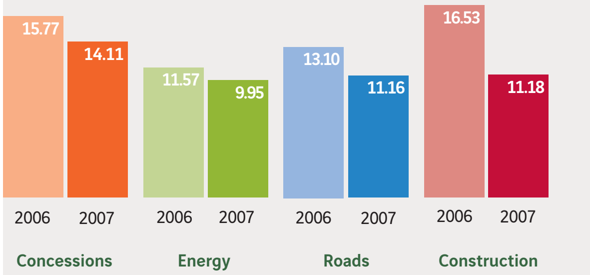
> preventing musculoskeletal disorders: VINCI companies stepped up training in the prevention of risks from physical activity. Among the initiatives in 2007, Eurovia developed a system on its intranet for identifying the causes of accidents;
> cardiovascular risks, especially in extreme weather conditions, with the introduction of screening days and training in the use of defibrillators;
> pandemic diseases: the group continued its work on the exchange of best practices in the area of avian flu risk prevention (consistent supply of personal protection equipment and service continuity plans). VINCI Concessions' motorway operators brought in an avian flu consultant to verify and approve their prevention approach;
> asbestos: updated risk mapping, employee awareness, introduction of specific signage, monitoring the careers of employees indirectly exposed to asbestos, particularly those working in demolition, restoration and pipe maintenance activities;
> bitumen risk: Eurovia monitored epidemiological studies on the level of exposure to this risk in a working group established by the profession;
> prevention of risks associated with drug and alcohol abuse, including driving under their influence, as an extension of programmes implemented by VINCI Construction in 2005;
> health risks associated with airborne pollution: air quality monitoring stations have been installed at motorway toll booths;
> post-accident counselling: VINCI Construction Grands Projets and VINCI Construction France introduced programmes of this type, which were used several times in 2007;
> environmental, manufacturing and technological risks (see page 173).

Remuneration

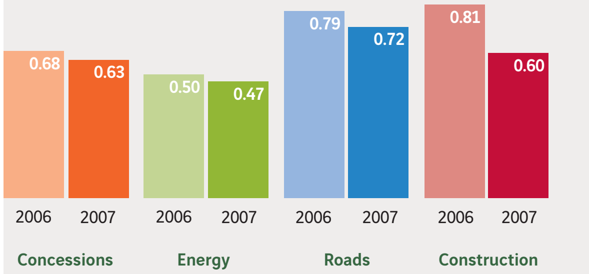
VINCI's remuneration policy is organised in accordance with our decentralised management structure. Common principles covering individual remuneration and incentives in line with our results are used as guidelines for this policy in all countries where we operate. Employee remuneration consists of various components: wages, bonuses, profit sharing, incentive schemes and employee share ownership. Individual remuneration reflects the personal responsibility and performance of each employee at every level.

In France, 84% of employees benefit from incentive schemes and/or profit-sharing agreements. In all, we shared the benefits of our growth by paying out more than €160 million in 2007 (€132 million in 2006).

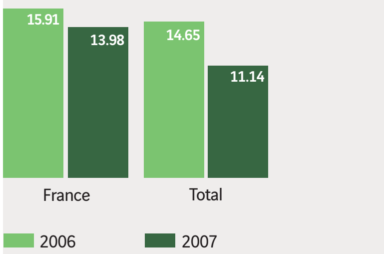
Change in accident frequency rate by business line



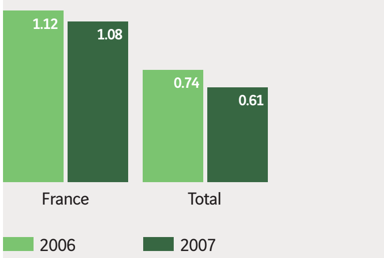
Change in accident severity rate by business line



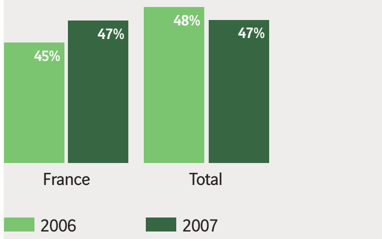
Change in accident frequency rate



Change in accident severity rate



Companies reporting no lost-time accidents



Working hours

	2007			2007	2006
	Management	Office, technical & supervisory staff	Manual labour	Total	Total
Total hours worked	37,177,801	80,561,730	152,258,938	**269,998,469**	230,629,654
of which overtime	222,640	1,744,738	11,511,121	**13,478,499**	13,247,321
Number of part-time employees	299	2,362	1,145	**3,806**	3,314

Data at 31 December 2007.

Employee savings schemes

In our labour and management intensive environment, we consider share ownership to be an essential means of motivating employees and giving them a stake in the Group's performance. Based on our believe that the most profitable subsidiaries are those with the highest proportion of employee shareholders, we have undertaken research on this topic with IFGE, the French corporate governance institute, in Lyons. The employee savings policy introduced in 1995 with the creation of the Castor fund is intended to facilitate access to VINCI's capital for all employees, and particularly those with a more modest income. This policy was reaffirmed in our Manifesto published at the end of 2006 (see page 15), which included the commitment "to help all employees become shareholders".

A number of savings options are offered to the employees of the Group's French and international subsidiaries.

The Castor fund, which is invested in VINCI shares, enables employees to benefit from an employer contribution and a discount on the VINCI share price. Since 2007, the authorised discount has been reduced from 20% to 10%. At the same time, the employer contribution has been raised and extended from €2,500 for an investment of €9,000 in 2006 to €3,500 for an investment of €11,000 in 2007. During 2007, VINCI was one of the few French companies to offer three share capital increases at a preferential share price for employees of French subsidiaries. The employer contribution paid by VINCI amounted to a total of €97.4 million (against €48.9 million in 2006), which represents an increase of almost 100%.

Two unique operations were also offered in 2007.

Castor Avantage 2007. This scheme, which was reserved for employees of French subsidiaries, offered a leverage effect applied to voluntary investments. It provides a guaranteed gross yield of 25.63% on maturity on 2 April 2012, a 100% guaranteed personal investment, participation in the increase in the VINCI share price and favourable payment terms (possibility of five salary deductions between August and December 2007). Almost 27% of the eligible employees took up the offer, i.e. 22,274 subscribers, of whom 3,007 were new shareholders. The operation brought in € 8.6 million in >>>

>>> voluntary investments (an average of €387 per subscriber). VINCI's gross employer contribution was €12.9 million (€11.9 million net).

Castor International 2007. As in 2006, this operation was offered again to employees of subsidiaries based in Germany, the United Kingdom and Morocco; it was also offered, for the first time, to those in the Czech Republic, a country where we have significant operations. Overall, 29% of the eligible employees took part. A total amount of €17.3 million was collected, of which voluntary investments of €10.2 million and an employer contribution of €7.1 million (an average voluntary payment of €1,700).

At 31 December 2007, 85,264 employees, i.e. 75% of the eligible workforce, were VINCI shareholders through mutual funds invested in the company's shares. Together they held 8.2% of VINCI's share capital, and collectively represented the biggest shareholder group. The average investment in 2007 was €3,060, and the average portfolio was nearly €18,570, making VINCI one of the CAC 40 companies with the highest level of employee share ownership. In 2008, the employees of Solétanche Bachy and Entrepose Contracting, two newly acquired companies, will be able to subscribe to the Group Savings Scheme. The agreements signed came into effect on 1 January 2008.

Other employee incentives

VINCI companies have introduced additional medical and insurance cover for employees sent on assignments abroad. In addition, Eurovia's foundation awards about 100 education grants a year for manual workers' children.

Social dialogue

Our social dialogue policy reflects our commitment to several fundamental principles: recognition of the role of unions in the Group; decentralisation; the quest for a constant balance to be maintained between trade union involvement and close links with professional activities; determination to facilitate communication and meetings for trade union representatives and employee representative bodies, and determination to provide more information and training for employee and trade union representatives by involving them in the implementation of the Group's major policies on health and safety, sustainable development, gender mix, disabled persons policy, etc.

Employee representative bodies

At local level, works councils, single staff delegations and employee representatives, together with the occupational health, safety and working conditions committees, contribute to the quality of dialogue between employers and employees. A number of specific bodies have also been created to complement individual companies' representative bodies.
Discussions within these various 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 at least twice a year, is made up of representatives from over 50 entities. It receives information about the Group's business and financial situation, employment trends and forecasts, and accident prevention initiatives at the Group and company levels. It is kept informed of VINCI's economic prospects for the coming year and has access to the Group's consolidated financial statements, together with the corresponding statutory auditors' reports. Before any decision is taken, it is advised of any significant project affecting the Group's consolidation scope or its legal or financial structure, and of the potential impact of such a project on employment.
The European Works Council was renewed in 2006 for four years. It is made up of representatives from the 13 countries in which VINCI has subsidiaries: France, the United Kingdom, Austria, Belgium, Czech Republic, Germany, Spain, Hungary, the Netherlands, Poland, Sweden, Slovakia and Portugal. It meets once a year.

Trade union freedom

All Group companies respect the legislation in force in all countries where they operate. Operational managers, particularly in countries where the risk of non-compliance may exist, are backed by the networks of human resources managers who provide them with the most appropriate local solutions for the country context and VINCI's requirements in the area of respect for trade union freedom. As 90% of our business is in Europe, the European Works Council is the prime guarantor of the freedom of expression of trade unions.

Collective agreements

Collective agreements negotiated and signed by companies within the Group are tangible evidence of a decentralised human resources policy, which takes account of the realities on the ground and aims to improve working conditions, health and safety and the organisation of working hours. In 2007, 1,323 collective agreements were signed. In France, absenteeism due to strikes amounted to 2,248 days out of a total 19.55 million days worked.

HR management and restructuring

By definition, our business activity cannot be relocated. Furthermore, because we suffer from a shortage of skilled workers in many of our business lines, we rarely initiate restructuring operations. Should such a situation arise, our senior executives and human resources managers would ensure economic and social solidarity, notably through transfers and redeployment.
During acquisitions, our general policy is to retain the existing teams – the guardians of skills and know-how – in order to develop the business while leveraging the Group effects to pool systems and foster networking. Solétanche Bachy, which recently joined the Group, is a prime example. ■

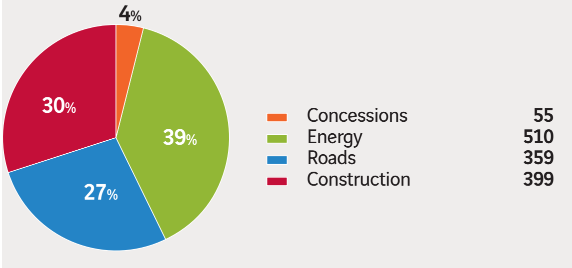
Remuneration and social charges in France

	Total		Management		Office, technical & supervisory staff		Manual labour	
In € thousands	**2007**	**2006**	**2007**	**2006**	**2007**	**2006**	**2007**	**2006**
Average VINCI salary in France	33	31	58	58	30	28	25	22
Men	33	31	61	60	31	29	25	22
Women	29	28	45	43	26	24	23	22
Average salary in building and civil engineering	NC	31	NC	48	NC	26	NC	20
Social charges	54%	54%	58%	58%	53%	53%	50%	52%

Remuneration and employee share ownership

	Total	Total	France	France
In € millions	**2007**	**2006**	**2007**	**2006**
Incentive schemes	69.9	52.7	59.7	45.6
Employee profit-sharing	104.2	86.9	100.7	86.9
Employer contributions	97.4	48.9	91.9	46.1
Social welfare	54.2	43.6	27.5	24.0
Total	**325.7**	**232.1**	**279.8**	**202.6**

Agreements signed by business line



Data at 31 December 2007.

The diversity audit

In our Manifesto published at the end of 2006, we undertook to publish the results of an independent audit of our diversity and equal opportunities policy. The European corporate social responsibility rating agency Vigeo was selected to assess the level of our management's commitment and evaluate to what extent the risks in this area are contained.

The audit covered 40 Group subsidiaries in six countries (Germany, Belgium, France, Czech Republic, United Kingdom and Sweden) and involved nearly 1,000 employees. Vigeo made a cross-assessment between the four categories of population on which VINCI chose to focus (women, people of immigrant background, disabled people and people aged 50 or over), and the human resources procedures of recruitment, remuneration and incentives, access to training, career development and job mobility, working conditions and the management of changes in consolidation scope. Vigeo applied its proprietary method, Overnance, which reviews the pertinence of discrimination prevention policies, the consistency of procedures applied to implement these policies and the quality of the results. These terms of reference are based on the principles of non-discrimination and the promotion of equal opportunities set forth by international organisations such as the UN, ILO, European Commission and OECD).

Before each audit assignment, documents forwarded by the company (policies, indicators, in-house publications, etc.) were analysed. Then, at each subsidiary, the senior executive, employee representative bodies, human resources manager, communication manager, a group of employees and a group of managers were interviewed. Using the information gathered, Vigeo scored each of the subsidiaries on a scale of 1 to 4, to which was added a trend indicator (steady, decreasing or increasing). Each subsidiary was informed of its results, highlighting its strengths, areas requiring improvement and its best practices. The detailed opinion is used to establish measures to be taken in the coming years. The analysis and summary findings of the 40 audit assignments, along with a series of interviews with senior division and Group managers, as well as an analysis of social reporting indicators, led to the overall assessment of VINCI.

The findings were made public at a press conference in March 2008. A steering committee comprising human resources managers from each of the Group's business lines, the secretary of the European Works Council, members of the Equal Opportunities Committee and the team of Vigeo auditors will be monitoring post-audit progress.

Vigeo audit

Policy	■ The existence of commitments ■ The transmission of the commitments and the understanding the employees and their representatives have of them ■ The explicit responsibility of managers, combined with objectives and regular assessment of achievements
Implementation	■ The implementation of the procedures for all employees concerned and according to schedule ■ The availability of adequate resources: training (in accordance with the responsibilities defined in the organisation), information tools, aids for the uniform and automatic processing of data ■ The reality of the control exercised by the specialist function (usually HR), employee representatives and, if applicable, external audits
Results	■ The existence and monitoring of indicators ■ The results observed in management charts, audit reports and the minutes of employee representative meetings ■ Employees' and their representatives' opinions of these results

Performance observed

Group-level assessment	Policy	Implementation	Results		
Women				2	↗
People with disabilities				2+	↗
People of immigrant background				2+	→
People aged 50 or over				3-	→

Rating grid

1 No discernible commitment No evidence of managerial commitment or appropriation; high risk of discrimination	**3 Conclusive evidence** Conclusive evidence of commitment to equal opportunities and the prevention of discrimination; managerial factors under control; reasonable assurance that discrimination risk is under control
2 Action initiated Commitment and partial managerial appropriation evident; low assurance of control of discrimination risks	**4 Advanced commitment** Commitment in an advanced state, comprehensive and innovative action taken: the company is a leader in terms of promoting equal opportunities and preventing discrimination

Civic engagement
Contributions to social and community projects

VINCI companies contribute to economic and social development by supporting local projects that promote employment among disadvantaged sections of the community and improve the quality of urban life. Coordinated by the VINCI Foundation for the Community, our involvement in such initiatives combines employee support and financial backing to facilitate social integration through work, strengthen social ties and respond to emergencies in the suburbs. Our companies also contribute to local development projects at their own initiative. In addition, consistent with our business lines, we invest in preserving heritage assets.

Supporting social integration through work

The VINCI Foundation for the Community builds bridges between Group companies and non-profit organisations. In particular, it provides support in so-called sensitive districts through projects that create social cohesion, as well as local initiatives that promote harmony in local communities. This commitment is based on the belief that employment is a fundamental pathway to inclusion for disadvantaged members of the community. The VINCI Foundation also provides support to non-profit organisations and companies specialising in creating job opportunities by making it their daily priority to combat social exclusion.

Since its creation, in 2002, the VINCI Foundation has supported 510 projects developed by 444 different organisations in 13 countries. Almost half these projects were proposed by Group employees. Close ties have been established between job creation organisations and an active network of 2,000 employees. The VINCI Foundation provides a framework for employees' civic engagement: volunteering expertise that may take the form of advice, coaching and training, or looking for outlets (employment, markets, etc.). Each project is sponsored by a VINCI employee and this human partnership – inseparable from the financial support – is part of a long-term approach. Having helped 1,061 people to be hired by VINCI subsidiaries following a period with a job creation organisation, the VINCI Foundation has contributed to providing a solution for the urgent social issues facing certain suburban areas. In 2007, the VINCI Foundation supported 141 projects (120 in 2006) with subsidies totalling €2,451,600, making an average of €17,000 per project. A foundation with a project budget of €75,000 was established during the year in the Czech Republic. It is run by representatives of the Czech subsidiaries and supports social and professional inclusion initiatives.

Promoting local economic development

VINCI companies contributed to a vast number of diversified social and economic initiatives.

Each year, VINCI Energies companies identify more than 1,000 support initiatives through local non-profit organisations.

Escota (VINCI Concessions) has been running the "Children without Christmas" programme at motorway toll stations since 1994. It collects more than 30,000 toys a year and donates them to non-profit organisations.

Sogea-Satom (VINCI Construction Filiales Internationales) created ISSA, the Sogea-Satom Initiative for Africa, in 2007 to encourage its employees' civic engagement in countries where the company has worksites or manages agencies. Three selection committee meetings were held during the year, leading to a total of €131,357 being allocated to 13 projects. This support has been used to purchase material for the construction, renovation and equipment of eight schools (Burkina Faso, Cameroon, Mali, Kenya and Chad), improve the operating theatres at Niamey Hospital in Niger, build toilet blocks at the Bugesera refugee camp in Rwanda, install an independent sanitation system in Djaid village and social and sports facilities in Salé, both in Morocco. >>>

>>> In Cambodia, SCA, the VINCI Concessions subsidiary that operates the three airports, is contributing $2 million (of which $1 million paid in 2007) to pay for government-led studies and work to help develop the tourism environment around the Angkor temples, a region served by Siem Reap airport. This extension of the partnership with Artisans d'Angkor, an organisation that trains and employs about 1,000 traditional craftsmen in 11 villages, supports around 5,000 families by revitalising traditional Khmer craft techniques.

Still in Cambodia, VINCI gave a €70,000 grant to Sodeco, a non-governmental organisation, to help produce biodiesel from the seeds of a tropical plant, jatropha. Planting this species on 10,000 to 20,000 hectares of land that is unsuitable for any other crop will create a carbon sink and produce 10,000–20,000 tonnes of biodiesel to run electricity generators instead of diesel fuel. This solution has been tested locally with the assistance of French company Éco-Carbone.
In the longer term, the project could be accepted under the Kyoto Protocol mechanisms.

In Greece, Gefyra SA, the VINCI Concessions subsidiary that operates Charilaos Trikoupis Bridge (Rion–Antirion), undertook several solidarity initiatives following the forest fires in the summer of 2007: free tolls, employees using Gefyra vehicles to support fire fighters, a €150,000 donation for the victims and for site rehabilitation. Gefyra is also involved in other environmental (protection of dolphins), and health and social (breast cancer prevention and support for handicapped children) projects for a total annual budget of €40,000.

In France, the VINCI Foundation participated in the fifth Talents des Cités (Community Talent) competition organised by the French Senate and the Ministry of Housing and Urban Affairs. The competition rewards people who develop businesses, non-profit organisations or projects in disadvantaged neighbourhoods. In the area of combating discrimination, VINCI is a member of the corporate club of Dynamique Diversité, a non-profit organisation. Within the context of promoting micro-loans, the VINCI Foundation provides assistance to ADIE, a non-profit organisation that assists people excluded from the job market and banking system, by supporting some 20 business creation projects, including 12 in the building sector, for a total amount of €98,000. This initiative was started in 2006 and will end in 2008.

The VINCI Foundation also supports PlaNet Finance France's efforts to help socially excluded people create their own micro-companies. The local branches of PlaNet Finance in Mantes, Sevran, Aulnay, Clichy, Vénissieux and Marseilles contributed to the creation of around 100 companies in 2007. A similar initiative is being rolled out in other countries across Europe (Germany, Belgium, Italy, Portugal and the United Kingdom) with the support of the VINCI Foundation (€30,000 in total).

Heritage preservation

From 2003 to 2007, VINCI managed the largest cultural sponsorship operation ever carried out by a French company – €12 million – at the Château de Versailles. It was the first comprehensive restoration of the Hall of Mirrors, a showcase of seventeenth century French know-how, and a UNESCO World Heritage Site.

In addition to exceptional financial support, we were involved in the restoration work under the terms of a skills-based sponsorship arrangement. We contributed our project management expertise by taking on site supervision and we provided the know-how of our specialist companies: restoration of marble panelling and bronzes, installation of site facilities, masonry, electricity and lighting were all provided by VINCI subsidiaries.
Despite the scope of the project, the Hall of Mirrors remained open to visitors at all time thanks to a scenographic installation concealing the scaffolding on which the restorers worked. To give people a better idea of what the restoration entailed, the different stages and the challenges it involved, we organised visits throughout the project (6,000 people between 2004 and 2007), and developed numerous educational initiatives for young people. We associated all our employees and their families, as well as members of the Shareholders' Club, with this operation by giving them a free pass into the Château de Versailles for the duration of the project (pass valid until 31 December 2008).

The fully restored Hall of Mirrors was officially reopened on 25 June 2007 by Christine Albanel, French minister for culture and communication. Overall, this project demonstrated that by clearly defining the assignments and prerogatives of both parties, corporate sponsorship can develop into a genuine partnership for the benefit of the community and promote new ways for the public and private sectors to work together. The unanimous approval expressed by the scientific council on the project's completion is clear confirmation of this. The quality of the relationships formed on a day-to-day basis between our teams and their various partners is a further illustration.

Showcasing archaeological and palaeontological discoveries

As a contributor to regional development, we play an active role in the discovery of archæological assets. Our companies' work brings to light major discoveries. In 2006, we set up a rescue archæology task force to identify the contribution made by our subsidiaries to scientific knowledge. The fees paid by our companies in respect of rescue archæology totalled more than €7 million in 2007 (€1.520 million by Escota, €1.839 million by ASF and €3.932 million by Arcour).

Regarding the extensive A19 project, a motorway under construction to the south of the greater Paris area, the budget allocated for an archæological survey amounted to €4.82 million (fees), along with the €732,000 for the supply of machinery; the budget for the actual dig itself was €11.843 million, bringing the total to €17.395 million. Group companies, especially earthworks subsidiaries, take part in the operations alongside archæologists by removing overburden and strata to enable digs to proceed. In this way, an incineration necropolis dating back to the end of the Bronze Age (thirteenth to eighth centuries BCE) was discovered near the village of Courcelles. Meanwhile, to the north-west of Orleans, 19 silos were found, along with the remains of human occupation extending from the end of the Hallstatt era (final phase of the early Iron Age) to the Tiberian period. Based on these, human occupancy of this site has been dated back to around the fifth century BCE.

During the widening of the A8 motorway between Châteauneuf le Rouge and Saint Maximin in the south of France, in an area known for its rich palæontological deposits, Escota is providing €345,000 over two years to finance a major dig in partnership with an organisation representing local communities and the Aix en Provence Natural History Museum. Having discovered fossils 70 million years old the previous year, in 2007, the team of palæontologists discovered the jaw of a small, unknown mammal, giving this dig international importance. Site visits have been arranged, along with an exhibition at Escota's head office. The local community organisation has asked the specialist scientific community (Montpellier and Lyons universities) to identify and analyse the objects found.

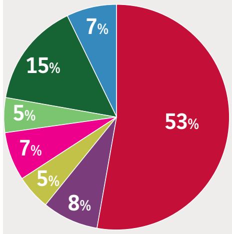
In total, VINCI companies contributed over €6 million to social and community projects in 2007.

Respecting human rights

By tradition and by culture, VINCI companies have great respect for human rights and comply with the main guidelines of the United Nations Charter. We provided ample proof of this by voluntarily becoming a signatory to the Global Compact, especially with regard to operations in those countries where there is a high risk of non-compliance. In 2007, we updated our social risk map, mainly in the following areas: the corruption perception index established by the NGO Transparency International; child labour, based on UNESCO indicators; and respect for human rights, using indicators such as the respect for freedom of expression, the right of association, the right to education and religious freedom.

We also place considerable emphasis on the right to health by implementing a proactive AIDS prevention programme in African countries where we operate. ■

VINCI Foundation projects in 2007 by area of activity*



Integration through work	74
Training and qualifications	11
Access to accommodation	7
Mobility	10
People with disabilities	7
Education and citizenship	21
Social assistance	10

** Number of projects.*

Customer relations management

Listing to customers and understanding their expectations

The way companies deal with the social and environmental aspects of development projects is enough to distinguish between them in the eyes of customers and society. Companies have to re-think their methods, products and services, as well as how they promote them.

Improving the selectiveness of products and services, proposing differentiating commercial solutions

For VINCI, which claims to adopt a responsible approach to its role in urban and regional development and in improving the quality of life, the answers provided by our divisions to the challenges of climate change present very real business opportunities. With pressure mounting on all sides – public opinion, the media, NGOs, national, European and international regulations, and from customers as well – our companies stepped up their investment in production methods that emit less CO_2 and in the design of eco-comparison systems so that customers can assess the environmental performance of the various solutions put to them. Similarly, during preparatory work for the Grenelle Environment Forum in France, we suggested that the Public Procurement Code be amended to include the possibility for companies to include environmental alternatives in their proposals.

All our business lines are affected by the development of new products and services with environmental value added. This requires:

> Empowering all the players.
Our goal is to position ourselves as far upstream as possible in the value chain. The rapidly growing number of public-private partnerships (PPPs) is pushing in this direction because they promote factoring in the environmental performance of buildings and infrastructure in operation right from the design phase;

> An in-depth re-engineering of working practices and a new management attitude. The approach calls for a strong commitment from managers in charge of operations, and for educating consumers supporting the emergence of clear, differentiating and measurable products and services (tools, labels, etc) in response to new demands.

Integrating sustainable development into our marketing policy

Our companies are increasingly including social and environmental components in their responses to tenders. This marketing approach, which is already very common in international offers, is now also developing in France, especially in public-private partnership (PPP) projects that take into account the life cycle and overall cost of the completed structure.

In 2007, as part of its “Sustainable Technology” mission statement, Freyssinet developed Program Impact Construction (PIC). This draws on Environmental and Health Declaration Sheets submitted by construction product manufacturers, standardised by AFNOR, to compare conventional solutions with those put forward by the company. The comparative assessment covers six criteria: CO_2 and air pollution, energy consumed, resource depletion, water, solid waste and radioactive waste. In this way, PIC measures the environmental value added of products and processes developed by Freyssinet: stay cables with a 100-year life cycle, reinforced earth walls or soil consolidation techniques reducing the use of additional materials, etc. The CO_2 savings, identified in the company’s commercial offers, become a genuine competitive advantage in the eyes of customers. All Freyssinet operations managers have been made aware of this new commercial approach and are encouraged to develop it in their own business.

Strengthening dialogue and external consultation

For VINCI, dialogue with external stakeholders, which opens up potential for long-term growth for our companies, is a committed and embedded approach.

Our companies are not only in contact with their major clients – local authorities and private companies – but also with over 600 million customers who use their services. We regularly update our stakeholder maps, both in France and other countries where we operate, to take account of mergers and acquisitions.

At local level, consultation is strengthened by defining targets, action plans and performance indicators on a project-by-project basis. The various stakeholders and their expectations are clearly identified, as is the appropriate approach to adopt for each: information meetings, interviews and surveys of local communities and environmental protection organisations, charters signed with the elected officials of communities affected by our worksites, etc.

For the A19 motorway construction site in France, for example, consultation with the Ministry of Culture and Communication, INRAP (French institute of preventive archæological research) and archæological teams on the ground made it possible to reconcile archæological digs with the worksite's requirements. At Eurovia, consultation with communities near quarries and environmental protection organisations takes place in local information and monitoring committees that address any nuisances (noise, vibration, dust, etc.) and examine how their impact can be reduced. At VINCI Construction Grands Projets, local stakeholders' expectations are systematically integrated into the implementation of major projects, and the responses are tailored to the relevant socio-economic and environmental context.

Guaranteeing the quality and compliance of services and infrastructure

VINCI companies are encouraged to maintain and improve the quality of their products and services. This continuous improvement approach is reflected in quality certifications being obtained and renewed for all companies.

At Eurovia, 92% of all roadworks activities, over 72% of manufacturing activities (coating plants, binder plants, etc.) and 60% of quarry activities are now certified ISO 9001.

At VINCI Energies, 52% of companies were ISO 9001 certified at the end of 2007. Companies operating in the industrial sector have specific certifications and authorisations, such as UIC-DT 78 or MASE.

All divisions of VINCI Construction have a quality, safety and environment department; 82.7% of VINCI Construction France's business and 100% of VINCI Construction Grands Projets' business are ISO 9001 certified.

At VINCI Concessions, in 1994, Cofiroute was the first French motorway company to obtain ISO 9001 certification for its network operation activities. Its certification was renewed for three years at the end of 2007. The auditors singled out in particular the company's strong customer focus, employee involvement at all levels of the organisation and the excellent grasp of the principles of continuous improvement. ASF's ISO 9001 certification was renewed for its motorway design-build and development activities. In addition, the qualitative and quantitative surveys carried out over the past three years have led to the creation of new services: re-release of the road map *A la découverte du Patrimoine sur les Autoroutes du Sud de la France* (discovering heritage assets on ASF's motorway network), provision of online services on the ASF and Escota network websites, distribution of regional products at certain rest areas, etc.

At VINCI Park, service quality is at the centre of the company's culture and practices. It is the subject of a considerable part of the courses given at the VINCI Park school. Through the 10 points of its quality charter, VINCI Park undertakes to provide its customers with the best possible service. In its French network of car parks, compliance with these commitments is checked during impromptu visits by mystery customers whose scorecard is used to identify areas requiring improvement. Customer surveys are carried out to pinpoint expectations and adapt services accordingly. A system has also been implemented to measure the quality of service provided by call centres. The VINCI Park free-phone number for customer relations operates 24 hours a day, seven days a week; it is displayed on all the brand's communication material, notably on car park tickets. Each call is followed by a brief report sent to the director of the relevant region. The percentage of complaints (10% of calls) has remained unchanged although the actual number of calls has risen.

Lastly, our subsidiaries are developing quality assessment systems on their intranet sites and are pooling the data collected: customer satisfaction evaluations, experience feedback, gap analysis, etc. ■

Supplier relations management
Enhancing the human resources and environmental aspects of contractual relations

VINCI's relations with suppliers are based on the principles of respect and responsibility that underpin our human resources policy and environmental approach. These principles are given due form in the framework contracts that structure our purchasing policy and make it part of a long-term approach.

Developing a global purchasing policy consistent with our decentralised management model

Purchases represent about 60% of our revenue. They break down into €10.8 billion for materials and €7.7 billion for external services (including subcontractors).

Our purchasing policy is managed by the central purchasing coordination unit and by 30 decentralised purchasing clubs around France and in countries where we have operations, in conjunction with the business lines' and subsidiaries' purchasing structures. The purchasing clubs have more than 300 members who manage the Group's 361 multi-business line framework contracts, in addition to the business lines' and subsidiaries' specific purchasing contracts. In 2007, 449 hours of training in France was devoted to the purchasing function.

Our purchasing policy takes account of the way in which each supplier market operates (concentrated, diffuse; international, national, regional), and helps underpin our decentralised management model by involving subsidiaries' buyers and operations managers. Most purchases are made by the profit centres, which source regional suppliers under the framework contracts. The flow of materials is mainly between construction sites and service providers, working to create the best possible fit with operational needs.

Integrating human resources and environmental factors into the value chain

In 2007, VINCI's purchasing coordination unit and the sustainable development delegation developed a training programme, "Purchasing and sustainable development: areas for improvement". The four-hour module was tested at Escota, and then in the Rhone-Alps region at Campenon Bernard Régions (VINCI Construction France). To date, more than 50 buyers and sustainable development coordinators in France and Belgium have completed the module. Two trainer courses were also been given.

This illustrates our pragmatic approach to integrating sustainable development into our buyers' practices.

A foundation of five sustainable development "bricks", which are common to all our framework contracts, structures our approach.

Developing the supplier portfolio and enhancing relations

The supplier approval process aims to build with suppliers a balanced commercial relationship for the long term based on an explicit contract including identical requirements irrespective of their size. Most of our framework contracts are for three years. For each supplier market, the number of approved suppliers is generally fairly broad (50 temporary worker recruitment companies, 68 plant hire companies, etc.).

Involving suppliers in our commitment to safety

All framework contracts affected by this issue include clauses relating to workplace safety. The accident prevention clause included in framework contracts signed with VINCI-approved temporary worker recruitment companies – over 50 companies representing a total of almost 4,300 agencies in France – allies them to our zero accidents goal through a mutual commitment to workplace safety. A monitoring group comprising accident prevention specialists and human resources managers from VINCI subsidiaries worked throughout 2007 with 12 pilot companies to measure the accident frequency rate of temporary workers employed by VINCI companies in France. This effort will be extended to all approved companies in 2008. It will help the subsidiaries concerned target what specific actions need to be undertaken with temporary employment agencies, in particular to improve the induction of temporary employees and monitor the relationship between construction site and agency managers.
In 2007, the same partnership approach was strengthened with the Renault to help improve the prevention of road risks (see page 108).

Involving suppliers in our environmental policy on waste

Our waste policy aims to work with suppliers to reduce the quantity of waste imported (packaging) or generated (residue, obsolete equipment), control its removal, increase the proportion of waste recycled and limit the environmental risks associated with its disposal. Framework contracts covering these activities have been signed with service companies for the collection, recycling and disposal of construction site waste.

In a move that combines environmental sensitivity with a good corporate citizen philosophy, we signed a framework contract with two service providers that take the European Directive on waste electrical and electronic equipment (WEEE) a step further by incorporating inclusion through work and international solidarity. Through this venture, APF-Montpellier (a non-profit organisation helping disabled people find work) collected 34.5 tonnes of computers (1,700 machines). Ateliers sans Frontiers in the greater Paris area (a similar organisation that helps the long-term unemployed back into the workplace) collected, refurbished and reused 4.5 tonnes of computer waste for solidarity actions. Processing this material provided more than 550 hours of work.

Involving suppliers in our environmental policy on greenhouse gas emissions

We encourage buyers to include the issue of reducing greenhouse gas (GHG) emissions in their relationships with suppliers in order to identify their best practices (suppliers, production and delivery) and to work with them in this area. The ultimate aim is to develop, at local level or on a broader scale, mutually agreed tangible actions that reduce the total quantity of GHG generated through the partnership between our subsidiaries and their suppliers.

Including the Global Compact clause in all VINCI framework contracts

The 10 principles of the Global Compact are quoted in full in all our framework contracts. A special clause requires suppliers to alert VINCI in the event of non-compliance by any of its subsidiaries with any of these principles (no alerts in 2007), and to advise us of their best practices to ensure the principles are promoted (see page 98).

In 2007, no supplier refused to sign this clause. The purchasing departments of all divisions and business lines will gradually include the Global Compact clause in their contracts.

Further “bricks” are added to this foundation depending on the specific issues encountered in some supplier markets. Consistent with our strong commitment to equal opportunities, in 2007, we approached all approved temporary worker recruitment companies with a view to including in their framework contract a clause dealing with anti-discrimination. Each of the signatory companies undertakes to report any cases of proven or perceived discrimination.
At the same time, more than 200 approved suppliers were invited to advise us of the initiatives they have taken in this sensitive and complex area. The responses received confirm deep convictions and an array of practices implemented (signature of charters, declaration of fundamental rights, creation of disabled persons units, introduction of indicators and alert mechanisms, etc.). We have undertaken to disseminate these practices throughout our internal network.

Encouraging buyers to innovate and use their initiative

VINCI has joined forces with Achat Concept Eco, an organisation that lists more than 4,000 products that have been rigorously selected for their environmental advantages, thereby helping companies incorporate a good corporate citizen approach into their operations.
The selection criteria comply with the main international guidelines. In this way, Achat Concept Eco provides VINCI companies with a range of tools that promote responsible purchasing and rational consumption.

Continuing the work on containing risk when purchasing subcontracted services, Group companies have acquired technical systems for operations managers.
VINCI Energies produced a subcontractor guide encouraging company managers and project managers to develop mutually enriching relations with their subcontractors (contracts, insurance, responsibilities, bad debts, best practices, subcontracting to foreign companies, etc.).

Lastly, in 2007, our purchasing coordination unit was involved in teaching courses as part of the HEC business school’s master’s degree in purchasing and sustainable development and it participated in various national working groups addressing this same issue. The unit also works with operational staff in the tender submission process to highlight the social, societal and environmental impact of products and services sourced from suppliers. ■

Environmental responsibility
Rethinking our practices, products and services

Our goal is to ensure that the design of the infrastructure we build and operate takes greater stock of the environment. Producing more while minimising negative impacts involves making everyone concerned responsible for their decisions. It also involves the routine application of life cycle analysis (LCA) and eco-design.

Climate change raises the question of what actions need to be taken to reduce greenhouse gas (GHG) emissions. Many solutions have been devised, and have already been or are about to be implemented. Identified at Group level, they range from adapting construction methods to improving environmental performance over the long term. From construction to transport, all our business lines are concerned by greenhouse gas emissions. While construction is less concerned than operation (which accounts for 90% of a building's GHG emissions), VINCI companies are increasingly involved in the entire life cycle of structures (design, construction, operation, maintenance and deconstruction), placing them at the heart of the issues at stake, as well in the forefront of opportunities for combating climate change.

Implementing our environmental policy

Implementation of our environmental policy is supported by a strong commitment on the part of Group management, the empowerment of all operations employees at subsidiary level and constant dialogue with stakeholders. The sustainable development committee coordinates the network of environmental correspondents, organises working groups bringing together experts from each business line and guides the Group's global environmental action, notably as concerns indicators for environmental performance, waste management and materials recycling, and eco-design. In 2007, following the management convention at which climate change was one of the main topics addressed, we established a CO_2 pivot club. This working group, made up of operations managers, directs and coordinates projects concerning the limitation of greenhouse gas emissions. It meets every two months.

Environmental reporting

Environmental reporting is carried out once a year in accordance with a methodological guide and measurement procedures that can be consulted on our intranet. More than 250 Group employees work on collecting, validating and consolidating data. In accordance with the environmental reporting master plan established in 2003, the scope of the reporting system was extended in 2007. The data dœs not include companies acquired during the year.

In 2007, the environmental indicator working group decided to consolidate the common base of VINCI indicators. Each business line will, however, continue to reinforce the scope and relevance of its own indicators and set its own performance targets based on its specific environmental challenges. The common base has four indicators: environmental training and awareness raising, environmental certification guidelines, hazardous waste management (oil, filters and batteries) and the quantification of greenhouse gas emissions.

Environmental training

VINCI companies continued their environmental training effort, with a significant increase (17%) in the number of hours provided. In 2007, actions to raise awareness lasting less than one day (the 15-minute environment meetings on worksites, etc.) were included for the first time.

Environmental certification

Group subsidiaries also continued their efforts to secure environmental certification under ISO 14001 or other standards. We consider a company to be covered by an environmental certification process when the following two criteria are met: firstly, the company's impact on the environment is identified, measured and taken into account, and secondly, its management's commitment is illustrated by the application of continuous improvement and pollution prevention systems, as well as a procedure to verify compliance with regulations.

Managing hazardous waste

Each division monitors all its hazardous waste and makes every effort to reduce it. VINCI companies have to manage >>>

2007 environmental reporting scope

	% of total revenue in 2007
Total VINCI	78%
VINCI Construction	80%
VINCI Construction France	100%
VINCI Construction Grands Projets	100%
VINCI Construction Filiales Internationales	83%
VINCI PLC	100%
Freyssinet	85%*
Eurovia	60%
VINCI Concessions	88%
Cofiroute	100%
Autoroutes du Sud de la France (ASF)	100%
Escota	100%
Consortium Stade de France	100%
VINCI Park	17%
VINCI Energies	95%

** Percentage of revenue in France*

Environmental training and awareness

	Number of people concerned	Number of hours	Awareness activity, topics addressed
VINCI Construction	17,398	25,191	15-minute environment meeting on worksites, etc. Two-hour Cesame module in business line training programme 19 one-day sessions (Cesame modules): working to protect the environment and implementing certification on worksites
VINCI Concessions	201	1,061	Purchasing and sustainable development; carbon audit, biofuels Water resource and waste management Maintenance of landscaped areas Inspection of wastewater treatment systems Self-assessment of sustainable development by the Management Committee
Eurovia	Not available	876	Not available
VINCI Energies	1,484	25,099	Not available

Environmental certification at VINCI

	Management commitments: continuous improvement, pollution prevention, achieve regulation compliance	% of the business line concerned	Type of certification	% of the business line concerned by certification
VINCI Construction	Yes	71%	ISO 14001	43%
VINCI Concessions	Yes	86%	Not applicable	Not applicable
Eurovia	Yes	60%	ISO 14001	48% of production from quarries owned 22% of production from coating plants owned 38% of production binder plants owned 4% of revenue from roadworks
VINCI Energies	ISO 14001 MASE	5%	ISO 14001 MASE	7%

>>> specific hazardous waste, albeit in very small quantities, but requiring unwavering attention to its traceability. In 2007, the emphasis was on batteries, oil and filters.

Quantifying greenhouse gas emissions

Methodology. We monitor our greenhouse gas emissions and quantify them for our business activity in France and abroad. The method used is based on the international ISO 14064 standard. It draws on Bilan Carbone®, a method developed by ADEME (the French environment and energy management agency), adapted to take into account that VINCI's activities are more "mobile" than the industrial activities for which it was originally intended. Our various entities meet regularly to harmonise their calculation methods, and they report back on these meetings to the CO_2 pivot club.

For 2007, we have drawn up an initial ISO 14064 report covering our businesses in mainland France (ASF, Cofiroute, Escota, VINCI Park, VINCI Construction France, VINCI Construction Grands Projets, Freyssinet, Eurovia and VINCI Energies), which represent more than 60% of our activity. The data provided by the subsidiaries has been reliably tracked for several years.
The report covers Scope 2 emissions of the ISO 14064 standard, i.e. direct emissions corresponding to our energy bill. The following are precisely quantified in accordance with the international standard:
> Emissions caused by using fossil fuels and electricity at fixed sites and worksites;
> Direct emissions from our vehicle fleet, and for employee and freight transport;
> Non-combustion related emissions, mainly lime decarbonation at Eurovia's lime plants and nitrous oxide emissions from the use of nitrogen fertilisers for the maintenance of motorway landscaped areas.

Initial results and outlook. According to the ISO 14064 Scope 2 measurement protocol, the greenhouse gas emissions attributable to VINCI companies in France amount to around 1 million tonnes of CO_2 equivalent. More than three-quarters (77%) comes from roads activity (Eurovia), the remainder is spread between VINCI Construction (12%), VINCI Concessions (5%) and VINCI Energies (6%).

Extrapolating this to VINCI's operations worldwide leads to an estimated 2 million tonnes of CO_2 equivalent.

Taking this forward-looking exercise a step further, several of our companies performed an ISO 14064 audit on a broader scale than Scope 2 and made a global quantification of their GHG emissions, including the activity of their subcontractors and suppliers, freight and non-VINCI fleet travel and, above all, incoming materials, and amortisation of equipment and assets.

This broader approach identifies the highest emission sources, making it possible to consult with suppliers to reduce the associated GHG emissions. In construction, for example, emissions attributed to concrete account for more than half the total amount. VINCI Construction companies, in liaison with their suppliers, are actively seeking ways to reduce the quantities of cement used in concrete formulæ and are working on eco-concrete (see page 124). They are also focusing on reducing concrete transport on their worksites. At ASF, Cofiroute and Escota (VINCI Concessions), the extended carbon audit revealed that the highest emission sources are related to incoming material and the amortisation period. The data collected was used to identify or confirm the priority measures needed, in particular to reduce direct emissions (freight, travel between home and work and between home and assignments, road maintenance) and the emissions attributable to customer travel (speed control systems, barrier-free toll booths, etc.).

The climate strategy

Half the greenhouse gas emissions generated by human activity are attributable to buildings and transport. VINCI, with its business in construction (VINCI Construction, Eurovia, VINCI Energies) and transport (motorways and car parks), can thus influence climate change but also suffers its consequences. Convinced of our responsibility to forge ahead of stakeholders' expectations in terms of both the economic and social consequences of this change, we have adopted a proactive approach in this area.

Making everyone in the value chain responsible for their decisions

All VINCI activities are concerned. Some, however, are too far down the decision-making chain to influence the installation of structures in accordance with an approach factoring in the life cycle and minimising impacts.
Despite increasing pressure from public opinion and considerable attention paid by governments, notably in France with the Grenelle Environment Forum, the stated demand for solutions integrating "climate risk" is still very much ahead of the actual demand from principals.
This state of affairs is less attributable to technological reasons – manufacturers are releasing effective eco-designed products in the market – than to economic concerns. Indeed, the return on investment as a ratio of the initial extra cost for the structure is often considered as insufficient in an approach that is still heavily focused on construction without sufficiently taking into account the subsequent operation. Our subsidiaries are working on this issue with all their industry partners, notably trade organisations.
Their aim is to integrate climate change in their business plans by building economically viable eco-efficient products and services.

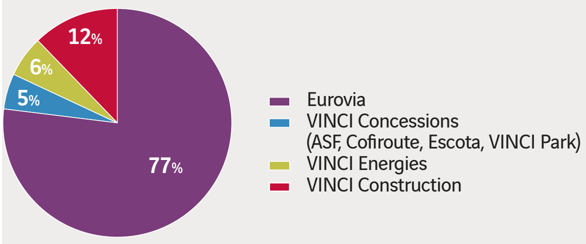
Climate strategy training for managers

The development of new solutions requires our subsidiaries and teams to comprehensively re-engineer their construction methods and re-think their professional practices. They will have to introduce new parameters into their production and distribution cycles, and look at how they use resources. Systems encouraging managers to undertake this approach are currently being developed (subsidiary intranets, training courses, research programmes, etc.). The VINCI Innovation Awards are also contributing to the sharing of best practices in this area.

Raising employee awareness of low CO_2 emission methods and materials

All employees are being encouraged to review their methods. Each VINCI business line is introducing additional methods to raise awareness and exchange best practices.
In construction, the many methods identified have been arranged in four categories:
> Compliance with best working practices on worksites and in offices (keeping heating and air conditioning on a moderate setting, water and paper savings, smooth driving, etc.);
> Use of materials that generate lower emissions than conventional solutions; >>>

Breakdown of ISO 14064 Scope 2 greenhouse gas emissions, VINCI business activities in mainland France



In tonnes of CO_2 emitted.

Controlling energy consumption: VINCI's commitments and actions taken

Commitments	Examples of actions taken*
To develop an environmentally friendly urban lighting system that limits light pollution and the amount of energy required for its operation	■ Low consumption lamps ■ Adjust lighting based on time of night and danger level (intersections, pedestrian crossings, etc.) ■ Limit vertical radiation by using ground lighting or reflectors to direct the light downwards
To develop the use of renewable or more environmentally friendly energies (wind, solar, geothermal, wood)	■ Build and promote wind farms and/or photovoltaic farms ■ Solar heat (hot water systems, heating), geothermal (wells, water use, wood boilers backed by gas boilers)
To reduce the energy requirements of tertiary buildings (use natural resources, avoid waste)	■ "Natural" nocturnal ventilation in summer ■ Dual flow ventilation with thermal energy recovery from the fouled air
To enhance expertise in technical solutions for reducing energy consumption	■ Centralised building management: blinds adjusted depending on strength of sun, initial temperature of cold beam circuits ■ Limit worksite nuisances
To limit the energy consumption in eco-communities by using	■ Materials offering a high thermal cœfficient: Monomur thick-walled clay bricks, planted roofs, thermal bridge breakers ■ Dual flow ventilation, orientation, etc.
To limit energy needs, optimise energy management and produce renewable energy in buildings	■ Temperature, lighting and ventilation control: heat sinks ■ Positive energy buildings: 15 kWh/sq.m/year ■ Mixed activity (service sector, housing, etc.)

** Further examples given at www.vinci.com/vinci.nfs/en/sustainable-development.htm.*

Consumption of energy resources

	2007	2006
Energy consumption (MWh)		
VINCI Concessions		
Motorway concession companies (ASF, Cofiroute, Escota)*		
Total consumption	151,192	128,379
☑ Electricity consumption (MWh)	131,467	118,440
☑ Fuel consumption (litres)	1,725,397	1,452,068
VINCI Park* (100% France)	101,481	29,030 (24% France)
Consortium Stade de France*	19,874	19,802
VINCI Energies*	67,388	35,698
Eurovia*	2,356,589	Not known
VINCI Construction		
VINCI Construction France*	124,992	Not known
Freyssinet (electricity consumption)	1,743	Not known
VINCI Construction Filiales Internationales*	44,653	Not known
VINCI PLC*	6,514	Not known
VINCI Construction Filiales Internationales:% of projects making effort to improve energy efficiency	32%	Not known
VINCI Construction Grands Projets:% dof projects making efforts to improve energy efficiency	53%	37%
Renewable energies and improved energy yield		
VINCI Concessions		
ASF, Cofiroute, Escota: number of renewable energy production units	4,858	3,987
VINCI Park		
% of sites implementing systems to optimise electricity costs (lighting, heating, ventilation)	88%	81%
Number of parking meters fitted with solar panels	1,712	1,203
VINCI Construction		
VINCI Construction Filiales Internationales: renewable energy installed power (kWh)	256,560	N/A
VINCI PLC: % of energy from renewable sources	38%	N/A

** 2007 data: consumption of electricity, heating oil, propane and natural gas. 2006 data: electricity consumption.* ☑*: Audited indicators (see pages 134-135).*

Environmental responsibility

> Development of eco-design systems integrating environmental impacts in general – and CO_2 emissions in particular – throughout the structure's life cycle;
> Development of new products and services, notably in the area of low CO_2 emitting renewable energies (offshore wind, photovoltaic, etc.), providing new growth opportunities for other VINCI companies.

Eco-efficiency policy

We are working with all the players in our sector to design and promote construction that is sustainable at all stages in its life cycle. This long-term approach applies in particular to the projects we carry out under public-private partnerships. It also applies to the construction of high environmental performance structures (HQE®, H&E, Bream, low consumption buildings, positive energy buildings, etc.). The development of systems to measure comparative environmental performance is a step forward in this area.

Life cycle analysis of structures and eco-comparison systems

VINCI Construction France, in partnership with engineering school École des Mines de Paris, has developed a system called Equer for assessing the environmental performance of buildings. Combining a calculation engine with a database incorporating the building's construction data and operation parameters, the software package analyses projects over their life cycle and compares the environmental impacts of the range of solutions envisaged in terms of 12 criteria: energy consumed, water used, production of inert waste, greenhouse gas emissions, etc. Designed to help players in the design-build process understand the consequences of their choices, Equer opens the way to the development of eco-efficient buildings. The data is used to produce labels displaying mandatory energy performance diagnostics. Already adopted by VINCI Construction and VINCI Energies, Equer is at the heart of the project to develop a VINCI eco-design label based on a manual of low CO_2 emitting construction solutions.

Freyssinet, whose corporate signature is "Sustainable Technology", indicates in its proposals the CO_2 savings made by using its products and processes. The savings are quantified for each technology using a calculation method approved by ADEME. In this way, the company emphasises the environmental value added of its solutions: stay cables with a lifespan exceeding 100 years; prestressed floors that consume less material than reinforced concrete floors; reinforced earth walls that represent an annual average saving of 1,500,000 tonnes of CO_2 compared with walls poured on-site; the proprietary Menard Vacuum atmospheric pressure soil consolidation process, which reduces CO_2 emissions by a factor of 3 or 4 compared with conventional processes; etc.

Eurovia has designed the Gaïa environmental balance audit system (Gaïa.BE®) to highlight the environmental value added of its products and services. The system enables principals to assess the environmental impact of their worksite by comparing conventional techniques with those developed by Eurovia. Developed jointly by researchers and operations employees, this system is already in use right across France and will eventually be rolled out worldwide. Based on the principles of lifecycle analysis at each stage in the construction site, from raw material extraction at quarries through to compaction of the wearing course, Gaïa.BE® models the environmental impact of natural resource and energy consumption, pollution emissions, waste generated, protection of the living conditions of nearby residents, etc. The standard used was based on public data recognised by the road building profession. Gaïa.BE® was awarded the Grand Prize for Sustainable Development in the 2007 VINCI Innovation Awards Competition.

Well received by contractors and principals, Gaïa.BE® is also used as a training tool to help Eurovia employees play an active role in combating climate change.

This expertise is used as a basis for the topics addressed by Entreprises pour l'Environnement (EpE), an environmental organisation specialising in the sector, in its working group on buildings and greenhouse gases chaired by VINCI. The study entitled "What energy and climate management for service sector corporate buildings?" carried out by this group with the support of ADEME is an illustration of our commitment to progress and the exchange of best practices in the area of eco-efficiency.

Developing green products and new sources of growth

In 2007, our subsidiaries raised the bar in terms of their selection and development of environmentally friendly products and services.

VINCI Construction France, in partnership with engineering school École Centrale de Nantes, is developing concrete in which the cement (a high CO_2 emitting industry) content is lower and partially replaced by other products. While the practice of replacement is not new, this research aims to improve the resistance and durability of the concretes obtained, as well as their implementation.

VINCI Construction Grands Projets gives precedence to using local resources on its sites in order to reduce the CO_2 emissions generated by transport. During the construction of the Naga Hammadi Dam in Egypt, for example, the company avoided around 10,000 tonnes of CO_2 emissions by using aggregate from a quarry near the site rather than one 200 kilometres away.

In response to the significant growth in the market for offshore and onshore wind farms, we have improved the synergy between the members of our wind energy club, which brings together about a dozen VINCI Construction, VINCI Energies and Eurovia companies. Their coordinated approach is aimed at developing turnkey offers including site location, construction and maintenance of wind farms. On the same model, prompted by VINCI Energies, we have established a photovoltaic club tasked in particular with identifying possible sites for solar energy farms.

Conserving and managing natural resources

Our companies are stepping up their efforts to conserve natural resources by integrating this objective from the design stage, rationalising production processes and encouraging the use of substitute materials and recycling. Roadworks is the business most affected by this approach. The growing scarcity of material deposits in some regions and the commitment to reducing transport are encouraging companies to look at techniques using smaller quantities of aggregate.

Protecting water resources

Although VINCI companies only consume small amounts of water, they nonetheless pay attention to conserving this rare resource. >>>

Development of products and new sources of growth

Commitments	Examples of actions taken*
To limit the environmental impact of materials used	■ Use of long-life materials from local, "bio" or certified sources ■ Reject potentially hazardous materials (carcinogenic, etc.) ■ Use of pollution removing concrete (NO_x pollutants are trapped on the surface and converted to nitrates) ■ Use of processes that reduce energy consumption. Warm mix asphalts such as Aspha-min® reduce CO_2 emissions by 18% to 25%. The Optel and Score programmes are cold methods for road resurfacing using an emulsion

** Further examples given at www.vinci.com/vinci.nfs/en/sustainable-development.htm.*

Protecting water resources

	2007	2006
Protecting water resources/discharge into water		
VINCI Concessions		
Motorway concession companies (Cofiroute, ASF, Escota)		
Length of motorway with water resource protected (km)	2,807	2,744
Number of run-off collection tanks	3,141	2,724
VINCI Park		
% of sites equipped with a separate stormwater system	45%	36%
Annual volume of sludge from settling tanks (tonnes)	111	154
VINCI Construction		
VINCI Construction Grands Projets		
Worksites taking measures to reduce water consumption	52%	69%
% of worksites with wastewater treatment facilities	64%	60%
VINCI Construction Filiales Internationales		
Worksites taking measures to reduce their water consumption	23%	Not known
Eurovia		
Fuel stations with sealed distribution and fuel delivery areas, where the water collection system is connected to a hydrocarbon separator	78%	87%
Separators regularly emptied and maintained by specialist companies	91%	91%
Sealed parking areas for HGVs and construction site machinery	70%	74%
Sealed parking areas for light vehicles and utility vehicles	89%	91%
Sealed areas with a water collection system connected to a regularly maintained hydrocarbon separator	55%	58%
Production from quarries with drain water measuring their discharge regularly	50%	88%
Water consumption (cubic metres)		
VINCI Concessions		
☑ Motorway concession companies (Cofiroute, ASF, Escota): water purchased	1,073,802	1,267,256
Consortium Stade de France	30,130	31,675
VINCI Energies	945,335 for 615 entities	117,212 for 505 entities
VINCI Construction		
VINCI Construction France*	3,000,000	Not known
VINCI Construction Grands Projets		
Drinking water consumption	596,098	371,409
Industrial process water consumption**	472,823	70,403
Freyssinet	4,534	Not known
VINCI Construction Filiales Internationales		
Drinking water	585,442	Not known
Industrial process water	2,722,853	Not known
VINCI PLC		
Water consumption	18,685	Not known
Average water consumption in service sector offices (cu.m/person/year)	9.7	Not known
Average water consumption in production centres (cu.m/sq.m/year)	1.2	Not known

** Change in consolidation scope.*
*** In €.*
☑ : Audited indicators (see pages 134-135).

Environmental responsibility

>>> Our motorway operators install systems to treat road runoff. With more than 3,141 collection tanks, they have drawn up contingency plans to handle any accidents involving polluting or hazardous materials. The installation of wastewater treatment plants, some with reed filters, at all rest and service areas was completed in 2007. In the Provence-Alpes-Côte d'Azur region, where drought is common, Escota stepped up its policy to maximise water resources by rationalising consumption for various uses (washing toll lanes) and promoting a more economical use of water (leak warning systems, new watering policy for landscaped areas). As a result of these measures, water consumption was reduced by about 30% in one year. Eurovia has developed wastewater treatment and sealing techniques to protect the aquifer (networks, specific structures, tanks, water treatment, connection to wastewater mains, etc.). On excavation sites, the water used for sprinkling work areas is under constant surveillance and is controlled by optimising machinery traffic plans.

Protecting biodiversity

Our biodiversity protection policy is devolved to the operational units, depending on the activity and the region involved.

We encourage our subsidiaries to raise awareness of diversity, take action as early as possible (impact studies, prevention measures) and limit the risk of endangering flora and fauna environments, both on land and at sea.
These issues concern quarrying activities in particular. Our motorway companies have been taking an ecological approach to the management of a very rich natural heritage for several years. They maintain 15,198 hectares of natural spaces along their motorways and around parking areas. Working with specialist organisations, they monitor the protection of biodiversity through management practices that take account of the various species and associated environments, as well as the purpose of the site.
Over the whole of the motorway network managed by VINCI companies, 381 motorway crossings have been built for animals.

By renewing its sponsorship agreement with the ecological association Fondation Nicolas Hulot pour la Nature et l'Homme, ASF is continuing to support the protection of biodiversity and raise awareness of its importance. Under this partnership, which dates back to 2004, a programme launched that year to protect the Hermann Turtle in the plains and mountains of Les Maures resulted in a national recovery plan for the species in December 2007.
The French Ministry for the Ecology and Sustainable Development has undertaken to support the plan's implementation. In 2008, the Fondation Nicolas Hulot-ASF partnership will turn its sights to national programmes aimed at boosting awareness of day-to-day biodiversity.

Eurovia continued to take steps to rehabilitate end-of-life quarries (cleaning, earthworks, planting, reforestation, etc.).

In Greece, in the gulfs of Corinth and Patras, Gefyra (VINCI Concessions) supported awareness campaigns as part of the United Nations Year of the Dolphin.

In Africa, VINCI Construction Filiales Internationales is implementing various biodiversity protection programmes: planting 108,000 sq. metres with vetiver to stabilise sand dunes, and 20,000 sq. metres of bamboo in Mali and the Democratic Republic of Congo; protecting lemurs at the Ambatovy worksite in Madagascar, etc.

Waste management and traceability

Our goal is to reduce production of waste at source, optimise waste management and recycling to convert waste into a resource. All our companies have set up selective sorting and waste traceability systems. Companies in the Paris Region have set up a joint system for collecting and recycling construction site waste, which totals over 80,000 tonnes a year.

In addition to managing the waste generated directly by our own activities, we manage waste produced by customers using our infrastructure. The service areas along our motorway network are gradually being equipped for selective sorting: in 2007, 79.73 tonnes of waste was collected across the entire network and recycled in collaboration with local waste treatment facilities.

Materials recovery and recycling

Eurovia is among Europe's leaders in the production of recycled materials, with almost 9 million tonnes in 2007. The company is developing highly efficient solutions for the mechanical and physical-chemical treatment of industrial and domestic by-products (fly ash and bottom ash from household waste incineration plants and sludge from wastewater treatment plants). Eurovia is also a reference in terms of its products and processes that reduce the consumption of roadworks materials (see page 124). >>>

Protecting biodiversity

	2007	2006
VINCI Concessions		
Motorway concession companies (ASF, Cofiroute, Escota)		
Number of crossings for small and large animals	381	346
Number of km of fences to protect animals	8,194	7,946
Number of hectares of natural spaces maintained (along motorways + rest and service areas)	15,198	11,539
VINCI Park: % of sites using biological cleaning products	34%	28%
VINCI Construction Grands Projets		
Projects including specific work to protect biodiversity	37%	Not known
Of which Europe and America	89%	Not known

Worksite waste by type and destination (VINCI Construction)

Type	% of total weight of waste	Destination
Scrap metal	1.30%	Recycled
Wood	4.20%	1/3 recycled, 2/3 landfill
Packaging	0.71%	Recycled
Non-hazardous industrial waste*	34.04%	Landfill
Rubble and filler	59.50%	Demolition aggregate recycled, landfill
Special industrial waste	0.25%	Landfill
Total	**100%**	

** Excluding scrap metal, wood and packaging.*

Sorting and managing waste

	2007	2006
VINCI Concessions		
Motorway concessions companies (ASF, Cofiroute, Escota)		
Operations centres equipped with selective sorting facilities	96%	84%
Number of rest areas equipped with selective sorting facilities (ASF, Cofiroute)	8%	4%
Number of service areas equipped with selective sorting facilities (ASF, Escota)	18%	13%
☑ Quantity of household waste (tonnes)	8,686	8,468
VINCI Park		
% of sites sorting waste where municipal selective collection service is available	16%	16%
VINCI Construction		
VINCI Construction Grands Projets		
Worksites with selective waste sorting facilities	76%	77%
Worksites with hazardous waste tracking systems	50%	51%
Worksites taking steps to reduce the quantity of waste produced	71%	57%
VINCI Construction France		
Worksites with selective waste sorting facilities	86%	Not known
Worksites with hazardous waste tracking systems	58%	Not known
VINCI Construction Filiales Internationales		
Worksites with selective waste sorting facilities	52%	Not known
Worksites with hazardous waste tracking systems	28%	Not known
Freyssinet		
% of activity with selective waste sorting facilities	32%	Not known
VINCI Energies		
Companies sorting waste paper	60%	51%
Companies sorting cardboard waste	64%	59%
Companies sorting scrap metals	60%	62%
Companies sorting used printer cartridges	90%	88%

Materials recycling

	2007	2006
Eurovia*		
Recycled materials production (bottom ash, slag, schist, worksite rubble, in tonnes)	7,763,000	6,891,000
- of which bottom ash	802,000	694,000
- of which slag	1,957,000	2,314,000
- of which schist	956,000	574,000
- of which worksite rubble (asphalt mix crust, planings, demolition concrete, etc.)	4,048,000	3,309,000
Production using recycled material as a % of total aggregate production	15%	14%
Number of worksite rubble recycling facilities	89	94
VINCI Construction		
VINCI Construction Grands Projets		
Projects using brought-in recycled material	21%	20%
Projects reusing worksite materials	53%	40%
VINCI Construction Filiales Internationales		
Worksites with recycling facilities	27%	Not known
VINCI Concessions		
Motorway concession companies (ASF, Cofiroute, Escota)		
Products recycled in material for road maintenance and renovation (excluding the sale of planings)	7.8%	8.7%
Quantity of planings recovered (recycled + recovered + resale) (tonnes)	344,334	Not known
VINCI Park: sites recycling fluorescent tubes	91%	88%

** Improved reporting reliability between 2006 and 2007.*
☑ : Audited indicator (see pages 134-135).

Preventing pollution and controlling risks (noise, air, dust, light pollution, etc.)

VINCI companies are rolling out an increasing number of pollution prevention measures to counter the risks inherent in their activities and areas of operation (urban, rural, coastal, etc.).

Noise. Our prevention policy calls for innovation (quieter coatings, noise reduction barriers, etc.) and for reducing noise at its source. At worksites, not content with merely complying with the applicable legislation, noise control is tackled right from the design phase, through noise studies and machinery traffic plans. Working hours are established in consultation with local residents. During the active work phases of a site, the measures taken include the use of prefabricated components and the installation of noise barriers. Eurovia is continuing to develop transparent noise barriers and road surface coatings that reduce traffic noise.

Our motorway concession operators continued their efforts to reduce "noise black spots" following public surveys. Pursuant to new regulations, they have drawn up a noise map for sections of their networks with an annual traffic volume above 6 million vehicles (16,000 vehicles/day).

Air quality. Appropriate solutions are implemented on our worksites to protect air quality. They include the installation of dust extractors directly above stone crushers (2007 VINCI Innovation Award) and the use of sprinklers and protective tarpaulins on earthworks and deconstruction sites, etc. VINCI Environnement (VINCI Construction France) is developing flue gas treatment techniques for household waste incineration plants.
To treat the emissions from its binder plants, Eurovia has developed a cold-plasma treatment process for the volatile organic compounds (VOC) contained in bitumen fumes.

Light pollution. Companies in the Citéos network (VINCI Energies) propose solutions to prevent light pollution while also reducing energy consumption: reflectors focus light beams on the road, thereby avoiding pedestrians or drivers being dazzled by a concentrated light source. Citéos has designed a street lamp combining reduced light pollution and renewable energy from a mix of wind and solar energy.

Managing the environmental impact of transport and logistics

In 2007, VINCI companies stepped up their actions in the areas of transport and logistics to limit the consumption of fossil fuels and raise awareness of these issues among its employees. Within the companies, efforts are being made to organise work in a way that limits employee travel. For example, Eurovia's site supervisors using the Papyrus system (on a laptop connected directly to the company's IT system) no longer need to return to their agency to enter site data. This approach reduces CO_2 emissions by 700 tonnes a year (the equivalent of 2.5 million kilometres of travel). VINCI Construction France has implemented an extensive eco-driving training programme for all its employees. In Africa, the effort made over the past few years by VINCI Construction Filiales Internationales to renew machinery and fit lorries with adjustable speed limiting systems should lead to a significant reduction in diesel fuel consumption.

Our efforts have also focused on raw material transport, where we encourage Group companies to give priority to local suppliers. Eurovia is developing river transport to supply its worksites with aggregate, in particular from its European distribution centre located in Antwerp in Belgium, as well as rail transport. In situ recycling techniques – such as Recycan®, a self-compacting backfill manufactured from trench rubble – limit the number of trips to transport material.

In addition, we extend our environmental approach beyond the Group by offering sustainable mobility solutions. In 2007, VINCI Park and Avis created Okigo (see page 50), a carsharing company.
The company's intention is to gradually convert its car parks into mobility centres. This strategy that was introduced several years ago with the bicycle loan scheme, currently available at 170 car parks. ■

Measures taken to reduce noise pollution

	2007	2006
VINCI Park		
Sites fitted with noise reduction systems (sound traps)	84%	86%
Eurovia		
% of production at quarries (located less than 200 metres from the nearest house) implementing effective measures and processes to combat noise pollution	Eliminated in 2007	93%
VINCI Construction Grands Projets		
Projects where noise prevention measures have been taken	62%	66%
VINCI Construction Filiales Internationales		
Projects where noise prevention measures have been taken	16%	Not known

Measures taken to reduce discharges into the air

	2007	2006
Eurovia		
% of quarries (located less than 200 metres from the nearest house) implementing effective measures and processes to combat pollution due to dust)	84%	90%
VINCI Construction		
VINCI Construction Grands Projets: worksites implementing effective measures and processes to combat pollution due to dust	65%	57%
VINCI Construction Filiales Internationales: worksites implementing effective measures and processes to combat pollution due to dust	36%	Not known
VINCI Concessions		
VINCI Park		
Sites equipped with a CO detector	90%	88%
Sites equipped with a NO detector	26%	13%

Fuel consumption (in litres)

	2007	2006
VINCI Concessions		
☑ Motorway concession companies (ASF, Cofiroute, Escota)	9,092,721	9,325,421
VINCI Park		
Fuel consumption*	295,542	281,288
Sites equipped with electric vehicle recharging points	13%	10%
% of sites offering reductions to vehicles under 3 metres	24%	23%
% of sites equipped with bicycles	70%	70%
% of sites for which a dynamic car park guidance system or on-board guidance system operates in the city	67%	26%
VINCI Energies	30,987,590	28,150,487
VINCI Construction		
VINCI Construction France	14,977,058	Not known
VINCI Construction Filiales Internationales	66,500,000	Not known
VINCI PLC	3,592,363	Not known
Eurovia	55,045,000	Not known

** 2006 data: service vehicle fuel consumption.*
2007 data: service vehicle fuel consumption and kilometre allowances.
☑ *: Audited indicator (see pages 134-135).*

R&D and innovation policy
Inventing the city and company of tomorrow

The infrastructure built by VINCI companies is embedded in a continuum of innovation and a continuous stream of applied research. Engaged in an economic, social and environmental dynamic that creates value, we have strengthened our research programmes in the last few years.

In 2007, we focused in particular on three main subjects:
> infrastructure life cycle analysis and the development of carbon-efficient infrastructure and services (construction, mobility);
> modelling measurement guidelines for eco-communities and eco-cities;
> promoting participative innovation among all our employees, primarily through the VINCI 2007 Innovation Awards Competition.

The overall approach is coordinated by the research, development and innovation committee (RDI), made up of recognised experts nominated by business line management and reporting to the Executive Committee. The RDI committee's task is to facilitate the sharing of ongoing in-house research by VINCI companies or research carried out by them within the framework of national and European programmes. In 2007, representatives of Escota (VINCI Concessions) and Solétanche Bachy (VINCI Construction) joined the RDI committee, which now covers our full consolidation scope.

Each business line manages its own budget and chooses R&D projects corresponding to its particular activity. In 2007, some 45 programmes were in place in various VINCI companies, representing a total annual budget of over €30 million. More than 150 researchers and scientists work on R&D projects in the various entities, while almost 20 PhD students have been recruited onto VINCI teams under industrial training and research contracts (CIFRE).

Technological excellence

Innovation is a hallmark of **Freyssinet**, a company founded by Eugène Freyssinet, the inventor of prestressing. The company has developed exclusive products and processes in the fields of stay cables, infrastructure rehabilitation, and soil consolidation and improvement. Its latest major innovations include:
> in infrastructure:
– Cohestrand, or the cohesive strand (winner of the Grand Prize at the European Innovation Awards in 2007), a system developed to augment the strength of the cables supporting suspension bridges, increasing their life span to over 100 years.
– the Omega connection, a system for anchoring geosynthetic (and thus totally corrosion-proof) reinforcement strips into concrete scales in reinforced earth structures. This technique was used in Malaysia to build an embankment 800 metres long beside the Ampang river.
> in soils:
– the soil-bentonite wall built by Ménard near Sydney in Australia to prevent contamination of a canal and river by soil polluted by landfill leachate (2007 winner of the Environmental Engineering Excellence Award from the Australian Association of Engineers).

Solétanche Bachy, which specialises in foundations and ground technologies, manages a portfolio of 450 patents and files some 50 new patents every year in France and abroad. The company devotes more than 2% of its revenue to innovation. Its research efforts are focused primarily on improving technical performances by the integration of IT and electronic systems and on environmental conservation: preventive protection of soils and aquifers by using non-polluting concretes, grouts and drilling muds, construction of compact machinery that creates very little noise and is suited to urban sites, and continuous monitoring of soil movements.

The company's latest key innovations include the threaded "T. Pile", which significantly increases the load-bearing capacity of deep foundations without consuming additional concrete, and new soil mixing processes. This second innovation consists of mixing soil from the site with a binder, thereby transforming it into a construction material, reducing rubble and saving natural resources (cement, aggregate, concrete). One of the most recent innovations, >>>

VINCI subsidiaries' main research priorities, number of researchers and R&D budgets (excluding Innovation Award Competition budget)

Company	Main R&D priorities	Examples	Number of researchers and partnerships	Annual budget
VINCI Concessions: ASF, Cofiroute, Escota	■ **Perception of road charging** ■ **Employee and customer safety** ■ **Traffic regulation systems** ■ **Customer information services**	TIS (intercompany electronic toll collection) and RCI (road charging interoperability) systems: precursors to the technical interoperability of toll systems in Europe Calculation of travel time based on multi-source data for the greater Toulouse area: Synergit (project supported by ANR, the French National Research Agency) Optima project: production of local weather and road information Motorway infrastructure decision, management and maintenance support system	Partnerships with ANR, FP7 (Seventh Framework Programme for Research and Technology Development) and competitiveness clusters in France	€1.2m
		Free flow electronic toll system using DSRC (dedicated short range communication) technology TERN (Trans European Road Network): Euro-regional SERTI and ARTS projects for deployment on major European roads. Driver alert system based on wireless communication between vehicles and infrastructure: industrial partnership with car manufacturers and equipment suppliers (CVIS, SafeSpot, Coopers) Network information tools using satellite systems (Galileo)	Seven engineers and researchers, and one CIFRE contract	
VINCI Energies	■ **Application of information technology to infrastructure management and transport**	Traffic regulation Information processing system applied to the management of public lighting installations Use of new technologies and renewable energies (wind, photovoltaic)	Five researchers working on upstream studies in transport, energy networks and industrial processes, and one CIFRE contract	€0.5m
Eurovia	■ **Safety** ■ **Infrastructure sustainability** ■ **Protection of the natural environment**	NOxer process® Gaïa.BE®: eco-comparator	33 engineers, researchers and technicians at the Mérignac research centre Two PhD students (CIFRE) 4,500 tests a year Almost 400 engineers and technicians worldwide	€10m
VINCI Construction France	■ **Quality, productivity, environment (energy savings, eco-design, factor 4), safety, methods**	Eco-Housing programme for integrating eco-design parameters in construction Prebat (ANR, ADEME and supervisory ministries) on the rehabilitation of school buildings	10 researchers and 20 trainee engineers	€5.5m
VINCI Construction Grands Projets	■ **Design-construction of large, unique projects**	Prediction of concrete cracking early in the life cycle with the LMDC (materials and durability of structures laboratory) in Toulouse European Lessloss programme on limiting the impact of earthquakes and landslides in construction	12 researchers, including including two CIFRE contracts	€1.1m
Solétanche Bachy	■ **Enhancing technical performances by integrating IT and electronic systems**	Reduction of drilling rubble Reducing use of natural resources (cements, aggregates, concrete) Geomix and Trenchmix processes	Five engineers and two CIFRE Leader of both projects with the ANR	€5m
Freyssinet	■ **Materials performance** ■ **Infrastructure sustainability** ■ **Ground reinforcement techniques**	Reinforced earth: a completely synthetic anchoring system Opale: protecting isolated buildings in avalanche-prone areas Asiri: ground improvement using rigid inclusions	40 engineers	€5m

R&D and innovation policy

>>> Trenchmix, can be used to build foundations and watertight barriers using a specially adapted ditcher.

In the last 18 innovation competitions organised by the FNTP (French public works federation), Solétanche Bachy, competing with the world's biggest groups and top specialists, won a total of 14 prizes. In 2007, the FNTP's prize-winning project was Geomix, a wall and foundation-building process that combines Hydrofraise® (hydrocutting) technology and deep soil mixing.

Eurovia invests 70% of its R&D resources in designing technologies and solutions centring around sustainable development. Its new product development methodology integrates the rules of eco-design, in particular life cycle analysis (LCA), in an objective approach to environmental challenges made possible by the use of Gaïa.BE® software.

Our motorway concession companies often pool resources for very advanced R&D programmes on electronic toll collection systems, traffic management and safety.

Toll Collect's trial of a "non-stop" toll system in Germany is a precursor of the free flow systems designed to improve traffic fluidity and reduce greenhouse gas emissions. Other programmes such as Optima, which produces local weather and road information, and driver alert systems based on wireless communication between vehicles and road infrastructure respond to safety concerns.

Modelling eco-communities and eco-cities

A new conception of the city

In 2007, VINCI launched The City Factory, a think-tank tasked with encouraging debate and convergence around the "sustainable city". Its aim is to generate innovative ideas on topical issues and share them with public and private decision-makers.

The think-tank, with VINCI chairman Yves-Thibault de Silguy as moderator, aims to bring together the top French and foreign specialists in an open-minded and multidisciplinary arena. The City Factory focuses very sharply on innovation in favour of the sustainable city, promoting pioneering initiatives and encouraging an exchange of views between the people responsible for reflecting on and experimenting with novel approaches to the urban environment.

The experts have complementary professional backgrounds – universities, business, the political world, NGOs and government ministries – and come countries including France, the United States, United Kingdom, Switzerland and Russia.

Measuring instruments: the Pirandello urban model

Starting with the assumption that the population of big European and international urban centres is set to increase sharply in the next 20 years, VINCI designed the Pirandello model, which makes it possible to accurately evaluate future infrastructure and mobility systems. It measures the impact of public urban planning decisions (congestion charging, construction of a new road or transport system, change in land use parameters, etc.) on population density, traffic, property prices, urban segregation (distribution of populations) and the environment (NOx and CO_2 emissions, etc.).

The Pirandello model, which can be used to guide public authority decision-making and help VINCI devise forward-looking strategies for urban centres throughout the world, is being tested on the 1981-2007 period in the Paris region.

The first working assumptions

At the beginning of 2007, VINCI companies embarked on an ambitious internal R&D programme for measuring the overall performance of living conditions and eco-design. This work aims to:
> fine-tune data (the extent to which current climate data can be extrapolated to the future or the extent to which micro-climates should be taken into account, for instance);
> create databases on the physical and environmental characteristics of the main construction products;
> model the behaviour of occupants (heating and air conditioning temperatures, windows opened/closed, lighting and sun protection management, etc.) in residential and service sector buildings.

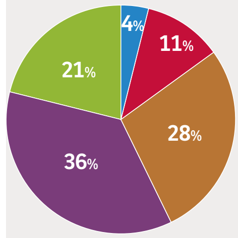
The extension of this approach to eco-buildings, eco-communities and eco-cities creates new possibilities for improving environmental performance by factoring in more global aspects such as street layout, implementation of appropriate technologies for public spaces and pooling of infrastructure such as heating networks.

For eco-buildings, the challenge is to provide the functions required by users at an acceptable cost:
> redesign products to achieve a defined target price;
> guarantee performances over the whole life cycle;
> minimise use of natural resources, materials, energy, transport, labour;
> use renewable or recycled resources;
> consult stakeholders;
> guarantee the best possible working conditions for all the players involved.

For eco-communities, the aim is to respond to concerns for harmonious social relations:
> encourage a mix of urban activities (flexibility of the built environment);
> develop public spaces;
> foster intermodal transport (relations with the city);
> encourage shared infrastructure and facilities;
> reflect on convergence between networks and the built environment;
> involve residents/users in decision-making;
> propose a long-term programme.

Further up the scale, promoting eco-cities involves increasing the attractiveness of a territorial unit by providing:
> an efficient built environment that offers an appropriate platform for urban activities without harming the natural environment;
> competitive infrastructure that ensures the continuity of logistical flows to support these activities.

VINCI 2007 Innovation Awards Competition: number of projects submitted by category



Materials	41
Marketing and Services	118
Processes and Techniques	307
Equipment and Tools	386
Management	231

Participative innovation: the VINCI 2007 Innovation Awards Competition

With the aim of developing the Group's creative potential by showcasing and capitalising on employees' innovations, we organise the VINCI Innovation Awards Competition every two years.
The competition is open to all employees in our French and foreign subsidiaries. The 2007 competition attracted a large number of candidates: 1,083 projects were submitted by over 2,500 employees, a 10% increase on the previous competition. Some 102 prizes were awarded in the regional competitions and 11 in the final competition in the course of a ceremony bringing together over 2,000 people at the Centre Georges Pompidou in Paris on 4 December 2007.
To help disseminate these innovations throughout the Group, all the projects submitted (as well as those of the 2005 and 2003 competitions) are displayed on the VINCI intranet. Films presenting the innovation and facilitating technical understanding have been produced for all the winning projects. They are compiled in a DVD that has been widely distributed. ■

The 11 final prize-winners

Grand Prize – Reinforcement of tubular structures using carbon fibre rods and cement slurry (VINCI Construction): an invisible reinforcement solution with a high load-bearing capacity.
France has an installed base of 7,500 metal pylons whose function is to support sending and receiving antennæ for mobile phones, television, the army, etc. Installation of new antennæ often leads to problems with the strength of the structures, whether in terms of traction or compression, the solution being either to build a new pylon or to reinforce the existing pylon by means of a metal structure.
Both these solutions involved substantial constraints: the need for planning permission, removal of the antennæ and temporary interruption of service. The Freyssinet team started looking for an invisible reinforcing solution.
The principle adopted was to "thread" carbon rods into each of the tubular sections from the top of the pylon and use cement slurry injected into the tube to bond the carbon rods to the metal structure. A "cable" consisting of several rods is inserted into each of the tubular sections. A first injection is made in the lowest part of the pylon to bond the rods to the structure. Once the initial injection has set sufficiently, the process is continued over the full height of the pylon.
The jury particularly liked this project for its ease of implementation and flexibility, the use of high-tech materials and the value created for the client, which can greatly increase the load-bearing capacity of its pylons at a cost much lower than for traditional solutions.

Equipment Prize – Motorised rescue chamber (VINCI Construction): the first autonomous rescue chamber mounted on a railway vehicle that can be driven in a smoke-filled atmosphere.

Marketing and Services Prize – Liber-t in car parks too (VINCI Concessions): paying for parking in VINCI Park car parks using the Liber-t remote toll transponder.

Processes and Techniques Prize – Pipe Risk Management System (VINCI Construction): a computer-based management system to optimise water supply pipe system maintenance.

Tools Prize – Reinforcement rod bending tool (VINCI Construction): a tool that takes the effort out of bending reinforcement rods.

Management Prize – Danger! Roadworks ahead! (Eurovia): a play pinpointing risk prevention problems at Eurovia.

Sustainable Development Prize – Gaïa.BE® (Eurovia): a decision-making tool that measures the environmental impact of road-building projects.

Safety Prize – Safe platform for working on false ceilings (VINCI Energies).

Special Jury Prize – The kerbstone clamp (Eurovia): a mechanical clamp that eliminates unnecessary effort and the risk of injury.

Special Jury Prize – GBS Update (VINCI Energies): an automated system for creating software and documents.

Special Jury Prize – A mechanised washing system for traffic cones (VINCI Concessions).

Methodological note on the social and environmental reporting systems

VINCI's social and environmental reporting system draws on Article 116 of France's new economic regulations law (NRE), its enabling decree of 20 February 2002 and the transparency guidelines of the Global Reporting Initiative (GRI).

1. Methodological procedures

The procedures adopted by VINCI include:

> for social indicators: an input guide in four languages (French, English, German and Spanish) containing definitions of social indicators, a training module for new users, and a users' manual for the IT system;

> for environmental indicators: a methodological guide to the VINCI environmental reporting system, intended as an internal reference document for the different entities. It describes the environmental reporting procedures to be implemented by each entity.

2. Scope

The reporting scope must be representative of VINCI's business activities. It is based on criteria related to the actual activity of its subsidiaries. Since 2002, social reporting has covered all our worldwide operations. In 2007, environmental reporting covered 78% of world revenue. Within this scope, 100% of the relevant social and environmental data is integrated (global data integration).

Changes in scope

> Social data: changes in scope are integrated in year Y;

> Environmental data: changes in scope are integrated in year Y+1. For example, Solétanche Bachy, Entrepose Contracting, Nukem and Etavis will be integrated in the 2008 report.

3. Choice of indicators

Indicators are defined in light of the social and environmental impacts of VINCI companies' activity and the risks related to the specific challenges of their business lines. The common base of social indicators is built up from three levels of indicators: those contained in Article 116-1 of France's new economic regulations law (NRE), those contained in the social report and specific indicators reflecting VINCI's human resources policy.
The complementarity of these three sets of indicators enable us to measure the results of our human resources policy and our social commitments.

In 2007, the environmental indicator working group decided to consolidate the common base of VINCI indicators. Each business line will, however, continue to reinforce the scope and relevance of its own indicators based on its specific environmental challenges. The common base includes four indicators: environmental training/awareness raising; environmental certification guidelines, hazardous waste management and the quantification of greenhouse gas emissions.

4. Methodological explanations and limitations

The methodologies used for some social and environmental indicators may present limitations due to:

> the absence of common definitions at national and/or international level;

> the representativeness of the measurements and estimates made, the limited availability of external data essential to calculations;

> changes in definitions that might affect the way in which they are reported;

> procedures governing the collection and input of this information.

5. Internal consolidation and verification

Social indicators are collected using a specific section of the Magnitude financial data reporting system, which enables the collection of social data for all VINCI entities. This data is then consolidated and verified by the companies themselves, by sub-group (senior management of business lines) and by the human resources department. Automatic controls are also conducted at entity level.

Environmental data is collected and consolidated by each company and business line by the environmental correspondents who have their own IT data collection tools. It is then forwarded to the VINCI sustainable development delegation. On consolidation, data consistency checks are carried out by the human resources department and the sustainable development delegation. Comparisons are made with the results of previous years and any material discrepancies are analysed and examined in detail.

6. External controls

To ensure we are supplying reliable information, every year since 2003, we have asked our Statutory Auditors to give their opinion on the quality of social and environmental reporting procedures. In 2007, social and environmental indicators that have been verified by outside bodies are identified in tables by a "☑" (see pages 103-129). The nature of the work done and these conclusions are presented on page 135. ■

Statutory Auditor's report on the review of selected social and environmental indicators for 2007

As requested by VINCI and in our capacity as a Statutory Auditor, we performed a review with the aim of providing moderate assurance on:
> five social indicators at Group level, and
> five environmental indicators at motorway division level
selected[1] ("the data") by VINCI for the year ended 31 December 2007. The data examined is identified by symbol ☑ on pages 102-129.

The social data was prepared under the responsibility of the human resources department and the environmental data under the responsibility of the sustainable development delegation in accordance with:
> the users' manual for the collection of Group social data;
> the methodological guide for Group environmental reporting;
referred to hereafter as "the guidelines", which can be consulted at VINCI's head office and of which certain elements appear on page 134. We are required to express an opinion of this data based on our work. The opinion expressed below applies solely to the data examined and not to the entire sustainable development report.

Nature and scope of our work

We planned and performed our work so as to obtain moderate assurance that the selected data contained no material anomaly. A higher level of assurance would have required more extensive verification.
> We assed the guidelines as to their relevance, reliability, comprehensibility and exhaustiveness.
> We conducted interviews with the people involved in the application of the guidelines at the holding company, at four divisions as regards social aspects, and within each sub-group of the motorway division as regards environmental aspects.
> We performed detailed work at five selected sites or subsidiaries[2] in respect of the social data, representing 39% of the Group's consolidated workforce, and at six selected sites[3] in respect of the environmental data, representing 18% to 50% of the consolidated data for the Group's motorway division. For these sites and subsidiaries, we verified the understanding and application of the guidelines and, on the basis of a representative sample, we verified the calculations, performed consistency checks and compared the data with documentary evidence.
> Lastly, on the basis of a representative sample, we tested the calculations and verified the consolidation of data at the sub-group and holding company levels.

Information on the procedures

We have the following comments to make on the reporting procedures:

The Group's social reporting system
> The Group's social reporting procedures and the information collection systems are mastered by the various contributor and in all entities visited.
> The definitions of certain indicators should be improved and clarified so that the data reported may be harmonised.
Environmental reporting of the motorway division
> Each sub-group has set in place its own reporting procedures in order to ensure data reliability.
> The reporting procedures sent by the holding company covering environmental data collection should be more detailed and more precise so that the information transmitted by the motorway division sub-groups, in particular as regards water consumption and household waste management, is more homogeneous.
> Special attention should be paid to the measurement units used during the Group consolidation phase so as to ensure consistency of the data collected. Errors identified during our work have been corrected.

Conclusion

Based on our work, we identified no material anomalies likely to call into question the fact that the social and environmental data examined, which are identified in the report by the symbol ☑ on pages 102-129, were established, in all significant aspects, in accordance with the guidelines mentioned.

Paris La Défense, 19 March 2008

KPMG Audit
Department of KPMG SA

Philippe Arnaud Partner Head of the Environment and Sustainable Development Department	Patrick-Hubert Petit Partner	Philippe Bourhis Partner

1. Social indicators: workforce at 31 December 2007; workforce by gender; women as a percentage of managers; number of new employees, departures and total employees, number of hours of training per employee.
Environmental indicators: consumption of water purchased, electricity consumption, fuel consumption, heating oil consumption, household waste management.
2. Roads division: Eurovia; construction division: VINCI Construction Filiales Internationales; concessions division: ASF and Escota; energy division: Felix Schuh (Germany).
3. Cofiroute: Ponthévrard, Orleans and Vierzon operations centres; ASF: Orange and Valence districts; Escota: Provence sector.

Free translation of the original French text for information purposes only.

Contents

General & financial information

Corporate governance

1. Separation of the functions of Chairman and Chief Executive Officer

In January 2006, VINCI's Board of Directors decided to separate the functions of Chairman and Chief Executive Officer.

Chairmanship

Yves-Thibault de Silguy, Chairman of the Board of Directors, devotes himself full-time to VINCI business, within the Company. This close involvement enables him to be permanently informed about the Group's operations.

Yves-Thibault de Silguy works to promote VINCI's image to political and economic decision-makers in France and abroad. He also spends a major part of his time meeting the managers of the Group's numerous subsidiaries and providing them, as needed, with his assistance in their relations with their major clients.

Lastly, he attaches particular importance to the shareholder base and changes therein.

With respect to the functioning of the Board of Directors, Yves-Thibault de Silguy is permanently attentive to ensuring Directors receive information and communication efficiently, providing the best preparation possible for Board Meetings to enable them to assume their responsibilities in full knowledge of the facts.

He scrupulously monitors the implementation of good corporate governance practice. In 2007, in particular he has proposed to the Board, which accepted:
- the co-optation of three independent directors, whose appointment was approved by the Shareholders General Meeting;
- a review of the composition of the Board's Committees, taking account of the arrival of three new directors;
- the implementation of two assessments of the Board, with the assistance of external consultants, in order to analyse the composition of the Board and then its functioning, following the departure of six directors and the arrival of three new directors.

Yves-Thibault de Silguy chairs the Strategy and Investments Committee and the Appointments Committee.

General Management

As Chief Executive Officer, Xavier Huillard is responsible for the operational management of the Group.

He has the broadest powers to act in all circumstances in the Company's name. He exercises these powers within the limits of the Company's purpose and subject to the powers that the law attributes expressly to General Meetings of Shareholders and the Board of Directors. He represents the Company in its dealings with third parties. The Chief Executive Officer is also in charge of providing the Board and its Committees with the information they need to implement the Board's decisions. The Company's material transactions, referred to in paragraph 2.6.1 below, are subject to prior approval by the Board.

In 2007, Xavier Huillard changed the composition of:
- the Executive Committee, which he chairs. This Committee has 10 members, whose names are given on page 8 and 9. It met 41 times in 2007, an average of 3.4 meetings per month.
- the Management and Coordination Committee, which is composed 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 32 members, whose names are given on page 9. It met four times in 2007.

2. The Board of Directors

2.1 Membership of the Board of Directors

At the date of registration of this document, the Board of Directors had 13 members.

In 2007, three Directors tendered their resignation. Willy Stricker, Alain Minc and Serge Michel resigned from their appointments on 29 and 30 January and 26 February 2007, respectively. Jean-Bernard Lévy was co-opted by the Board of Directors on 27 February 2007, replacing Bernard Val, who had resigned on 31 December 2006. On 27 March 2007, the Board of Directors co-opted two new directors, Pascale Sourisse and Robert Castaigne, replacing Willy Stricker and Serge Michel. These co-optations were ratified by the Shareholders General Meeting on 10 May 2007, which appointed these directors for a period of four years.

Serge Michel was appointed Honorary Chairman of VINCI by the Board of Directors on 27 February 2007.

The appointments of Dominique Bazy, Quentin Davies and Denis Vernoux expire in 2008.

The term of office of Directors is four years for those appointed or re-appointed since 1 January 2005, which applies to nine Directors, and six years for those already serving on 1 January 2005, which applies to four Directors. The Company's articles 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.

2.2 Directors' appointments and functions

The table below shows the appointments and functions of:
– the 13 members of the Board of Directors;
– the directors whose appointments expired in 2007;
– the Senior Executive Vice-President not serving on the Board of Directors; and
– the Senior Executive Vice-President not serving on the Board of Directors whose appointment expired in 2007.

Serving Directors

	Term ends	
Yves-Thibault de Silguy Age 59 - 2000 VINCI 1 cours Ferdinand de Lesseps 92851 Rueil Malmaison Cedex Chairman of the Strategy and Investments Committee and of the Appointments Committee	AGM 2010	**Chairman of the Board of Directors of VINCI** **Main appointments within the VINCI Group:** permanent representative of VINCI on the Board of Directors of ASF. **Appointments outside the VINCI group:** Director of Suez Tractebel, senior adviser of ING Direct; Director of VTB (Russia) and Smeg (Monaco); Member of the Supervisory Board of Sofisport. Yves-Thibault de Silguy is also Chairman of the France-Algeria and France-Qatar committees of MEDEF, the French employers' organisation and Chairman of the Board of Directors of Agro Paris Tech. **Appointments outside the Group that expired during the last five years:** Chairman of the Board of Directors of Aguas Argentinas; Chairman of the Board of Directors of Sino French Holdings; Director of Lyonnaise Europe, Ondéo-Degrémont, Ondéo Services, Société Générale de Belgique, SITA, CDE, EEC, Marama Nui, Socif 4, Unelco Vanuatu, and Fabricom, Degrémont, Suez Environnement, Suez Energies Services and Swire Sita Waste Services Ltd (China); Chairman of the Board of Directors or Director of subsidiaries of the Suez Group in New Caledonia, French Polynesia and Vanuatu; member of the Supervisory Board of Elyo and Métropole Télévision-M6; 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; Vice-President of the France-China committee of MEDEF; Chairman of the Board of Directors of the French university in Egypt. **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, monetary 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 2003. He was then Executive Vice-President of Suez from 2003 until June 2006. He was appointed Chairman of the Board of Directors of VINCI on 1 June 2006 and resigned from all his appointments at Suez.
Xavier Huillard Age 53 - 2006 VINCI 1 cours Ferdinand de Lesseps 92851 Rueil Malmaison Cedex	AGM 2010	**Director and Chief Executive Officer of VINCI** **Main appointments within the VINCI Group:** Chairman of the Board of Directors of VINCI Concessions (since 12 October 2007); Director of Cofiroute, Solétanche, VINCI PLC and VINCI Investments Ltd; member of the Supervisory Board of VINCI Deutschland GmbH; permanent representative of VINCI on the Board of Directors of VINCI Energies and of Snel on the Board of Directors of ASF; Chairman of the Fondation d'Entreprise VINCI pour la Cité. **Appointments outside the Group that expired in 2007:** Director of VINCI Energies and VINCI Park (until 9 May 2007), Member of the Supervisory Board of VINCI Energies Deutschland GmbH (until 30 June 2007). **Appointments outside the Group that 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 in 1998. 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 was Chairman and Chief Executive Officer of VINCI Energies from 2002 to 2004, then Chairman of VINCI Energies from 2004 to 2005. He became Director and Chief Executive Officer of VINCI in 2006.
Dominique Bazy Age 56 - 1996 UBS Investment Bank 65 rue de Courcelles 75008 Paris Member of the Appointments Committee and of the Remuneration Committee	AGM 2008(1)	**Vice-Chairman Europe 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 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 UBS Warburg (now UBS) Holding France from 2000 to 2003, Chairman of UBS Securities France SA from 2003 to 2004. He has been Vice-Chairman Europe of UBS Investment Bank since 2004.

(1) Renewal of appointment for a period of four years proposed to the Shareholders General Meeting.

Robert Castaigne Age 62 - 2007 Total 2 place de la Coupole La Défense 6 92400 Courbevoie Member of the Audit Committee	AGM 2011	**Chief Financial Officer and member of the Executive Committee of Total** Robert Castaigne is also Chairman and Chief Executive Officer of Total Nucléaire and of Total Chimie and Director of Elf Aquitaine, Total Gestion Filiales, Hutchinson, Sanofi Aventis, Total Gabon, Petrofina, Omnium Insurance & Reinsurance Company Ltd, and Total Upstream UK Ltd. **Appointments that expired during the last five financial years:** Director of Arkema, Compagnie Générale de Géophysique, Eramet, Société Financière d'Auteuil, Total Nigeria PLC, Alphega and Total E & P Norge AS. **Background:** Robert Castaigne is a graduate of the École Centrale, Lille and the École Nationale Supérieure du Pétrole et des Moteurs. He also holds a doctorate in economics from Université de Paris 1 – Panthéon-Sorbonne. He has been an engineer at Total since 1 January 1972. From 1972 to 1977, he worked as an engineer then as head of department in the economics department. From 1977 to 1985, he was deputy to the head of the exploration-production subsidiaries department, then head of the gas-diversification subsidiaries department in the Group Finance Department. From 1985 to 1990, he was Secretary of the Executive Committee and *chargé de mission* in the Chairman's office. From 1990 to 1994, he was Deputy Financial Officer and member of the Management Committee. Since 7 June 1994, he has been Chief Financial Officer and member of the Executive Committee of Total, which became Total Fina (in 1999), then TotalFinaElf (in 2000) and then Total (in 2003).
François David Age 66 - 2003 Coface 12 cours Michelet La Défense 10 92065 Paris - La Défense Member of the Strategy and Investments Committee	AGM 2009	**Chairman of Coface SA** François David is also Chairman of Coface Services, Coface Deutschland and Coface Assicurazioni (Italy), and Director of Rexel. **Appointments that expired during the last five years:** Chairman and CEO 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 EADS. **Background:** François David has a degree in sociology, 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 Coface Deutschland since 1996, Chairman of the Board of Directors of Coface Assicurazioni since 1997. François David has also written several books.
Quentin Davies Age 63 - 1999 House of Commons London SWIA OAA United Kingdom Chairman of the Remuneration Committee and Member of the Audit Committee	AGM 2008(1)	**Member of Parliament, United Kingdom** **Appointments that expired during the last five financial years:** Director of Lloyds of London. **Background:** Quentin Davies is British and a graduate of Cambridge and Harvard. He has held several positions in the British Diplomatic Service from 1967 before joining Morgan Grenfell in 1974, where he was head of 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. He joined the Labour Party in June 2007.
Patrick Faure Age 62 - 1993 Patrick Faure & Associés 18 quai de Béthune 75004 Paris Member of the Strategy and Investments Committee	AGM 2009	**Chairman of Patrick Faure et Associés** Patrick Faure is also a Director of Cofiroute and ESL & Network, and Chairman of Association France-Amériques. **Appointments that expired during the last five financial years:** Chairman and Chief Executive Officer of Renault Sport, Chairman of the Board of Directors of Renault F1 Team Ltd and Benetton Formula; Director of Compagnie Financière Renault, Compagnie d'affrètement et de transport, ESL & network, Giat Industries, AB Volvo, Renault Agriculture, Grigny UK Ltd; Deputy Chief Executive Officer and member of the Executive Committee of Renault; Chairman of the Board of Directors of Ertico. **Background:** Patrick Faure is a graduate of the École Nationale d'Administration. From 1979 onwards he 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 July 1985 became manager of public relations and communication. In January 1986, he became Vice-President of Renault, and Company Secretary of the Renault Group in January 1988. In January 1991, he was appointed Deputy General Manager and Marketing Director, and Chairman of Renault Sport. Patrick Faure was Executive Vice-President and member of the Executive Committee of Renault until 1 January 2005. He was also Chairman and Chief Executive Officer of Renault Sport and Chairman of the Board of Directors of Renault F1 Team Ltd until 2006.
Dominique Ferrero Age 61 - 2000 Natixis Arc de Seine 30 avenue Pierre Mendès France 75013 Paris	AGM 2010	**Chief Executive Officer of Natixis** Dominique Ferrero is also the permanent representative of Natixis on the Board of Directors of Natixis Asset Management. **Appointments that expired during the last five financial years:** Vice-Chairman of Merrill Lynch Europe; Chairman of the Executive Board of Ixis Corporate & Investment Bank; Director of AGF. **Background:** a graduate of Ecole 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. From 2004 to 2006, he was Senior Adviser and Vice-Chairman of Merrill Lynch Europe and, since 2006, has been Chief Executive Officer of Natixis.

(1) Renewal of appointment for a period of four years proposed to the Shareholders General Meeting.

Bernard Huvelin Age 71 - 1983 VINCI 1 cours Ferdinand de Lesseps 92851 Rueil Malmaison Cedex Member of the Strategy and Investments Committee	AGM 2009	**Vice-Chairman of the Board of Directors of VINCI** **Main appointments within the VINCI Group:** Director of VINCI Concessions, 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 and of ASF. **Appointments outside the VINCI group:** Director of Société d'Économie Mixte Locale de Rueil 2000, Electro Banque, Cofido and SAS Soficot; Chairman of the professional association Entreprises Générales de France-BTP (EGF-BTP); Vice-President of the European Construction Industry Federation; advisor to the European Economic and Social Committee, Brussels. **Appointments within the VINCI Group that expired in 2007 or 2008:** Chairman and Chief Executive Officer of Consortium Stade de France (until February 2008), Director of VINCI Park (until 9 May 2007), Vice-President of VINCI USA Holdings Inc. (until 30 September 2007). **Appointments outside the VINCI Group that expired during the last five financial years:** none **Background:** a graduate of HEC, Bernard Huvelin joined SGE in 1962 and spent all his working life there. He was appointed Company Secretary in 1974 and had several General Management positions within the Group from 1982 to 1990 before becoming its Executive Vice-President in 1991, Chief Executive in 1997, Director and Chief Executive in 1999, then Director and Senior Executive Vice-President of VINCI in 2002. He was Adviser to the Chairman of VINCI from 2005 to June 2006. He has been Vice-Chairman of the Board of Directors of VINCI since 2005.
Jean-Bernard Lévy Age 53 - 2007 Vivendi 42 avenue de Friedland 75008 Paris Member of the Remuneration Committee	AGM 2011	**Chairman of the Management Board of Vivendi** Jean-Bernard Lévy is also Chairman of the Supervisory Board of Canal+ France, Vice-Chairman of the Supervisory Board of Maroc Telecom, Director of SFR, Vivendi Universal Games Inc. (USA) and NBC Universal Inc. (USA), and member of the Supervisory Board of Canal + Group. He is also a Director of the Institut Pasteur and Chairman of the Supervisory Board of Viroxis. **Appointments that expired during the last five financial years:** Chairman and Chief Executive Officer of VU Net and of VTI, Director of UGC and of HCA, and member of the Supervisory Board of Cegetel. **Background:** Jean-Bernard Lévy is a graduate of École Polytechnique and École Nationale Supérieure des Télécommunications. He was an engineer at France Telecom from 1978 to 1986, and then technical adviser to Gérard Longuet, the French Minister for Postal and Telecommunication services from 1986 to 1988, General Manager, Communication Satellites at Matra Marconi Space from 1988 to 1993, Chief of Staff to Gérard Longuet, the French Minister for Industry, Postal Services and Telecommunications and Foreign Trade from 1993 to 1994. From 1995 to 1998, he was Chairman and Chief Executive Officer of Matra Communication, then Managing Partner, Corporate Finance at Oddo Pinatton from 1998 to 2002. He joined Vivendi Universal in August 2002 as Chief Operating Officer and was appointed Chairman of the Management Board of Vivendi on 28 April 2005.
Henri Saint Olive Age 63 - 2006 Banque Saint Olive 84 rue Duguesclin 69458 Lyons Cedex 06 Chairman of the Audit Committee and Member of the Appointments Committee	AGM 2010	**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 the Association de l'Hôpital Saint-Joseph at Lyons. **Appointments that 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 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 in 1987 then Chairman of its Board of Directors in 1997.
Pascale Sourisse Age 46 - 2007 Thales Alenia Space 45 rue de Villiers 92526 Neuilly sur Seine Cedex Member of the Strategy and Investments Committee	AGM 2011	**President of Thales Alenia Space and Member of the Executive Committee of Thales** Pascale Sourisse is also President of Thales Alenia Space France, d'Alcatel Spacecom, and SkyBridge GP Inc (USA); Director of Thales Alenia Space Italia SpA (Italy), Telespazio Holding SRL (Italy), Galileo Industries SA (Belgium), Galileo Industries (Italy), and EuropeStar Ltd (UK). **Appointments that expired during the last five financial years:** Chairman and Chief Executive Officer of Alcatel Cyber Satellite, Director and Chairman of Skybridge Satellite Operations, Director of Skybridge LLC, Skybridge 2LLC, Skybridge Operations France, Skybridge Communications par Satellites, Satlynx. **Background:** Pascale Sourisse is a graduate of École Polytechnique and is a telecommunications engineer. She worked as an engineer at Compagnie Générale des Eaux from 1984 to 1985, as an engineer in the telecommunications division of Jeumont-Schneider from 1985 to 1986, and as head of the corporate networks department at France Telecom from 1987 to 1990. From 1990 to 1994, she worked in the French Ministry for Industry, as assistant deputy manager, then deputy manager, of the audio-visual communication and consumer electronics department. Mrs Sourisse has worked since 1995 for Alcatel Group, where she has held the positions of Vice-President, Planning and Strategy from 1995 to 1997, Chairman and Chief Executive Officer of Skybridge from 1997 to 2001, Chief Operating Officer and then President and Chief Executive Officer of Alcatel Space from 2001 to 2005. She has been President of Alcatel Alenia Space (now Thales Alenia Space) since 2005. Since April 2007, she has been a Member of the Executive Committee of Thales and Senior Vice-President of the Space Division.
Denis Vernoux Age 61 - 2002 VINCI Construction Grands Projets 5 cours Ferdinand de Lesseps 92851 Rueil Malmaison Cedex Member of the Strategy and Investments Committee	AGM 2008(1)	**Director representing employee shareholders** Denis Vernoux is an engineer at VINCI Construction Grands Projets. He 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 Equilibre and Castor Rebond 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 resources 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.

(1) As the appointment of Denis Vernoux, a Director representing the employee shareholders, expires at the Shareholders Meeting to be held in May 2008, the procedure provided for in the Company's corporate statutes for the appointment of a Director representing the employee shareholders has been implemented. Candidates for this position must be employees of a Group company and be a member representing the employees on the supervisory board of a unit fund invested for more than one-third in VINCI shares. The name of the candidate or candidates for this position is not known at the time of filing this registration document. The candidates will be presented at the vote by the VINCI Shareholders Meeting.

Directors whose appointments ended in 2007

Serge Michel Age 81 Appointment ended: 26 February 2007 Soficot 103 boulevard Haussmann 75008 Paris	**Chairman of Soficot, Groupe Epicure and Société Gastronomique de l'Étoile** Serge Michel is also Honorary Chairman of VINCI (since 27 February 2007), Chairman of SAS CIAM and SAS Carré des Champs-Élysées; 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 of Edrif on the Supervisory Board of Veolia-Eau. **Appointments that expired during the last five financial years:** Director of VINCI, DB Logistique, Fomento de Construcciones y Contratas SA, FCC Construcción SA, Cementos Portland, VINCI Construction, Chairman of the Supervisory Board of Segex.
Alain Minc Age 59 Appointment ended: 30 January 2007 AM Conseil 10 avenue George V 75008 Paris	**Chairman of AM Conseil and of AM Participations** Alain Minc is also a Director of Fnac and of Direct Energie. **Appointments that expired during the last five financial years and in 2008:** Chairman of the Supervisory Board of Le Monde (until 11 February 2008), Honorary Chairman and Director of Société des lecteurs du Monde; member of the Supervisory Board of Pinault Printemps Redoute; Director of VINCI, Valeo, Ingenico, Yves Saint Laurent; Chairman of the Supervisory Board of Le Monde SA; *censeur* (non-voting director) of Ingenico.
Willy Stricker Age 65 Appointment ended: 29 January 2007 Ixis Corporate & Investment Bank 47 quai d'Austerlitz 75648 Paris Cedex 13	**Senior adviser at Ixis-CIB (Natixis group)** Willy Stricker is also Chairman of the Board of Directors of IFE Fund (Luxembourg) and a Director of ASF and Canal +. **Appointments that expired during the last five financial years:** Director of VINCI; 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 and CDC Ixis Services Industrie; Chairman of the Supervisory Board of 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.

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

Jacques Tavernier Age 58 2006-2010 Eurovia 18 place de l'Europe 92565 Rueil Malmaison Cedex	**Chairman and Chief Executive Officer of Eurovia** (since 9 January 2008) **and member of the Executive Committee of VINCI** **Main appointments within the VINCI Group:** director of Fondation d'Entreprise VINCI pour la Cité. **Appointments outside the VINCI Group:** member of the Board of Directors of École Nationale des Ponts et Chaussées, as a "qualified public figure". **Appointments within the VINCI Group that expired in 2007:** Chairman and Chief Executive Officer of ASF; Chairman and Chief Executive Officer of ASF Holding; Director-Chief Executive Officer of VINCI Concessions; permanent representative of VINCI Concessions on the Board of Directors of Arcour and Cofiroute Holding, of VINCI on the Board of Directors of Cofiroute and SMTPC, of ASF on the Board of Directors of ESCOTA, and of VINCI Concessions as Chairman of the company operating Clermont-Ferrand Auvergne airport. **Appointments outside the VINCI Group that expired during the last five financial years:** Director of Lorry Rail SA. **Background:** Jacques Tavernier is a graduate of the École Polytechnique and the École Nationale des Ponts et Chaussées. He worked as an engineer in local government in Seine Saint Denis near Paris from 1975 to 1982, was involved in management of investment in roads at the Ministry of Capital Works from 1983 to 1986, and was then a *chargé de mission* at DATAR from 1986 to 1989. From 1989 to 1991, he was in charge of town planning and housing in local government in Ile de France (the Greater Paris region), then technical adviser to Paul Quilès (French Minister for Capital Works, Housing, Transport and Space) from 1991 to 1992, general manager of the public corporation responsible for creating the Sénart new town from 1992 to 1993, and was in charge of capital works for the Hauts-de-Seine *département* from 1993 to 1998. He was Chief Executive Officer of ASF from 1998 to 2006, its Chairman and Chief Executive Officer from 2006 to September 2007, then its Chairman until December 2007. He was also Director-Chief Executive Officer of VINCI Concessions from March 2006 until October 2007. Since 9 January 2008, he has been Chairman and Chief Executive Officer of Eurovia.

Senior Executive Vice-President not serving on the Board of Directors whose appointment ended in 2007

Roger Martin Age 64 2002 - 21 December 2007 Eurovia 18 place de l'Europe 92565 Rueil Malmaison Cedex	**Honorary Chairman of Eurovia and Member of the Executive Committee of VINCI** **Main appointments within the VINCI Group:** Director of Eurovia, VINCI Energies, Ringway Group Ltd; permanent representative of VINCI Construction on the Board of Directors of Cofiroute; Director of Infra-Gabon, Société Camerounaise des Entreprises Bourdin et Chaussé, Construction DJL, Bitumix, Productos Bituminosos, Probisa Technologia y Construccion; Chairman of Gecos; member of the Supervisory Board of VINCI Deutschland GmbH; Chairman of the Supervisory Board of Eurovia GmbH; Chairman of Fondation d'Entreprise Eurovia and Director of Fondation d'Entreprise VINCI pour la Cité. **Appointments outside the VINCI Group:** Chairman of the Supervisory Board of Eurinter and Financière Eurinter; Director of Sade – CGTH. **Appointments within the VINCI Group that expired in 2007 and in January 2008:** Senior Executive Vice-President of VINCI (until 21 December 2007), Chairman and Chief Executive of Eurovia (until 9 January 2008), Director of VINCI Park (until 9 May 2007). **Appointments outside the VINCI Group that expired during the last five financial years:** none **Background:** a graduate of ESTP and CPA (*École supérieure des travaux publics and Centre de perfectionnement aux affaires*) Roger Martin holds a Master of Science degree from Berkeley. He joined VINCI (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 was Chairman and Chief Executive Officer of Eurovia from 1998 until January 2008. He was appointed Deputy General Manager of VINCI in 1997 and Senior Executive Vice-President of VINCI from April 2002 until December 2007. He is today Honorary Chairman of Eurovia and Member of the Executive Committee of VINCI.

2.3 The Board of Directors' internal rules

In May 2003, the Board of Directors adopted a set of internal rules, which is periodically amended and which sets out the rules applicable to the functioning of the Board and its committees, and the behaviour expected of each of its members. These rules may be consulted in full on the Company's web site (www.vinci.com).

2.4 Personal position of Company Officers

To the Company's knowledge:
- there are no family links between any of VINCI's Officers;
- none of VINCI's Officers has been found guilty of fraud in the last five years; and
- 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.

2.5 Assessment of the composition and functioning of the Board of Directors

In application of the Board of Directors' internal rules, which provide that every year it should include on its agenda a discussion on its functioning in order to improve its effectiveness and to assess itself, the Board of Directors made an assessment at the beginning of 2008 of its composition and functioning, with the help of a consultant who met each Director individually.

This assessment shows that the Directors are satisfied with both the composition of the Board and its functioning. The Directors also consider that the apportioning of duties between the Chairman of the Board and the Senior Management works well and makes a positive contribution to good governance at VINCI. In general, the assessment process shows an improvement in comparison with the situation shown in assessments in 2004 and 2006.

At its meeting of 27 February 2008, the Board also made an assessment of the current Directors' independence, in accordance with the recommendations of the 2003 Afep-Medef report.

After receiving the Appointment Committee's report, the Board concluded that the following six Directors cannot be considered to be independent:
- Yves-Thibault de Silguy, who is the full-time Chairman of the Board;
- Xavier Huillard, who is responsible for the Company's general management;
- Dominique Bazy, who is Vice-Chairman Europe of UBS Investment Bank, a financial institution that could be involved in transactions entered into by the Company or its subsidiaries; the Board considered the links that could exist between the UBS Group and the VINCI Group to be material;
- Bernard Huvelin, who has been a Director of the Company for more than twelve years and Senior Executive Vice-President until January 2005, who was Chairman and Chief Executive Officer of Consortium Stade de France (a 66.66 % subsidiary of VINCI) until 19 February 2008 and who now holds various other directorships within the Group;
- Dominique Ferrero, who is Chief Executive Officer of Natixis, a bank providing financial services to the Company; the Board considered the links existing between Natixis and the VINCI Group to be material;
- Denis Vernoux, who is an employee of a Group company and who represents the Company's employee shareholders through the corporate unit funds. The same would apply to any person who would be appointed by the Shareholders General Meeting as a Director proposed by the company savings funds unit funds.

The Board of Directors considered that the seven other members of the Board, listed below, have no vested interests and are therefore independent:
- Robert Castaigne, who is Chief Financial Officer of Total; the Board considered however that any links that may exist between the Total Group and the VINCI Group are not sufficiently material to unfavourably affect Mr Castaigne's independence of judgement;
- François David, who is Chairman of Coface, which provides credit insurance on contracts entered into by VINCI subsidiaries; the Board considered however that any links that may exist between the Coface Group and the VINCI Group are not sufficiently material to unfavourably affect Mr David's independence of judgement;
- Quentin Davies, who is a Member of the British Parliament and has no business dealings with the Group;
- Patrick Faure, who has held management duties or has been 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; the Board considered however that any links that may exist between the Renault Group and the VINCI Group are not sufficiently material to unfavourably affect Mr Faure's independence of judgement;
- Jean-Bernard Lévy, who is Chairman of the Management Board of Vivendi. Until 2002, this company was a large shareholder in VINCI and commercial relations remain between VINCI and some Vivendi Group subsidiaries; the Board considered however that these links are not sufficiently material to unfavourably affect Mr Lévy's independence of judgement;
- Henri Saint Olive, who is Chairman of the Board of Directors of Banque Saint Olive, a bank that could be involved in transactions entered into by the Company, its subsidiaries or personally by its executives; the Board considered however that these transactions are not sufficiently material to unfavourably affect Mr Saint Olive's independence of judgement;
- Pascale Sourisse, who is Chairman of a major subsidiary of Thales Group; the Board considered however that any links that may exist between the Thales Group and the VINCI Group are not sufficiently material to unfavourably affect Mrs Sourisse's independence of judgement.

In 2007, no Director of VINCI has declared a conflict of interest when decisions were taken by the Board of Directors.

2.6 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.

2.6.1 Functioning and work of 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 the 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 shareholdings and assets of €200 million or more, as well as any transactions that fall outside the Company's announced strategy.

In 2007, the Board of Directors discussed all major matters relating to the Group's activities. The Board met ten times during the year and the average attendance rate at its meetings was 84%.

In particular the Board:
- finalised the interim and annual financial statements;
- examined the budgets;
- examined the Group's financial situation and borrowings;
- proposed a two-for-one share split;
- decided to pay an interim dividend;
- approved the share buyback policy, the allocation of treasury shares and carried out the reduction of share capital by cancellation of treasury shares;
- carried out the share capital increases reserved for employees;
- co-opted three new directors;
- examined the projects for acquisition of companies, in particular Nukem, Solétanche Bachy and Entrepose Contracting;
- decided to implement a free share plan;
- authorised the issue of guarantees.

2.6.2 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. Minutes of each Committee's meetings are drawn up and distributed to the members of the Board of Directors.

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 to:
- examine the Group's annual and half-yearly, consolidated and parent company financial statements before they are presented 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;
- examine the Group's financial situation, its exposure to the main financial risks (interest rates, liquidity, counterparty, etc.), changes in its borrowing levels, its strategy vis-à-vis rating agencies, the financial communication policy;
- 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;
- 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;
- review regularly the Group's main exposures to financial risk and in particular off-balance sheet commitments.

Composition

The Audit Committee comprises at least three Directors designated by the Board. All the members of the Audit Committee must be competent in finance or accounting. The Chief Financial Officer and the Statutory Auditors attend the Audit Committee's meetings. The Chairman of the Audit Committee is Henri Saint Olive and since 10 May 2007 its members have been Robert Castaigne and Quentin Davies. Until 10 May 2007, its members were Dominique Bazy (Chairman), Quentin Davies, Henri Saint Olive and Alain Minc (until his resignation on 30 January 2007).

Activities in 2007

The Audit Committee met five times in 2007, with a participation rate of 100%.
In particular, in addition to the accounts prepared during the period, it examined:
- renewal of the appointments of the Statutory Auditors;
- the organisation of internal control within ASF, the borrowing position of the Company and the Group and the holding company's cash investments;
- the statements of provisions and off-balance sheet commitments;
- 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 Head of the Budget, Consolidation and Accounting Department, the Internal Auditor, the Statutory Auditors, the Insurance Manager, the Chief Legal Officer, and the financial officers of several business lines to which particular attention was paid in connection with the assessment of internal control procedures.

The Strategy and Investments Committee

Terms of reference

This Committee 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 presented 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;
– formulate an opinion, for the benefit of Senior 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 Senior Management of the state of progress of multi-year projects that imply, as regards 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 Committee is Yves-Thibault de Silguy and since 10 May 2007 its members have been Ms Pascale Sourisse, François David, Patrick Faure, Bernard Huvelin and Denis Vernoux. Until 10 May 2007, its members were Yves-Thibault de Silguy (Chairman), François David, Patrick Faure and Denis Vernoux.

The Chief Executive Officer, the Chief Financial Officer and the Business Development Manager of VINCI attend the Committee's meetings.

Activities in 2007

The Strategy and Investments Committee met four times in 2007, with a participation rate of 82%.

During the year, it considered in particular:

– the acquisition of Eiffage's minority interest in Cofiroute, in which VINCI has the majority interest;
– various acquisitions, including those of Solétanche Bachy, Entrepose Contracting, Etavis, Nukem and the partnership with the Plastic Omnium group (Signature);
– the acquisition of a minority interest in Aéroports de Paris.

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 welfare benefit plans, benefits in kind and miscellaneous pecuniary rights, including any free shares or share subscription or share purchase options granted to the Chairman, the Chief Executive Officer, the Senior Executive Vice-Presidents and, if applicable, any salaried employees who are members of the Board;
– propose to the Board the determination of an overall package of free shares and/or share subscription or purchase options relating to the Company's shares and the general and specific conditions applicable to these allocations;
– express an opinion on Senior Management's proposals regarding the number of beneficiaries;
– propose to the Board an aggregate amount of directors' fees and the manner of their allocation.

Composition

The Remuneration Committee comprises at least three Directors designated by the Board. Its Chairman is Quentin Davies, and since 10 May 2007 its members have been Dominique Bazy and Jean-Bernard Lévy. Until 10 May 2007, its members were Quentin Davies (Chairman), Dominique Bazy, and Alain Dinin (until his resignation on 8 December 2006) and Dominique Ferrero.

Activities in 2007

The Remuneration Committee met three times in 2007, with a participation rate of 100%.

The Committee examined and made proposals to the Board regarding:

– the remuneration of Yves-Thibault de Silguy, Xavier Huillard, Roger Martin and Jacques Tavernier;
– the implementation of a free share plan;
– the number of free shares granted and the number that should be retained by the company officers during the full period of their appointment;
– the Chairman's supplementary pension.

The Appointments Committee

Terms of reference

This Committee

– prepares the Board's discussions on the assessment of the Company's Senior Management;
– examines, on a consultative basis, the Senior Management's proposals relating to the appointment and dismissal of the Group's main executives;
– is informed of the policy drawn up by Senior 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 those 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 Directors designated by the Board. Its Chairman is Yves-Thibault de Silguy, and since 10 May 2007 its members have been Dominique Bazy and Henri Saint Olive. Until 10 May 2007, its members were Yves-Thibault de Silguy (Chairman), Bernard Huvelin and Henri Saint Olive.
The Chief Executive Officer attends the Committee's meetings, except when it assesses the Senior Management's performance.

Activities in 2007

The Committee met three times in 2007 with an average attendance rate of 100%. The Committee examined in particular the report on the assessment of the Board of Directors, the candidates for Board Membership and the policy for management of executives.

2.7 Company officers' remuneration and interests

2.7.1 Directors' fees

The Shareholders General 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.

At its meeting on 27 February 2008, the Board of Directors allocated the Directors' fees for the year commencing 1 January 2008 as follows, as proposed by the Remuneration Committee:
- €70,000 for the Chairman of the Board, including €20,000 as a variable fee;
- €33,000 for each Director, including €20,000 as a variable fee;
- a supplementary amount of €25,000 for the Chairman of each Committee and a supplementary amount of €15,000 for the members of the Audit Committee and of €10,000 for the members of the other Committees.

Payment of the variable fee depends on the Member's presence at Board Meetings, an amount of €2,500 being deducted from the maximum for each absence from Board Meetings after the first.

The total amount of Directors' fees paid in 2007 by the Company (for the second half of 2006 and the first half of 2007) amounted to €713,001. Some company officers also received Directors' fees in 2007 from companies controlled by VINCI.
The total amount of Directors' fees accounted for by VINCI in respect of the 2007 financial year was €611,001.

The following table shows the Directors' fees paid in 2007 to the Directors and Senior Executive Vice-Presidents of VINCI:

(in euros)	**Directors' fees paid in 2007 by VINCI**	**Directors' fees paid in 2007 by companies controlled by VINCI**
Directors		
Yves-Thibault de Silguy	120,000	-
Xavier Huillard	33,000	22,818
Dominique Bazy	64,250	-
Robert Castaigne	10,750	-
François David	43,000	-
Quentin Davies	73,000	-
Patrick Faure	47,167	-
Dominique Ferrero	42,167	-
Bernard Huvelin	43,833	33,906
Jean-Bernard Lévy	12,667	-
Henri Saint Olive	58,000	-
Pascale Sourisse	9,917	-
Denis Vernoux	43,000	-
Former Directors		
Alain Dinin	21,500	-
Serge Michel	22,000	-
Alain Minc	28,000	-
Willy Stricker	19,250	-
Bernard Val	21,500	-
Senior Executive Vice President		
Jacques Tavernier	-	-
Former Senior Executive Vice-President		
Roger Martin	-	25,535
Total	713,001	82,259

Note: Directors fees received by company officers are deducted from the remuneration paid to them by the Company.

2.7.2 Shares 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 1,000, which, on the basis of the share price on 31 December 2007 (€50.65), amounts to a minimum of €50,650 invested in VINCI shares.

The table below summarises the number of shares held by the Company Officers at 31 December 2007:

Company officer	**Number of VINCI shares**
Directors	
Yves-Thibault de Silguy	1,580
Xavier Huillard	443,752
Bernard Huvelin	482,858
Dominique Bazy	1,400
Robert Castaigne	1,000
François David	1,184
Quentin Davies	3,600
Patrick Faure	4,800
Dominique Ferrero	2,120
Jean-Bernard Lévy	2,400
Henri Saint Olive	41,968
Pascale Sourisse	1,000
Denis Vernoux	20
Senior Executive Vice President	
Jacques Tavernier	400
Former Senior Executive Vice-President	
Roger Martin	384,090

2.7.3 Remuneration of Executive Company Officers

The remuneration of the Chairman, the Chief Executive Officer and the Senior Executive Vice-President is determined by the Board of Directors on proposal by the Remuneration Committee.

The Board of Directors, as proposed by the Remuneration Committee, approved a set of performance criteria to be taken into account in determining the variable remuneration of the Chairman and of the Chief Executive Officer. These comprise the following indicators: (a) net earnings per share; (b) cash flow from operations per share; (c) ROCE; (d) changes in the VINCI share price; (e) the relative performance of the VINCI share price compared with the CAC 40 index; (f) the relative performance of the VINCI share price compared with a basket of European companies in the sector; and (g) changes in the dividend. The application of this formula to the Group's performances in 2007 resulted in a change of 13.4%.

The remuneration paid during the last three years by VINCI and by Group companies to the current executive company officers of VINCI was as follows:

(in euros)	Yves-Thibault de Silguy	Xavier Huillard	Jacques Tavernier
Gross fixed salary	750,000	661,554	291,816
Gross variable salary	371,667	777,073	220,000
Directors' fees	120,000	55,818	–
Total paid in 2007	1,241,667	1,494,445	511,816
Gross fixed salary	437,500	667,527	278,171
Gross variable salary	–	700,000	120,000
Directors' fees	33,583	38,827	–
Total paid in 2006	471,083	1,406,354	398,171
Gross fixed salary	–	354,307	–
Gross variable salary	–	380,000	–
Directors' fees	40,000	26,056	–
Total paid in 2005*	40,000	760,363	–

** This remuneration dœs not include the allowances and bonuses paid by the Caisse des Congés Payés construction industry holiday pay fund.*

Furthermore, in accordance with the recommendations of Afep and MEDEF on the remuneration of executive company officers of listed companies, the Company discloses below the remuneration due in respect of each of the last three years, as set by the Board of Directors as proposed by the Remuneration Committee, regardless of the year in which payment of the remuneration in question was received:

(in euros)	Yves-Thibault de Silguy	Xavier Huillard	Jacques Tavernier
Gross fixed salary	750,000	700,000	291,204
Gross variable salary	850,500	848,072	231,000
Total due in respect of 2007*	1,600,500	1,548,072	522,204
Gross fixed salary	437,500	700,000	280,000
Gross variable salary	437,500	777,400	220,000
Total due in respect of 2006*	875,000	1,477,400	500,000
Gross fixed salary	–	400,000	–
Gross variable salary	–	700,000	–
Total due in respect of 2005*	–	1,100,000	–

** The remuneration due includes all Directors' fees received from VINCI and any Group company, where applicable.*

a) Remuneration of Yves-Thibault de Silguy

Yves-Thibault de Silguy was appointed Chairman of the Board of Directors on 1 June 2006. In June 2006, the Board of Directors set his remuneration at €1,500,000 for a full year. This remuneration comprises a fixed part of €750,000 and a variable part of €750,000. The amount of the variable part depends on the performance criteria mentioned above. The variable part of Yves-Thibault de Silguy's remuneration was set by the Board of Directors at €850,500 in respect of 2007. The fixed part has not been altered.

The Company's Board of Directors has granted Yves-Thibault de Silguy an additional retirement pension of €380,000 because, in order to accept his appointment at VINCI, he resigned from his functions at Suez and therefore lost the benefit of an equivalent retirement pension that he would otherwise have acquired within that group. This commitment, which was approved by the Shareholders General Meeting of 10 May 2007, must be made compliant with the provisions of Article L.225-42-1 of the French Code of Commerce (as amended by Act 2007-1223 of 21 August 2007), which require that it should be subject to performance conditions. At its meeting on 27 February 2008, the Board of Directors decided that this retirement pension would be acquired if, on expiry of Yves-Thibault de Silguy's appointment, trends in both quantitative indicators (net profit, cash flow from operations, ROCE, VINCI share price, outperformance of the VINCI share compared with a sample of comparable companies, and dividends) and qualitative indicators (connected with his personal performance) were, in the majority, positive. The Board monitors these indicators annually. This commitment will be submitted for approval by the Shareholders Meeting on 15 May 2008. The Company has made no commitment to pay Yves-Thibault de Silguy a leaving bonus.

b) Remuneration of Xavier Huillard

In December 2005, the Board of Directors approved the arrangements for the remuneration of Xavier Huillard, which comprises a fixed part of €700,000 and a variable part initially set at €700,000. The variable part comprises a part that can be adjusted by application of the performance criteria mentioned above and a part (amounting to €250,000) payable at the Board's discretion.

The variable part of Xavier Huillard's remuneration was set by the Board of Directors at €848,072 in respect of 2007, of which €250,000 was at the Board's discretion. At Xavier Huillard's request, the fixed part has not been altered.

Like some of the Group's management staff, Xavier Huillard is also a member of the supplementary retirement benefit scheme mentioned in paragraph (f) below. The Company has made no commitment to pay him a leaving bonus.

c) Remuneration of Jacques Tavernier

Jacques Tavernier was appointed Senior Executive Vice-President on 15 May 2006. He has been Chairman and Chief Executive Officer of Eurovia since January 2008. Previously, he was Chief Executive Officer of VINCI Concessions and Chairman and Chief Executive Officer of Autoroutes du Sud de la France. His remuneration has been set by the Board of Directors at €522,204. This remuneration comprises a fixed part of €291,204 and a variable part of €231,000.

Like some of the Group's management staff, Jacques Tavernier is also a member of the supplementary retirement benefit scheme mentioned in paragraph (f) below. The Company has made no commitment to pay him a leaving bonus.

d) Remuneration of Roger Martin

The Board of Directors approved the remuneration of Roger Martin in 2006 and 2007. It was decided that this remuneration would comprise a fixed part and a variable part based on an index comprising performance criteria applicable to the Eurovia group.

In 2007, Roger Martin received €451,504 in respect of the fixed part and €460,000 in respect of the variable part relating to 2006.

Roger Martin agreed to resign as Executive Vice-President of VINCI on 21 December 2007 and to resign as Chairman and Chief Executive Officer of Eurovia in January 2008 in order to allow efficient handover of the management of this company to his successor.

The Board has decided, in view of the excellent performances of the Eurovia group, to pay him an amount of €635,000 in December 2007 in respect of the variable part of his 2007 remuneration.

Roger Martin is a member of a supplementary retirement benefit scheme that guarantees him a total pension of 50% of his final year's remuneration, the rate being determined on the basis of his length of service and age.

At 31 December 2007, the Company's commitment in respect of Roger Martin's supplementary pension was €5,851.5 thousand.

e) Benefits in kind paid to Company Officers

In 2007, Yves-Thibault de Silguy, Xavier Huillard, Bernard Huvelin, Roger Martin, Jacques Tavernier and Serge Michel have had the use of a company car.

f) Obligations in respect of supplementary retirement schemes

Some of the Group's management staff who meet certain eligibility conditions are members of a supplementary retirement benefit scheme, which guarantees them a total pension of between 20% and 35% of the average of their final three years' remuneration, with a maximum of €84,372 per annum. Xavier Huillard and Jacques Tavernier, Company Officers, are members of this scheme.

At 31 December 2007, the Company's obligations in respect of retirement pensions of company officers amounted to €9,046.6 thousand, broken down as follows:

Beneficiary	Obligation at 31 December 2007 in k€
Yves-Thibault de Silguy	5,617.7
Xavier Huillard	749.2
Jacques Tavernier	1,101.0
Bernard Huvelin	1,578.7

Retirement benefit obligations are also described on page 227.

2.7.4 Policy on granting of options or free shares

The Company's Board of Directors has no authorisation from the Shareholders General Meeting to grant subscription or purchase options.

In respect of free shares, the Company's policy is to grant free shares to a significant number of the Group's employees in order to associate them with its good performance.

2.7.5 Share subscription or share purchase option plans

Under the authorisations that it had from the Shareholders General Meeting before 2007, the Board of Directors of VINCI had decided to implement share subscription and/or share purchase option plans, of which the details are given in the following table.

Details of share subscription and share purchase option plans

	Date		Original number of		Of which, options granted to		Dates				
	Shareholders Meeting	Board Meeting	Beneficiaries	Options(*)	Company officers(*)	Top 10 employee beneficiaries (*)(**)	From which option may be exercised	Of expiry of option	Options not exercised at 31/12/2007	Adjusted exercise price in euros	Number of remaining beneficiaries
VINCI 1998	18/06/93	04/03/98	66	962,000	0	180,000	01/01/99	04/03/08	8	6.27	1
GTM 1998	-	-	211	1,429,440	81,600	199,200	25/03/00	24/03/06	0	6.35	0
VINCI 1999 n°1	25/05/98	09/03/99	88	2,608,000	240,000	700,000	09/03/01	08/03/09	47,532	9.30	4
VINCI 1999 n°2	25/05/98	07/09/99	590	4,012,764	626,668	680,000	07/09/01	06/09/09	226,614	10.36	70
GTM 1999	-	-	369	2,771,472	168,000	360,000	24/03/01	23/03/07	0	8.07	0
VINCI 2000 n°1	25/10/99	11/01/00	40	3,900,000	1,000,000	1,360,000	11/01/02	10/01/10	127,784	12.25	4
VINCI 2000 n°2	25/10/99	03/10/00	999	7,070,000	180,000	531,200	03/10/02	02/10/10	1,128,400	13.96	255
GTM 2000	-	-	355	2,256,480	168,000	244,800	24/01/02	23/05/08	248,337	8.73	59
VINCI 2001	25/10/99	08/03/01	3	930,000	930,000	0	08/03/03	07/03/11	24,333	13.96	1
VINCI 2002 n°1	25/10/99	17/12/02	287	9,802,000	2,620,000	1,212,000	25/01/04	17/12/12	2,261,211	15.59	129
VINCI 2002 n°2	25/10/99	17/12/02	409	10,000,000	2,760,000	1,020,000	17/12/04	17/12/12	1,952,554	12.96	190
VINCI 2003	14/05/03	11/09/03	126	5,608,000	1,400,000	1,296,000	11/09/05	11/09/13	2,395,589	15.04	91
VINCI 2004	14/05/03	07/09/04	142	6,344,000	1,640,000	1,420,000	07/09/06	07/09/14	4,703,490	20.18	132
VINCI 2005	14/05/03	01/03/05	158	5,081,136	2,268,000	1,176,000	16/03/07	16/03/12	3,283,141	24.20	156
VINCI 2006 n°1	14/05/03	09/01/06	8	2,630,000	1,850,000	780,000	09/01/08	07/01/13	1,071,950	35.58	6
VINCI 2006 n°2	14/05/03	16/05/06	1,352	3,383,606	50,000	242,000	16/05/08	16/05/13	3,368,239	40.32	1,345
Total subscription plans			**2,410**	**68,788,898**	**15,982,268**	**11,401,200**			**20,839,182**	**22.43**	**1,669**
VINCI 1999 n°2	25/05/98	07/09/99	590	8,025,236	1,253,332	1,360,000	07/09/01	06/09/09	451,096	10.69	70
VINCI 2000	25/10/99	03/10/00	999	7,070,000	180,000	531,200	03/10/02	02/10/10	1,122,358	11.77	254
VINCI 2001	25/10/99	08/03/01	3	930,000	930,000	0	08/03/03	07/03/11	24,333	13.96	1
VINCI 2002	25/10/99	25/01/02	7	198,000	0	198,000	25/01/04	24/01/12	6,913	15.59	1
VINCI 2006 n°2	14/05/03	16/05/06	1,352	3,383,606	50,000	242,000	16/05/08	16/05/13	3,368,239	40.32	1,345
Total purchase plans			**2,042**	**19,606,842**	**2,413,332**	**2,331,200**			**4,972,939**	**31.02**	**1,525**
Total			**1,743**	**88,395,740**	**18,395,600**	**13,732,400**			**25,812,121**	**24.09**	**1,672**

(*) Original number adjusted for the two-for-one share split in May 2007 but not adjusted for the increase in share capital in April 2006 (except for the 2006 No. 2 plan).
(**) Not company officers.

a) Options granted in 2007

No options plan was set up in 2007.

No subsidiary controlled by VINCI has granted share subscription or purchase options.

b) Options exercised in 2007

Between 1 January and 31 January 2007, 11,351,145 options were exercised, comprising 10,476,607 subscription options and 874,538 purchase options.

Given the above, and the adjustment to the number of options following the two-for-one share split in May 2007, the number of options not exercised as at 31 December 2007 was 25,812,121 options, at an average exercise price of €24.09 (comprising 20,839,182 subscription options at an average price of €22.43 and 4,972,939 purchase options at an average price of €31.02).

In 2007, VINCI's company officers exercised the following options:

Company officer	Number of shares subscribed to or purchased following the exercise of options(*)	Weighted average price (in euros)(*)
Yves-Thibault de Silguy	-	-
Xavier Huillard	334,288	15.45
Roger Martin	294,286	13.49
Jacques Tavernier	-	-

(*) The number of options and the exercise price are adjusted for the two-for-one share split in May 2007.

In 2007, the top ten VINCI Group employees other than company officers exercised the following options:

	Total number of shares subscribed to or purchased following the exercise of options(*)	Weighted average price (in euros)(*)
Total number of VINCI options exercised during the period by the top ten employees, other than Company Officers, who purchased or subscribed to the largest number of shares through exercise of options	1,279,232	14.65

(*) The number of options and the exercise price are adjusted for the two-for-one VINCI share split in May 2007.

2.7.6 Free share plan

On 11 December 2007, the Board of Directors decided to use the authorisation given to it by the Shareholders General Meeting of 16 May 2006 to implement a plan for the granting of free shares in the Company with effect from 2 January 2008. This plan provides for the granting of 2,165,700 existing shares to 1,570 Group executives and employees. Under this plan, Company Officers were granted the following:

Company officer	Shares granted
Yves-Thibault de Silguy	18,000
Xavier Huillard	22,000
Roger Martin	18,000
Jacques Tavernier	14,000

Grants of free shares to the 10 employees other than Company Officers who received the largest number of free shares were as follows:

	Shares granted
Total number of shares granted to the 10 Group employees other than company officers who received the largest number of shares	130,000

The plan provides that the shares are only definitively allocated at the end of a vesting period of two years, which the Board can extend to three years. The number of shares definitively granted to the beneficiaries depends on a performance indicator which must increase on average by 10% annually during the vesting period. If the increase is less than 10% a year, the number of free shares is reduced proportionally.

The performance indicator takes account of (I) the outperformance of the VINCI share compared with a sample of comparable European shares in the construction and infrastructure concessions sector (for 50%), (II) the increase in earnings per share (for 12.5%), (III) the increase in cash flow from operations before tax and financing costs (for 12.5%), (IV) the increase in operating profit (for 12.5%) and (V) the increase in return on capital employed (for 12.5%).

The plan also provides that the shares thus granted must be held for two years, during which time they may not be disposed of.

The Board of Directors has decided that Company Officers must retain, during their period of appointment, one quarter of the shares granted.

Detail of the free share plans

Plan	Date		Original number of		Of which, shares granted to		Date				
	Shareholders Meeting	Board Meeting	Beneficiaries	Free shares	Company officers	Top 10 employee beneficiaries(4)	Start of vesting period	End of vesting period	End of conservation period	Number of remaining shares	Number of remaining beneficiaries
VINCI 2007	16/05/06	12/12/06	1,434	2,200,000(1)(3)	55,000	139,000	02/01/07	02/01/09 (2)	02/01/11 (2)	2,192,600	1,429
VINCI 2008	16/05/06	11/12/07	1,570	2,165,700(1)	72,000	130,000	02/01/08	02/01/10 (2)	02/01/12 (2)	2,165,700	1,570
Total			2,106	4,365,700 (1)	127,000	269,000				4,358,300	2,101

(1) Number may be less depending on a performance indicator.
(2) The Board of Directors may extend these dates by one year.
(3) This number takes account of the two-for-one share split in May 2007.
(4) Not company officers.

Share transactions by company officers, executives and persons referred to in Article L.621-18-2 of the French Monetary and Financial Code

In 2007, transactions by the Group's company officers and executives subject to spontaneous declaration of their share transactions were as follows:

(in number of shares)	**Acquisitions**	**Disposals**
Yves-Thibault de Silguy	-	-
Xavier Huillard	334,288	250,702
Bernard Huvelin	-	-
Dominique Bazy	-	-
François David	-	-
Quentin Davies	336	-
Patrick Faure	-	-
Dominique Ferrero	-	-
Serge Michel	-	-
Henri Saint Olive	-	-
Denis Vernoux	20	-
Roger Martin	294,286	93,380
Jacques Tavernier	400	-
Pierre Coppey	147,012	89,840
Christian Labeyrie	42,600	32,897

Report of the Chairman on the work of the Board of Directors and internal control procedures

Article L. 225-37 of the French Code of Commerce requires the Chairman of the Board of Directors of VINCI to report on:
– how the Board of Directors' work is prepared and organised;
– the principles and rules established by the Board of Directors to determine all types of compensation and benefits paid to company officers; and
– the internal control procedures put in place by the Group.

The Chairman's report on the work of the Board of Directors and the principles and rules established by it to determine all types of compensation and benefits paid to company officers are given in paragraph 2.7 of the Corporate Governance chapter on page 146-152. 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 the manager of each profit centre – some 2,500 in total in the Group – to take the required operational decisions rapidly, a decentralised organisation has been implemented in each of the four business lines (Concessions, Energy, Roads and Construction) and in VINCI Immobilier.

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

This delegation of authority to operational and functional management staff is carried out complying with the general guidelines (see paragraph 3.3) and the principles of conduct and behaviour to which VINCI is strongly committed:
- rigorous compliance with the rules common to the whole Group, in particular in respect of entering into commitments, risk-taking (see paragraph 3.3), acceptance of business (see paragraph 4.1) and submission of 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 and their teams;
- 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, within the framework of the general guidelines received, 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, and, in particular, rigorous compliance with the rules on competition and ethical behaviour;
- 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, external 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 and specific, unannounced assignments in order, in particular, to satisfy themselves that these principles are applied permanently and effectively.

2. The objectives of internal control

2.1 Definition

On 31 October 2006, the French Stock Market regulator, the *Autorité des marchés financiers* (AMF), published the findings of the working group formed under its ægis. This publication, entitled "The Internal Control System – Reference Framework" recommends the use of the standard published by the Committee of Sponsoring Organisations (COSO), which is the most commonly accepted internationally. The Group already applied this standard and continued to do so in 2007.
According to COSO, *"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."

In January 2007, the AMF published its recommendations for the implementation and control of this reference framework. Even though they are optional, the Group has undertaken the action that appeared necessary in order to comply with the reference framework's general principles on internal control.

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 environment of internal control

3.1 The Board of Directors and the Audit Committee

VINCI's 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 during the Group's business, in particular its major strategic choices.

The Board of Directors, which adopted a set of internal rules in 2003 and set up ad hoc committees for audit, appointments and remuneration, and strategy, has delegated certain specific tasks to the Audit Committee regarding accounting rules and procedures, and the monitoring and analysis of accounts and forecasts, internal control and risk management, such as for example the monitoring of provisions, off-balance sheet commitments and the level of debt.

3.2 The Executive Committee

The Executive Committee currently has ten members:
- the Director and Chief Executive Officer;
- the Senior Executive Vice-President, who is also Chairman of Eurovia;
- the Executive Vice-President and Chief Financial Officer;
- the Chairman of VINCI Construction;
- the Chairman of VINCI Construction France;
- the Chairman of VINCI Energies;
- the Chief Executive Officer of VINCI Concessions;
- the Chairman of VINCI Autoroutes France, who is also Chairman of ASF;
- the Vice-President, Business Development;
- the Honorary Chairman of Eurovia.

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

3.3 General guidelines

The Chairmen of the companies heading divisions (VINCI Energies, Eurovia and VINCI Construction), the Chief Executive Officer of VINCI Concessions and the Chairman of VINCI Immobilier, exercise the powers given to them by law.
Under the Group's internal organisation, they are also required to comply with the general guidelines issued by VINCI's Director and Chief Executive Officer.

These apply in particular to the following areas:
- the entering into **commitments**, and in particular the acceptance of new business of a significant size or involving significant potential risks; corporate acquisitions and disposals; property development, investments and divestments; and material off-balance sheet commitments;
- the submission of **information** in connection with the Group's requirements for accounting and financial data or relating to events that are material for the Group, in particular in respect of litigation, disputes and insurance policies and claims.

In particular, these general guidelines require compliance with the holding company's procedures regarding the acceptance of new business or the making of investments. These procedures define thresholds above which specific authorisation has to be obtained from the appropriate committees – the Risk Committee (see paragraph 4.1), the Strategy Committee of the Board of Directors (see paragraph 3.1) – or prior information has to be submitted to the Director 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 general procedures laid down by the holding company and to supervise the situation in each division as regards procedures, ensuring in particular that they are adapted to the Group's situation and organisation, while complying with the requirements of the Financial Security Act of 1 August 2003.
It also organises the meetings of the VINCI Risk Committee charged with examining and authorising the acceptance of new business that exceeds certain thresholds.
In this connection, 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 various divisions' General Management.

The Internal Audit Department works mainly with divisions' 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 divisions

The holding company has staff restricted to some 140 people, suited to the Group's strongly decentralised structure. In particular, the holding company's 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 divisions on technical matters but do not interfere in the taking of operational decisions, which are the sole responsibility of the divisions.

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 division, in particular for the monitoring of projects and forecasting of results, especially for contracts spanning several years.

4.1 VINCI Risk Committee procedures

Strict procedures are in force that must be complied with before new business is accepted.
The VINCI Risk Committee has to assess:
- acquisitions and disposals of activities;
- the terms and conditions of submitting offers for work worth more than the thresholds set, and in particular the associated technical, legal and financial commitments; these thresholds relate to the entire operation, taking all lots together, whatever the share obtained by Group entities in the operation, and however the enterprise is contacted (directly, through an invitation to tender, etc.);
- all transactions relating to property development, concession operation, public-private partnerships (PPPs) or long-term commitments, including all associated financing, whether in France or abroad.

For construction work contracts, other thresholds, lower than those necessitating consideration by the Risk Committee, trigger submission of prior information to VINCI General Management on an alert form. If the Chief Audit Officer considers that the alert form renders it necessary, in particular in view of the offer's specific technical, geographical or financial features and the associated risks, he may propose that a specific Risk Committee meeting be held.
Lastly, under the system of delegation and sub-delegation in place, other thresholds trigger a requirement for a formal agreement from the division's General Management, under the procedure specific to and defined by each division.

The Risk Committee's objective is to examine business that, particularly because of its size, financing, location or specific nature, bears a special risk, whether technical, legal, financial or other.
Submission to the Risk Committee constitutes formalisation of the commitment made by the manager of the subsidiary in question to his or her superiors as to the quality of the analysis made and therefore of the offer envisaged, and consequently, the expected level of profit on the project presented.

The Risk Committee is usually comprised of the following members:
- the Director and Chief Executive Officer;
- the Executive Vice-President and Chief Financial Officer;
- the Chief Audit Officer;
- the Chairman (or Chief Executive Officer) of the division in question;
- representatives from the operational staff (the general manager, project manager, design office, etc.);
- representatives of the functional departments (legal, insurance, finance, etc) of the company or division in question.

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, concessions contracts and public-private partnerships).
The holding company's Risk Committee, in its various configurations, met 190 times in 2007.

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, company and consolidated 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 parent company and consolidated financial statements and forecasts (consolidation of budgets, budget updates and three-year forecasts);
- the definition and monitoring of the Group's accounting procedures and the application of the IFRSs;
- 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 divisions 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 division's position and financial data, in the presence of the Group's Director and Chief Executive Officer and its Executive Vice-President – 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 divisions. It is distributed to the General Management and the members of the Executive Committee.

The Management of each division prepares a specific report on the month's key events. These are centralised at the holding company and then distributed to the General Management and the members of the Executive Committee.
This information is also sent to the Internal Audit Department.
The Budgets and Consolidation Department lays down a timetable and closure instructions for the preparation of the half-yearly and annual accounts. These instructions, sent to the divisions' Finance Departments, are presented in detail to the staff in charge of consolidation in the entities in question.

The Group's accounting rules and methods, including the definition of reporting documents and consolidation packages, are set out in widely distributed procedural notes. Specific detailed monitoring is carried out for some areas – such as provisions for liabilities, deferred tax and off-balance sheet commitments.
At each accounts closure, divisions send the Budgets and Consolidation Department a dossier with an analysis with commentary of 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, and to the Audit Committee.
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. The Statutory Auditors first present their observations to the Management of the divisions in question and of the VINCI holding company.

Before signing their reports, the Statutory Auditors request letters of representation from Group Management and divisional management. In these representations, group management and divisional management confirm, in particular, that they consider that all items at their disposal have been submitted to the Statutory Auditors to enable them to perform their duties and that the effects of any anomalies still unresolved at the date of those representations and noted by the Statutory Auditors do not have a material impact, either individually or in aggregate, on the financial statements taken as a whole.

Divisions have their own management accounting systems tailored to their business. Specific budgetary control tools linked to the accounting system have been installed in the Energy, Roads and Construction divisions and each of the concession activities (motorways, car parks, etc) and allow regular monitoring of the progress of sites and contracts.

5. Actions undertaken to strengthen internal control

5.1 Reminder of work carried out before 2007

In 2003, VINCI initiated an action plan intended to enhance the quality of the internal control system, without bringing into question the principles and features of its management organisation, which combines, in a decentralised environment, an entrepreneurial culture, the autonomy of operational managers, 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 major business line processes.

The second stage related to determining and describing the current organisation of internal control, the aim being to describe the internal control arrangements existing in 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 extending the listing of risks and associated controls to all Group entities. 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 allowed the identification of the critical processes that the various entities should assess from an internal control viewpoint. In this connection, the order-taking process appeared to be a priority. The main risks inherent in the Group's activities are analysed in the "Risk Management" section of this registration document (see pages 169-174.)

2004 also saw the implementation of the decisions taken in 2003 on the improvement of the internal control environment:
- distribution of the Chief Executive's general guidelines (see paragraph 3.3) to all the operational and functional managers of divisions 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 division; 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 divisions where none existed and an increase of divisions' 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 functions or appointments, acquisition or disposal of securities, reorganisation, property and other tangible assets, human resources, budgetary management, banking relations and financial commitments, administrative management, communication and the use of brands and logos.

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 (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 divisions. They were analysed using various criteria: division, business line, geographical area, and revenue.
In 2006, 208 entities (including 45 outside France) were questioned and replied to these same questionnaires.

Furthermore, in 2006, more detailed replies to the questions were requested, with five possible answers instead of three. Given the general improvement in internal control within the Group, this allowed the subjects requiring particular attention to be identified more precisely.
Lastly, improvements to the software used for these surveys allowed each division and sub-division to use the information generated by this survey better, in order to carry out the necessary improvements.
As in the previous year, the information was analysed by the Internal Audit Department according to several criteria: division, business line, geographical area, and revenue.

A project to assess the operation of information systems has also been launched with 13 entities in continental France, forming a representative sample. These replied to a self-assessment questionnaire comprising four sections:
- the information systems environment (32 questions);
- acquisition, development and deployment of software and hardware (43 questions);
- operation (27 questions);
- information systems security (56 questions).

5.2 Work carried out in 2007

In 2007, before the survey on the assessment of internal control within the Group was made, the questionnaires were reviewed by a committee of experts from the divisions and the holding company in the light of the results of the 2006 survey and the recommendations published in January 2007 by the AMF, with a view to taking them fully into account.
The annual survey related to 218 entities (including 37 outside France) representing more than 60% of the Group's consolidated business. The questionnaire comprised 130 questions for operational entities (211 entities surveyed) and 73 questions for the holding companies (7 entities surveyed).
Furthermore, to ensure full compliance with the AMF's recommendations, a specific questionnaire has been sent to the Chairman of the Board of Directors covering matters relating solely to his function; this questionnaire was duly completed.
The replies were analysed by the Internal Audit Department using the criteria of geographical area, business line, entity size and process. A summary was presented to the Audit Committee.
A project to update the mapping of the Group's information technology risks, with the assistance of external specialists, was launched at the end of 2007, continuing the work carried out in 2006.
This project, run by the holding company's Internal Audit Department and Information Systems Department, will produce a report in 2008.

At **VINCI Construction,** the management control and internal audit functions are mainly performed at the level of the various sub-divisions, given the division's size and the variety of its activities. The construction division's holding company has a small number of staff, and its role is to define common rules, based on the Group's rules but adapted to the specific features of its business, to monitor internal control work programmes drawn up by the sub-divisions (including the deployment of new computerised tools or new procedures), to verify their consistency and progress, and lastly to initiate audits at its own initiative or at the Group holding company's suggestion.
The sub-divisions in the construction division are VINCI Construction France, VINCI Construction Grands Projets, VINCI Construction Filiales Internationales, Freyssinet International, Solétanche Bachy (since 2007), Entrepose Contracting (since 2007), VINCI plc (UK), and CFE (Belgium).

In 2007, following the formation of VINCI Construction France, through the merger of Sogea Construction and GTM Construction, major work has been started to harmonise methods and resources. This involved extending the use of the internal control charters and manuals previously developed and used by Sogea Construction to the new sub-division and pursuing a project to replace the financial management and accounting systems, launched in 2006, which should enable a single tool to be selected and deployed. This unification should allow internal control to be simplified and strengthened.
At the same time, various internal audit assignments were conducted in 2007. The two main ones were at regional management level, in the Rhône-Alpes and South-west regions, which together account for several dozen profit centres audited.
The points looked at in priority in these audits were:
- order-taking;
- purchases;
- production of financial information.

In 2007, Freyssinet International continued the audit campaign started in 2006 on the basis of a very detailed questionnaire, based on the Group questionnaire and adapted, focusing mainly on financial, legal and computing issues. Five internal audit assignments, of which four were outside France, were also carried out, looking at procedures and accounts.

VINCI PLC (UK) has started a project to overhaul its management tools and redefine its internal control staff's duties and resources. Run by an interdisciplinary team (the Finance Leadership Team), the aim of this project is to harmonise, unify and reinforce procedures and computing tools, thus contributing to an improvement of the internal control culture in all the enterprise's functions, enhancing the effectiveness of internal control.

Solétanche Bachy joined the Group in 2007. One of the main areas of action taken with regard to internal control since that date has been the deployment of the Group's rules and procedures throughout the sub-division.
Like VINCI Construction Grands Projets and a large part of VINCI Construction France, Solétanche Bachy's main subsidiaries are certified ISO 9001:2000; this results from the implementation and strict application of numerous operational and administrative procedures. This has also allowed an internal control culture to be developed.

VINCI Construction Filiales Internationales has continued the development of a corpus of inter-departmental internal control rules, building on those laid down by the Group. Several internal audit assignments have also been carried out, in particular in Eastern Europe.

VINCI Energies has continued the work commenced in previous periods, and 37 new process specification forms have been added to the division's internal control manual. The division's specific self-assessment questionnaire has been added to, with the number of questions increasing from 281 to 344. It was completed by 630 profit centres in 2007 (compared with 580 in 2006), representing 95% of the total of the division.
The division's internal control staff carried out 24 assignments in 2007, of which 5 in profit centres outside France (three in Germany, one in the Czech Republic and one in Poland). Various processes were reviewed, with particular emphasis on order-taking.
In addition, staff from the division's various finance departments conducted 71 internal control reviews in its profit centres, in particular in order to verify correct application of the internal control manual.

In 2007, **Eurovia** continued the work already under way on strengthening its internal control.
Progress has been made in the harmonisation and continuing deployment of methods and management tools (Kheops, Ermes) across the division. Since the beginning of 2007, these have been in use in the UK and the USA. They are now used in all the French, and most of the foreign, businesses, enabling greater homogeneity in the processing of accounting, financial and management data, together with greater transparency, thus further facilitating their analysis and enabling simpler and more systematic control.
At the same time, the staffing and resources of the internal control departments – located in centres of shared services – have been increased. This enables them to provide greater services to operational entities and to act more proactively.
Likewise, the implementation of Group internal control rules applicable throughout Eurovia has contributed to this harmonisation.
The implementation of a risk-centred approach in the division's holding company's departments and the mapping of risks have also contributed in 2007 to a heightening of employees' awareness of control. In the future, this approach will be adapted and extended throughout the division.
The division's internal audit department conducted 29 assignments in 2007, of which 10 were outside France. The key areas considered in these audits included:
- order-taking and monitoring of the order book;
- the management of subcontracting and the associated contractual formalities;
- HR management procedures;
- use of the division's management tools, and in particular inclusion in Kheops.

VINCI Concessions has the means to coordinate the implementation of internal control, which remains the responsibility of the division's constituent companies.
In addition to VINCI Concessions' resources, ASF, ESCOTA and VINCI Park also have their own audit functions. The VINCI Concessions internal audit department also carries out specific reviews of some infrastructure concession entities directly, and these are updated regularly.
In 2007, several dozen assignments were carried out at VINCI Park to ensure that the procedures for the operation of its car parks were complied with. Particular attention was paid by ESCOTA to the procedures for delegating authority and rights of signature. Lastly, Cofiroute has sought to verify the quality of its toll debt collection and anti-fraud procedures. The assignments carried out in the various companies in 2007 revealed no anomalies that would raise doubts as to the level of internal control in the entities audited.

VINCI Immobilier continued the project commenced in 2006 to overhaul all its procedures, which was made necessary by the merger of Sorif and Elige that led to its formation.
Following a phase in which existing arrangements were identified and analysed, internal control procedures have been established and implemented.
A review of IT tools has also been carried out. This allowed a mapping of IT risks to be drawn up, which was used extensively when deploying new IT facilities.
As from 2008, all these tools (procedures and new IT systems) should enable further improvements to be made to internal control.

5.3 Work to be done in 2008 and beyond

VINCI's various divisions are aware of the importance of internal control and are deploying the necessary resources in consequence.
In 2008, the priority areas for improvements identified for all divisions include:
- continuation of the formalisation of the internal control rules in divisions or their main entities, in order to have comprehensive standards, adapted to the various businesses but covering all internal control issues;
- continued deployment of management tools that are common to the various divisions, especially in the foreign subsidiaries;
- integration of the entities acquired in 2007, by deploying the procedures and resources common to the Group and those specific to their division, to ensure rapid dissemination and implementation of the Group's internal control culture, tools and practices;
- assessment of internal control, in particular by sampling during specific internal audit assignments carried out by management controllers or internal auditors assigned solely to those duties.

Moreover, it has been decided to undertake a review of the divisions' and sub-divisions' information systems, in order to assess their quality, long-term viability and security. This project, run by the Group's Internal Audit Department should enable the risks relating to internal control and information systems to be mapped.
This review will take most of 2008.
It will enable precise analyses to be made of the various situations and, if necessary, detailed work programmes to be devised to remedy any anomalies identified.

The annual internal control survey based on the self-assessment questionnaires will be extended further, in particular to the entities acquired in 2007, but also to a larger number of foreign entities. Lastly, to improve the use made of the questionnaires, they will be adapted for certain business lines – mainly concession operation – and the computer system used will be improved to allow each division to make better use of the data relating to its level.

VINCI will strive to continue to improve the organisation of internal control within the Group, while maintaining light command structures, at both holding company and divisional level and pursuing the following objectives:

- ensure the correct application of the Group's rules and procedures;
- monitor changes in regulatory requirements;
- maintain effective management of the main risks;
- 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 2007

To the Shareholders,

As Statutory Auditors of VINCI S.A., and in accordance with the requirements 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 provisions of Article L. 225-37 of the French Code of Commerce, for the period ended 31 December 2007.

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 organized and on the internal control procedures implemented within the Company. Our role is to report to you any matters on the information contained in the Chairman's report on internal control procedures relating to the preparation and treatment of accounting and financial information.

We conducted our work in accordance with professional standards applicable in France. Those standards require we carry out procedures so as to be able to assess the fair presentation of the information in the chairman's report, with respect to the internal control procedures relating to the preparation and treatment of accounting and financial information. Those standards require in particular that we:
- inform ourselves of the internal control procedures relating to the preparation and treatment of the accounting and financial information supporting the information presented in the Chairman' s report, and of the existing documentation;
- inform ourselves of the work done to prepare this information and the existing documentation;
- as certain if appropriate disclosure has been provided in the Chairman's report in respect of any major deficiencies of internal control relating to the preparation and treatment of accounting and financial information that we may have noted in performing our work.

On the basis of this work, we have no matters to report on the disclosure regarding 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 accordance with Article L.225-37 of the French Code of Commerce.

Paris-la Défense and Neuilly-sur-Seine, 19 March 2008
The Statutory Auditors

KPMG Audit
A department of KPMG SA

Patrick-Hubert Petit
Philippe Bourhis

Deloitte & Associés

Jean-Paul Picard
Mansour Belhiba

This is a free translation into English of the statutory auditors' report issued in French and is provided solely for the convenience of English speaking users.

This report should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France.

Report of the Board of Directors

A. Report on the financial statements for the year

1. Consolidated financial statements

VINCI's published consolidated financial statements at 31 December 2007 refer, for the purposes of comparison, to the 2006 statutory financial statements which only include data on ASF as from 9 March 2006, the date when VINCI acquired control of ASF.
To enable analysis on a comparable basis, this report comments on the data for 2007 compared with that for 2006 restated to show the effect of full-year consolidation of ASF.
Furthermore, the airport services operations, which were sold in September 2006, are shown on a separate line in both the income statement and the balance sheet (both statutory and pro forma financial statements), in accordance with IFRS 5 *Non-Current Assets Held for Sale and Discontinued Operations*.

The good trends observed in 2006 continued in 2007, with very brisk business in concessions and the various contracting business lines (energy, roads, and construction) both in France and abroad. At the same time, high profitability levels were maintained, while Public Private Partnerships (PPPs) increased in Europe and more particularly in France.

The order book continued to be replenished at a brisk pace, with the value of orders taken in 2007 well above revenue for the period. Despite a high level of sales booked, particularly in the last quarter, at 31 December 2007 the order book was worth €21.5 billion, up 20% from 31 December 2006. On the basis of 2007 data, this represents 10 months of average business activity for the Energy, Roads and Construction business lines.

Overall, the Group recorded growth of nearly 17% in its business activity and a further improvement in operating margins.

1.1 Key events in the period

1.1.1 Main acquisitions made or in progress

Acquisition of a further shareholding of 18% in Cofiroute
During the first half of 2007, VINCI acquired a further shareholding, of 18%, in Cofiroute, bringing its total shareholding to 83.33%. This acquisition – from Eiffage in March 2007 (17.06%), then in April and May from BNPP (0.123%) and Société Générale (0.82%) – represented a total investment of €801.6 million.

These transactions resulted in a reduction of consolidated equity of €526.7 million, corresponding to the difference between the value of the shares acquired and the corresponding share of Cofiroute's consolidated net assets, in application of the new method for recognising acquisitions of non-controlling interests applied by the Group since 1 January 2007 (see section 1.3 below).

Acquisition of Nukem
In May 2007, Freyssinet, a subsidiary of VINCI Construction, acquired a 100% shareholding in Nukem Ltd for £111.3 million (€164.8 million). This company is one of the principal operators in the UK in the field of dismantling of nuclear installations, decontamination, waste treatment and radiation protection.

Valuation of goodwill on acquisition, on the basis of measuring the company's assets and liabilities at the date of acquiring control at fair value resulted in recognition of goodwill of €155 million (£114 million).

Acquisition of Solétanche Bachy
In January 2007, VINCI Construction acquired 81% of the share capital of Solétanche (the parent company of the Solétanche Bachy group) for €281 million, bringing its shareholding to 100%.

The acquisition became effective on 27 July 2007, following its approval by the competition authorities. The Solétanche Bachy group has been fully consolidated since that date; the goodwill recognised following this acquisition of control amounted to €170 million.

Acquisition of Entrepose Contracting
VINCI acquired 77.3% of Entrepose Contracting for a total price of €251 million.

This transaction comprised several stages during the period:
– acquisition of 13.4% of the outstanding shares on 4 June 2007 at a price of €65 per share (cum dividend), making a total of €43.6 million;
– acquisitions of blocks of shares held by employees and managers representing 20.3% of the share capital following approval of the transaction by the competition authorities. This approval was granted on 23 August 2007;
– filing by VINCI, on 20 June 2007, of a Public Purchase Tender for all the remaining shares in Entrepose Contracting (representing 59.17% of the share capital), at a price of €64.4 ex dividend per share. This Tender opened on 13 July 2007, closed on 20 August 2007 and enabled VINCI to acquire a further 27.3%.

On completion of these transactions and supplementary purchases on the stock market (6.7%), VINCI held 67.7% of the outstanding shares in Entrepose Contracting, which, as a result, has been fully consolidated in VINCI's financial statements as from 5 September 2007. Goodwill of €201 million has been recognised.
VINCI subsequently acquired a further 9.6% for €31.1 million, bringing its shareholding to 77.3%, under a renewal of its Public Purchase Tender in September 2007.

These transactions resulted in a reduction of consolidated equity of €28.4 million, corresponding to the difference between the value of the shares acquired and the corresponding share of Entrepose Contracting's consolidated net assets, in application of the new method for recognising acquisitions of minority interests applied by the Group since 1 January 2007 (see section 1.3 below).

Acquisition of Etavis

On 16 July 2007, VINCI Energies acquired 95% of Etavis, a Swiss company working in the fields of electrical installation and information technologies for €69 million.

Goodwill recognised on this acquisition was €76 million.

Formation of a joint venture: Signature-Eurovia

Eurovia has signed a partnership agreement with the Plastic Omnium group, in the field of road markings and signs. Under this agreement, the two companies will exchange shareholdings in their respective vertical and horizontal road marking operations. Eurovia will take a 65% shareholding in Euromark (horizontal road marking) and a 35% shareholding in Signature Vertical (vertical road marking) with effect from 31 December 2007.

This transaction represents an investment of €56 million. Goodwill of €19 million was recognised in respect of the horizontal road marking division and of €19 million in respect of the equity-accounted shares for the vertical road marking division, at 31 December 2007.

1.1.2 Financing activities

Financing of the exceptional dividend paid by ASF

On 25 January 2007, ASF paid an exceptional dividend of €3.3 billion, comprising €2.54 billion to VINCI SA (77%) and €0.75 billion to ASF Holding (23%). ASF financed the payment of this dividend by using its available cash resources for €550 million, drawing on a €1.5 billion seven-year loan and using two revolving credit facilities of a total amount of €3 billion, for €1.25 billion.

Partial repayment of the loan for the acquisition of ASF by VINCI

In accordance with the provisions of the agreement for the financing of the acquisition of ASF, the exceptional dividend received by VINCI enabled VINCI to repay €1.25 billion of this loan, reducing the amount drawn from €3 billion to €1.75 billion.

Setting up of an EMTN and financing programme by ASF

On 5 April 2007, ASF filed an EMTN programme with the Luxembourg stock exchange. This programme constitutes framework financial documentation enabling ASF to issue bonds at any time, depending on market opportunities, extremely rapidly. It covers various types of issue: senior or subordinated, syndicated or in the form of private placements; in euros or foreign currencies (US dollar, sterling, Swiss franc).

The amount of the programme – €6 billion – corresponds to the maximum amount of refinancing that could be carried out by ASF in the next four years, given, in particular, the planned repayments of existing debt.

The amount of the issues in respect of 2007 authorised under this programme has been set at €3 billion by the ASF Board of Directors.

On 20 June 2007, ASF issued 15-year bonds for €1.5 billion, maturing on 4 July 2022. The issue price was set at 99.702% of par and the interest rate at 5.625%.

In addition, ASF arranged two other loans in August, in a market made very difficult by the "subprime" crisis:
- the first was of €75 million, under the 2022 bond base issue, made on the basis of a re-offer rate of 5.469%;
- the second, of €50 million, was a private placement at 20 years, with a floating interest rate of Euribor 3 months +75bp.

These transactions led to the early repayment of €50 million of the €1.5 billion term loan drawn in January 2007 by ASF, the balance of €75 million having served to reduce the amount drawn against the revolving credit facilities.

Bond issue by Cofiroute

On 5 July 2007, Cofiroute issued bonds for €350 million at a fixed rate of 5.565% maturing in 2021. These bonds, placed with a limited number of investors, are intended to allow Cofiroute to finance its capital expenditure programme.

European Investment Bank loan to ASF

In connection with the diversification of its sources of finance, ASF has obtained a €250 million amortising loan from the European Investment Bank (EIB). This loan, for an average period of 14 years, is expected to be drawn down in June 2008 and is at a floating rate.

1.1.3 Change in accounting method: recognition of acquisitions and disposals of non-controlling interests in companies already controlled

In its revision of IFRS 3 *Business Combinations*, published on 10 January 2008, the IASB considers transactions with minority interests as equity transactions with the Group's shareholders. Under this approach, the difference between the consideration paid (or received) to increase (or decrease) the percentage shareholding in entities that are already controlled and the supplementary share of the equity thus acquired (or disposed of) is recorded under consolidated equity, with no impact on profit or loss.

VINCI has decided to adopt the approach retained by the IASB as from 1 January 2007 in order to improve the quality of its financial disclosures on these transactions, which are now considered as being equity transactions. In accordance with IAS 8, this change of method has been applied retrospectively, resulting in a restatement of opening equity for the periods compared.

At 1 January 2007, this change of method, which had no impact on profit or loss, resulted in a reclassification of €1,045 million of goodwill as a reduction of equity, of which €1,026 million related to the impact of the goodwill arising on the acquisition of 27% of ASF after 9 March 2006, the date on which VINCI acquired control of ASF.
The overall impact also included that arising in 2007 from the acquisition of 18% of Cofiroute in the first half year (€527 million) and from the acquisition of a further 9.6% interest in Entrepose Contracting after 5 September 2007 (see above). The cumulative reduction in equity due to this change in accounting policy was therefore €1.58 billion at 31 December 2007.

1.2 Revenue

VINCI's consolidated revenue in 2007 was €30.4 billion, up 16.9% compared with 2006[1].
The new acquisitions accounted for revenue of €1.4 billion in the period, of which 75% was outside France.
Revenue growth on a like-for-like basis was 11.7% in 2007, reflecting the vigorous nature of the Group's markets.
In France, revenue for the period amounted to €19.7 billion, up 14.5%[1] (12.5% at constant consolidation scope). Organic growth was strong in all business lines.
Outside France, revenue was €10.7 billion, up 21.6%, and benefited from the acquisitions made by acquisitions by VINCI Construction (Solétanche Bachy, Entrepose Contracting, and Nukem) and VINCI Energies (Etavis). On a constant consolidation scope and exchange rate basis, business was up by more than 10%.

VINCI Concessions: €4,580 million (up 6.7%[1])

The three motorway networks managed by VINCI reported excellent performances in 2007. They benefited from sustained levels of traffic throughout the year, particularly for heavy vehicles.
Revenue at **ASF** rose 7.3% to €2,234 million (including toll revenue of €2,184 million, up 7.3%). Traffic increased by 3.3%.
Revenue at **ESCOTA** rose 6.3% to €578 million (including toll revenue of €569 million, up 6.1%). Traffic increased by 2.6%.
Revenue at **Cofiroute** rose 7.5% to €1,039 million. At €1,018 million, toll income increased by 8.3%, of which 4.9% was due to higher traffic levels, partly resulting from the extension of the network, in particular the entry into service of the northern bypass of Langeais, on the A85.
VINCI Park's revenue rose 7.5% to €562 million. The 4.9% increase in France was driven by good car park occupancy, in particular in the Paris region. Outside France, growth, at 14%, was especially due to new developments in Germany and Eastern Europe.
Revenue at the Group's **other infrastructure concession operating subsidiaries** (€168 million) increased by approximately 5% like-for-like, thanks to the good performances returned by airport operation and the Rion-Antirion bridge in Greece. On an actual basis, however, revenue decreased by 8% as a result of disposals of shareholdings in 2006 (motorway operation in Chile, the Confederation Bridge in Canada).

VINCI Energies: €4,301 million (up 17.7%)

VINCI Energies' organic growth was strong, both in France and abroad, standing at 10.5%. VINCI Energies has also increased the pace of its growth through some twenty acquisitions, the main one being Etavis, which was consolidated in the second half.
In France, VINCI Energies' revenue amounted to more than €3 billion, an increase of more than 12%, with a good contribution by subsidiaries in the services sector.
Outside France, revenue amounted to approximately €1.3 billion, up 32% on an actual basis and 14% like-for-like. In Germany, business was driven by capital expenditure in the energy and chemicals sectors. Growth in Central Europe was faster, driven by strong organic growth and the integration of new acquisitions in Romania and Slovakia.
VINCI Energies' order book stood at €2.2 billion at 31 December 2007, up by more than 25% over 12 months, and represented more than 6 months' average business activity for this division.

Eurovia: €7,706 million (up 6.5%)

In France, Eurovia's revenue was more than €4.7 billion, strongly up (by 12.6%). This increase came mainly from organic growth. Business in the fourth quarter, continuing the trend seen throughout the year, remained at a high level in most regions.
Outside France, revenue was slightly down (by 1.5%) at like-for-like consolidation scope and constant exchange rates, at nearly €3 billion. This trend reflects the Group's desire to improve its operational profitability in several countries, which has resulted in greater selectivity in order taking, and was to a great extent offset by the growth in Central Europe and Chile.
At 31 December 2007, Eurovia's order book stood at more than €5 billion, up by more than 9% over 12 months and representing approximately 8 months' average activity for this division.

(1) For the 2007-2006 comparison, the 2006 revenue taken is a pro-forma figure that includes the ASF group's revenue as from 1 January 2006, whereas VINCI only acquired control on 9 March 2006. It also excludes the revenue of the airport services operations sold by VINCI in October 2006 (in accordance with IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations*).*
On the basis of actual figures for 2006, taking account of the ASF Group's revenue from the date of effective acquisition of control by VINCI on 9 March 2006, the increase in revenue in 2007 was 18.6% (17.2% in France).

VINCI Construction: €13,653 million (up 28.6%)
VINCI Construction booked organic growth of more than 18%, which was just as marked in France as abroad; the overall increase was further strengthened by external growth of 10%.
In France, VINCI Construction's revenue was €7.4 billion, up 22% compared with the previous year. There was no slowdown in business in the fourth quarter, with regional operations continuing to benefit from a dynamic environment.
Outside France, revenue was up 37% at nearly €6.3 billion. Half of this increase was due to the impact of the new acquisitions, and mainly of Solétanche Bachy, Entrepose Contracting and Nukem. Internal growth was very sustained in all the division's member companies.
At 31 December 2007, VINCI Construction's order book stood at €14.3 billion. This was a 24% increase over the last twelve months (or 11% excluding the impact of the acquisitions referred to above) and represents nearly one year's average activity for the division.

Revenue by business line(*)

(In € millions)	2007	2006 Pro forma	Change on an actual basis	Change on like-for-like basis
Concessions	4,580	4,292	6.7%	6.9%
Contracting	25,660	21,505	19.3%	13.1%
Energy	4,301	3,654	17.7%	10.5%
Roads	7,706	7,234	6.5%	6.4%
Construction	13,653	10,617	28.6%	18.5%
Miscellaneous and eliminations	188	235		
Total	**30,428**	**26,032**	**16.9%**	**11.7%**

(*) The above data is for each business line before elimination of transactions between business lines.

Revenue by geographical area

(In € millions)	2007	% revenue	2006 Pro forma	Change on an actual basis	Change at constant exchange rates
France	**19,717**	**65%**	**17,223**	**14.5%**	**14.5%**
United Kingdom	2,048	7%	1,714	19.5%	20.0%
Germany	1,621	5%	1,662	(2.5%)	(2.5%)
Central & Eastern Europe	2,308	8%	1,704	35.5%	31.7%
Belgium	826	3%	690	19.8%	19.8%
Spain	362	1%	316	14.6%	14.6%
Other European countries	888	3%	704	26.1%	22.3%
Europe excluding France	**8,053**	**27%**	**6,790**	**18.6%**	**17.8%**
North and South America	982	3%	929	5.7%	12.7%
Africa	859	3%	607	41.5%	42.0%
Asia, Oceania, rest of the world	817	2%	483	69.1%	72.5%
Total	**30,428**	**100%**	**26,032**	**16.9%**	**17.0%**

1.3 Operating profit from ordinary activities / operating profit

Operating profit from ordinary activities[1] for the period was €3,113 million, up 16.6% compared with 2006 (€2,669 million on pro forma basis), after taking account of the amortisation of the goodwill in ASF contracts (an expense of €268 million). This is a 10.2% margin, compared with 10.3% in 2006. Excluding the result of holding companies, which in 2006 included a disposal gain in a property complex at Nanterre for €53 million, the operating profit from ordinary activities of operating entities was €3,095 million, compared with €2,629 million in 2006, an improvement of nearly 18%.

Excluding VINCI Immobilier, where the operating profit from ordinary activities in 2006 included the favourable impact of the completion of several property projects, all divisions reported higher operating profit from ordinary activities compared with 2006, with better margins.

VINCI Concessions was the main contributor to Group operating profit from ordinary activities (accounting for 56% of the total), with operating profit from ordinary activities of €1,747 million (compared with €1,580 million in 2006).
This was an overall increase of 10.5%, mainly attributable to the growth in motorway operating subsidiaries' activities and good control of operating costs.
At ASF and ESCOTA, operating profit from ordinary activities increased by 10.7% to €1,001 million (a 35.6% margin), compared with €904 million in 2006 after taking account, for both periods, of amortisation of goodwill allocated to concession contracts (an expense of €268 million). Cofiroute reported operating profit from ordinary activities up by 9.5% at €563 million (a 54.2% margin).
VINCI Park reported operating profit from ordinary activities up by 7.8%, at €131 million, compared with €121 million in 2006, as a result of the growth in business, in particular in France.
Lastly, operating profit from ordinary activities from other concessions fell by 4% from €61 million in 2006 to €58 million, due to the sale of Autopista del Bosque in the second half of 2006. Excluding the effect of this disposal, operating profit from ordinary activities increased by more than 10%, thanks to the good performances by Stade de France, the Rion-Antirion bridge and the airport activities.

(1) Operating profit from ordinary activities is the profit from operations before share-based payment expenses (IFRS 2), goodwill impairment expenses and the Group's share of profit or loss of equity-accounted entities.

VINCI Energies recorded a 20% increase in operating profit from ordinary activities to €229 million in 2007 (a 5.3% margin), compared with €192 million in 2006 (a 5.2% margin).
In France, operating profit from ordinary activities was up by more than 8%, at €159 million (€147 million in 2006).
Outside France, VINCI Energies booked an increase in operating profit from ordinary activities of more than 55% to €71 million (compared with €45 million in 2006), thanks in particular to the very good performances in Germany and to the contribution of the acquisitions made during the period.

Eurovia recorded a 36% increase in operating profit from ordinary activities to €392 million, markedly greater than the increase in revenue, bringing its operating margin to 5.1% (against 4% in 2006). This improvement came from operations in both France and abroad.
In France, the increase was 27.6%, to €294 million (€231 million in 2006), thanks to the high level of sales and good control of overheads.
Outside France, Eurovia's operating profit from ordinary activities increased by €40 million to €98 million in 2007 (compared with €58 million in 2006), as a result in particular of the improved situation in the USA and Spain, where operations are reaping the benefits of the reorganisations carried out in recent years.

VINCI Construction's operating profit from ordinary activities rose 35% to €668 million (a 4.9% margin), compared with 2006 (€496 million, a 4.7% margin). This result includes contributions of €57 million from new acquisitions – Solétanche, Entrepose Contracting and Nukem. Excluding these new acquisitions, VINCI Construction's operating profit from ordinary activities increased by 23.2%.
VINCI Construction France made the greatest contribution to this division, with operating profit from ordinary activities of €280 million (a 4.5% margin), up 18.8% compared with 2006 (€236 million, a 4.6% margin).

Operating profit from ordinary activities by business line / operating profit

(In € millions)	2007	% revenue	2006 Pro forma	% revenue	Change 2007/2006
Concessions	1,747	38.1%	1,580	36.8%	+ 10.5%
Contracting	1,289	5.0%	976	4.5%	+ 32.2%
Energy	229	5.3%	192	5.2%	+ 19.6%
Roads	392	5.1%	288	4.0%	+ 35.9%
Construction	668	4.9%	496	4.7%	+ 34.8%
Miscellaneous and eliminations	76		113		
Operating profit from ordinary activities	**3,113**	**10.2%**	**2,669**	**10.3%**	**+ 16.6%**
Share-based payment	(118)		(90)		
Goodwill impairment expense	(6)		(14)		
Share in earnings of companies accounted for by the equity method	17		13		
Operating profit	**3,006**	**9.9%**	**2,578**	**9.9%**	**+ 16.6%**

After taking account of share-based payment expenses (under IFRS 2), goodwill impairment expenses and the share of the profit or loss of equity-accounted entities for a net total of €107 million, operating profit was €3,006 million in 2007, a 9.9% margin, an increase of 16.6% compared with 2006 (€2,578 million).
The Group's share in the profit or loss of equity-accounted entities was a net profit overall of €17 million (compared with €13 million at 31 December 2006) and includes the results of the concessions operating the Confederation Bridge in Canada, the bridges over the Tagus in Lisbon and the Prado-Carénage tunnel in Marseilles.

1.4 Net profit

Consolidated net profit for 2007 was €1,461 million, up 14.4% compared with 2006 restated on a pro forma basis (€1,277 million).

The net profit for 2006 included several exceptional items, which amounted to a net gain of the order of €95 million. After adjusting for these items, the increase in net profit in 2007 was 23.6%.

The inclusion as from March 2007 of the 18% of Cofiroute acquired from minority shareholders had a positive impact on net profit of the order of €30 million after taking account of the financing costs associated with the investment. The acquisitions of Solétanche, Entrepose Contracting and Nukem also contributed to net profit, for some €25 million after taking account of the associated financing costs.

VINCI Concessions' contribution to net profit fell from €694 million to €680 million as a result of the cost of financing the supplementary debt borne by VINCI Park and ASF following these entities' payments of an exceptional dividend in 2006 and 2007 (see 1.1.2 above).

Net profit by business line

(In € millions)	2007	2006 Pro forma	Change 2007/2006
Concessions	680	694	(2.1%)
Contracting	843	654	+ 28.9%
Energy	142	111	+ 28.4%
Roads	263	202	+ 30.2%
Construction	438	342	+ 28.2%
Miscellaneous and eliminations	(62)	(72)	NA
Total	**1,461**	**1,277**	**+ 14.4%**

The **cost of net financial debt** was markedly up at €811 million (compared with €679 million in 2006). This increase was mainly due to increased borrowing, of which the main factors were:
– the continuation of the capital expenditure programme on the projects in progress at ASF, Cofiroute and Arcour;
– acquisitions made during the period;
– the holding company's share buyback policy.
In the Concessions division, where the cost of debt increased overall from €543 million to €730 million in 2007, the impact of the payment of an exceptional dividend of €3.3 billion by ASF may be noted, as this was neutral within the Group.

Moreover, the interest rate hedging policy set up by the Group as from the beginning of 2006 has produced the expected effects, as the effect of higher interest rates in 2007 on the cost of debt has been able to be limited.

Other financial income and expense amounted to net income of €132 million, compared with €140 million in 2006.
This includes borrowing costs capitalised by Cofiroute, ASF, ESCOTA and Arcour for €136 million (compared with a total of €94 million in 2006) and the negative impact of the discounting of retirement benefit obligations for €34 million (compared with €26 million in 2006).

Moreover, disposal gains amounted to €32 million (compared with €69 million in 2006).

The **income tax expense** for the period was €744 million, an increase of €78 million compared with 31 December 2006, and represents an effective tax rate of 32%, slightly lower than in 2006 (33%).

Net profit from discontinued operations (halted or sold), which was a profit of €49 million at 31 December 2006, is the result of the airport services activities sold in the second half of 2006.

Minority interests are mainly the share not attributable to the parent company shareholders in the results of Cofiroute (reduced from 34.7% in 2006 to 16.7% in 2007) and the Belgian subsidiary CFE (53.2%).

1.5 Cash flow from operations[1]

Cash flow from operations before cost of financing and tax increased by 13% in 2007, to €4,515 million, compared with €3,999 million in 2006, on a comparable basis.
Standing at 14.8% of revenue for the period, the level of cash flow from operations reflects the positive effects of the increased operating profit from ordinary activities.
The cash flow margin improved in the period from 61.2% to 61.9% at VINCI Concessions, and from 6.2% to 6.5% in the contracting activities.
At VINCI Concessions, the main contributor to the Group (representing 63% of the total), cash flow from operations increased by 8%, to more than €2.8 billion (€2,624 billion at 31 December 2006).
Of this, ASF and ESCOTA contributed €1,842 million, 65.5% of revenue (against €1,710 million and 65.1% of revenue in 2006). For its part, Cofiroute's cash flow from operations was up 10.6% from 2006, at €733 million, and represented 70.6% of its revenue (compared with €663 million and 68.6% of revenue in 2006).

(1) Before financing costs and tax.

Cash flow from operations by business line

(In € millions)	2007	% CA	2006 Pro forma	% revenue	Change 2007/2006
Concessions	2,834	61.9%	2,624	61.2%	+ 8.0%
Contracting	1,659	6.5%	1,335	6.2%	+ 24.3%
Energy	250	5.8%	229	6.3%	+ 9.1%
Roads	514	6.7%	426	5.9%	+ 20.6%
Construction	895	6.6%	680	6.4%	+ 31.7%
Miscellaneous and eliminations	22		40		
Total	**4,515**	**14.8%**	**3,999**	**15.4%**	**+ 12.9%**

1.6 Other cash flows

Net cash flows from operating activities[1] stood at €3,584 million, up by €915 million compared with 2006 restated on a comparable basis (€2,668 million). This increase is greater than that in cash flows from operations (€516 million – see above). The very strong improvement, of €687 million, in the working capital requirement and current provisions should be noted. This was in particular due to the very high level of receipts from customers.

Free operating cash flow[2] increased by €807 million (a 38.6% increase), to €2,900 million (compared with €2,093 million in 2006), after taking account of investments in operating assets (net of disposals) for €683 million (compared with €575 million in 2006, which included the impact of the disposal of a property complex in Nanterre for €86 million).

Gross capital expenditure on operating assets was slightly up, by €41 million, at €816 million (compared with €775 million in 2006).
Gross capital expenditure on concession fixed assets amounted to €1,270 million over the period (compared with €1,329 million in 2006, and included investments by :
- Cofiroute for €560 million (€754 million in 2006), in particular on the A86 and A85;
- ASF and ESCOTA for €403 million (€463 million in 2006), breaking down to ASF for €231 million and ESCOTA for €172 million;
- VINCI Park for €36 million (€49 million in 2006);
- Arcour on the A19 for €234 million (€36 million in 2006).

Financial investments net of disposals amounted to €2,023 million (compared with €9,243 million in 2006, which included the acquisition of 77% of ASF for €9,150 million).
They include the acquisition of a further 18% of Cofiroute in March and April 2007 (€802 million), and the acquisitions of Solétanche, Entrepose Contracting and Nukem. The other financial investments mainly comprise the acquisition by VINCI Energies of the Swiss company Etavis, the impact of the Signature deal by Eurovia and the acquisition of 3.3% of ADP by VINCI at the end of the year.

Disposals of shares in subsidiaries amounted to a total of €72 million over the period, and mainly comprised the sale of McGill by VINCI plc UK and the sale by VINCI Park of part of its activities in Hong Kong.

After taking account of gross investments in concessions and financial investments, the **free cash flow after financing growth** amounted to a net outflow of €105 million in 2007.

Regarding **cash flows (used in) / from financing activities**, changes in VINCI's share capital resulted in a net use of cash amounting to €570 million.
Share capital increases in 2007 represented €493 million including €161 million in respect of the exercise of subscription options (10,476,607 new shares at an average price of €15.4) and €332 million in respect of the Group Savings Scheme (8,677,251 new shares at an average price of €38.2).
Conversely, the continuing share buyback programme in 2007 resulted in a total investment of €968 million (18.3 million shares bought back at an average price of €52.8). To this should be added, for €96 million, the acquisition by VINCI of call options intended to cover the share purchase option and free share plans.
Dividend payments amounted to €713 million, of which €665 million was in respect of the dividend paid by VINCI, the balance being mainly dividends paid by Cofiroute to its minority shareholders.
The dividends paid by VINCI in 2007 comprise the final dividend in respect of 2006 for €414 million (€0.9 per share for 458 million shares), the interim dividend in respect of 2007 for €220 million (€0.47 per share) paid on 20 December 2006, and the interest on the undated deeply subordinated bond for €31 million.

Overall, taking account of these items and the impact of changes in consolidation scope, the change in net financial debt in 2007 was €1.5 billion, taking net financial debt to €16.3 billion in 2007 (compared with €14.8 billion at 31 December 2006).

(1) Net cash flows (used in)/from operating activities = cash flow from operations plus or minus changes in working capital requirement, current provisions, net interest paid and tax paid.
(2) Free operating cash flows = net cash flows (used in)/from operating activities less net investments in operating assets (excluding growth investments in concession fixed assets).

1.7 Net financial debt and balance sheet

Concession subsidiaries' debt increased by €2.7 billion, to €16.5 billion.
Debt in ASF and ESCOTA increased by €2.3 billion, which takes account of the payment of the exceptional dividend by ASF. Conversely, the holding companies' net financial position improved over the year by €1.2 billion to net debt of €2.4 billion from net debt of €3.6 billion in 2006, as the dividends received from subsidiaries (€4.7 billion) exceeded the amount of share buybacks and dividends paid.
Cash surpluses in the other business lines were stable at €2.6 billion, with the external growth deals during the period and the dividends paid to VINCI offsetting the strong increase in operating cash surpluses.

Net financial surplus (debt)

(In € millions)	2007	2006	Évolution 2007/2006
Cofiroute	(3,264)	(3,006)	(258)
ASF/ESCOTA (including ASF Holding)	(11,839)	(9,569)	(2,270)
VINCI Park	(857)	(874)	+ 17
Other concessions	(580)	(403)	(177)
Concessions and services (excl. holdings)	**(16,540)**	**(13,852)**	**(2,688)**
Energy, Roads, Construction	**2,560**	**2,610**	**(50)**
Holding company and miscellaneous	**(2,356)**	**(3,585)**	**+ 1,229**
Net financial debt	**(16,303)**	**(14,796)**	**(1,507)**

Because of the change of method for recognising acquisitions (or disposals) of non-controlling interests in companies already controlled (see Key events, page 262), VINCI has restated the consolidated balance sheet at 31 December 2006 presented for comparison retrospectively.

This has resulted in a reduction of €1 billion of both goodwill reported under non-current assets and equity from the figure shown in the published financial statements for 31 December 2006.
Consolidated non-current assets at 31 December 2007 amounted to €29.9 billion. A large part consists of the concession assets (€25.5 billion), including ASF for nearly €18 billion.
Overall, the Group's capital employed amounted to €25.7 billion at 31 December 2007, an increase of €1.2 billion compared with the end of 2006.
The Concessions division accounts for more than 90% of the Group's total capital employed.
In parallel, equity at the end of December, including minority interests for €572 million, was €8.2 billion, against €8.6 billion at 31 December 2006.

1.8 Return on capital

Definitions:

- Return on Equity (ROE) is the net profit for the current period attributable to equity holders of the parent company divided by equity excluding minority interest at the previous year end;
- NOPAT (Net Operating Profit After Tax) is the operating profit from ordinary activities, after restating for various items (share in the profit or loss of equity-accounted entities, and dividends received and some other financial items) less the theoretical tax expense;
- ROCE (Return on Capital Employed) is the NOPAT divided by the average capital employed at the opening and closing balance sheet dates.

Return on equity (ROE)

The Group's ROE was 18.7% in respect of 2007, an improvement compared with the previous period restated on a pro forma basis (16.1%).

(In € millions)	2007	2006 Pro forma
Shareholders' equity at previous year-end	7,822	7,932
Net profit for the previous year	1,461	1,277
ROE	**18.7%**	**16.1%**

Return on capital employed (ROCE)

The ROCE has increased compared with 2006, due in particular to the marked increase in NOPAT (up 21.9% at €2,195 million), which benefited from the improved operating results in VINCI's various divisions.

(In € millions)	2007	2006 restated[***]
Capital employed at previous year-end	24,485	22,639
Capital employed at this year-end	25,724	22,851
Average capital employed	**25,105**	**22,745**
Operating profit from ordinary activities	3,113	2,580
Other items[*]	33	26
Theoretical tax charge[**]	(951)	(806)
NOPAT	**2,195**	**1,800**
ROCE	**8,7%**	**7.9%**

The performance realised must be assessed taking account of the major investments made by VINCI Concessions in projects under construction, which do not generate a return until they are in service.

(*) Group's share of results of equity-accounted companies, dividends received and, if appropriate, other financial items (excluding financing costs, depreciation, amortisation and provisions, foreign exchange gains and losses, disposal gains and losses, capitalised borrowing costs, and cost of discounting retirement benefit obligations).
(**) On the basis of the effective rate for the period by business line (30.6% in 2007; 31.3% in 2006).
(***) Capital employed at previous year end and at this year end adjusted for the capital employed in the acquisition of 77% of ASF (€17.4 billion) prorated to the period of ownership, i.e. from 9 March to 31 December 2006 (€14.2 billion).

2. Parent company financial statements

The parent company's net profit was €4,513 million in 2007, compared with €1,435 million in 2006.
This improvement was due to the strong increase in dividends received and in particular to the payment of an exceptional dividend by ASF.

Expenses referred to in Article 39.4 of the French Tax Code amounted to €71,760 in 2007.

3. Dividends

The Board of Directors has decided to propose to the next Shareholders General Meeting to set the dividend in respect of 2007 at €1.52 per share, an increase of 14.7% compared with the previous period.
As an interim dividend of €0.47 was paid in December 2007, the final dividend will be €1.05 per share payable on 19 June 2008. Shareholders will be able to opt for payment of the final dividend in new shares if they so wish.

B. Risk factors

The types of risks faced by VINCI vary depending on the business line considered. The Group's decentralised organisation allows it to assess and handle risks at the most appropriate level of responsibility (subsidiary, division, holding company) depending on their size. The Group's general guidelines and internal control process provide for prior authorisation to be sought when commitments are made (see the *Report of the Chairman on the work of the Board of Directors and internal control procedures*, page 153) and require information on the main risks and their management to be submitted to the holding company.

1. Operating risk

1.1 Energy, Roads, Construction

In general, VINCI Energies', Eurovia's and VINCI Construction's businesses are dependent on the economic climate and public-sector orders. If these decrease, pressure on volumes of activity and prices may result.
The taking of the order is the first risk with which contracting companies are faced. The Group has set up a policy for selecting new business. Procedures for monitoring commitments at an early stage have been applied for many years. 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 internal control procedures*, on page 153.
In fulfilling orders, Group companies are exposed to the possibility 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 subcontracting costs, difficulties connected with the technical complexity of the project to be undertaken, 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 is generated by a large number of contracts. Estimated at approximately 260,000 a year, these contracts are generally of a modest size, lasting a few months, and involve a very diverse range of skills, geographical location and customers.
The major projects carried out by VINCI Construction Grands Projets account for approximately 6.3% of the Construction division's revenue and less than 2.8% 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, in particular in foreign countries, are also usually carried out with external companies in consortiums, in order to limit the Group's risks exposure.

1.2 Property

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 major cities in France. In 2007, they accounted for approximately 2% of the Group's revenue.
Some VINCI subsidiaries may also participate in property development operations as part of their construction activities, mainly in France, Belgium and Luxemburg.
Property development projects are submitted to the Risk Committee for prior examination and approval. The Group's policy is to undertake new projects only if the risks related to the property and construction are under control and if the property is sufficiently pre-sold.
The Group's property development activities are exposed to a number of risks associated in particular with administrative, technical and commercial factors that could result in delays (or even the abandoning of some projects), budget over-runs and uncertainties regarding the sales price of properties.

1.3 Concessions

The main risks associated with concession projects relate to design and construction (which are, however, usually borne by the companies in charge of construction), financing and financial factors, infrastructure operation and the legal and regulatory framework, due in particular to the long-term nature of these projects.
Since toll receipts account for virtually all the revenue from operating concessions, the main risks associated with this activity relate to traffic or infrastructure usage and users' acceptance of tolls and prices. Traffic levels may also be affected by fuel prices.
Moreover, as motorway operators' price increases are based principally on inflation (excluding tobacco prices), they are exposed to the risk of a decline in the inflation rate. This would cause lower price increases and have an unfavourable impact on operating profit trends.
The main financing and financial risks and the legal and regulatory risks are described in paragraphs 2 and 4 below.
Concession projects are systematically submitted to the Risk Committee for examination and approval. In addition, in order to limit the amount of risk capital invested by the Group, these projects are generally developed in partnership with external enterprises and are financed so as to maximise the amount of debt, which is generally with no or limited recourse against VINCI.

1.4 Exposure to the risks of natural disasters or strikes

In common with any other company, VINCI could be affected by strike action or natural disasters such as earthquakes or floods, by the collapse or accidental destruction of the Group's engineering structures, or by the dispersal of hazardous materials on its motorway network. Such events could lead to a significant reduction in the Group's revenue or to a substantial increase in the costs to maintain or repair its facilities.
Crisis situations need to be managed, and VINCI has made appropriate preparations several years ago by setting up operational organisation arrangements. Actions undertaken and training provided relate to alert procedures, the deployment of crisis management arrangements, and crisis management and resolution. The central organisation involves VINCI's business units, which have also set up their own crisis management and communication arrangements to increase effectiveness in the event of a crisis. These include planning of resources, both material and human, rapid deployment of the crisis plan, mobilisation of employees, and optimisation of crisis management systems.

1.5 Acquisitions

To control the risks associated 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.
All proposed acquisitions and disposals are submitted to the Risk Committee for approval. The biggest projects are also submitted to the Board of Directors after examination by the Strategy and Investment Committee (see paragraph 2.6.2 of the *Corporate Governance* section, page 145).

1.6 Subcontractors

Given the nature of VINCI's business lines and the way it is organised, deriving from the essentially local character of the markets in which it operates, the Group considers that overall it is not dependent on a small number of customers, suppliers or subcontractors.

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 and to the financing of future needs, associated in particular with the investment programmes of concession operators and with the Group's general needs.
Details of these obligations and the Group's resources to meet them (cash flow surpluses, unused confirmed credit lines, financial ratings) are given in Notes 21 to the consolidated financial statements pages 232-239.

2.2 Market risks (interest rate, currency and equity)

Because of its level of net borrowings, VINCI is exposed to changes in interest rates (mainly in the eurozone) in connection with its floating-rate debt and to changes in the spreads applied by lenders.
VINCI is also exposed to currency risk in connection with its activities outside France and to financing in foreign currencies. However, approximately 75% of VINCI's activities in international markets is through subsidiaries operating in the eurozone. Moreover, at the end of 2007, the only foreign currency borrowing by a subsidiary was fully hedged. In consequence, the VINCI's exposure to currency risk remains limited.
Management of interest rate and currency risks is explained in Note 22.3 to the consolidated financial statements (page 244).
Investment vehicles used to manage cash surpluses are mainly monetary UCITS and negotiable debt securities. Counterparty risk and equity risk are described in Notes 22.2 and 22.4 to the consolidated financial statements, respectively (pages 244 and 245).

2.3 Impact of Public Private Partnerships (PPPs) on the Group's financial situation

The impact of a PPP project on the Group's financial situation is one of the items taken into account in responding to an invitation to tender. Depending on their size, such projects are submitted to either the holding company's or the division's Risk Committee for examination and approval.
Generally, the largest PPP projects are carried out through special purpose entities, dedicated solely to realising the project. These vehicles are financed by loans made directly to the project company, backed by the future income stream with the objective of minimising the capital outlay.
The Group's Public Private Partnership operations had a negligible impact on the 2007 financial statements.

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 Energies, Eurovia and VINCI Construction. However, the Group believes that such rises are unlikely to have a material unfavourable impact on its results. This is because many of the Group's civil engineering and construction contracts include price revision clauses to allow selling prices to be adjusted in line with changes in raw material prices as work progresses. Furthermore, part of the Group's civil engineering and construction activities is carried out via short-term contracts, which, even if the contracts do not include price revision clauses, limits the financial impact of a rise in prices of raw materials.

Changes in oil prices therefore did not have a material unfavourable impact on the Group's results in 2007. Exposure to oil prices mainly affects Eurovia, which uses bitumen, fuel oil in its industrial plants and petrol and diesel in its vehicles and machinery.

4. Legal risks

Given the 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. below.
It should also be noted that, with respect to concession operations in France, the Group is dependent on public authorities. Under the French law applicable to government bodies, these can – subject to compensation – alter the terms and conditions of outsourced public service contracts during their execution.
Detailed information on the principal disputes in which the Group is involved can be found in Note G to the consolidated financial statements (page 252).

5. Environmental, industrial and technological risks

5.1 Economic risks and opportunities associated with climate change

Only one VINCI facility is concerned by France's national greenhouse gas quota scheme (PNAQ 1): CIFC's plant (part of Eurovia) at Fos-sur-Mer near Marseilles, for 159,172 tonnes. In accordance with the law, an inspector validates the emissions before 15 February each year. Emissions at CIFC's plant amounted to 118,208 tonnes of CO2 in 2005, 170,112 tonnes in 2006 and 158,661 tonnes in 2007. No quotas were sold in the period. It is likely that the plant will be allocated quotas for 190,085 tonnes of CO2 under PNAQ 2.

VINCI divides climate change risks into four categories, each one being the subject of a different approach in terms of economic risks and opportunities:
- physical risks such as damage or project delays due to the increasing number of climate events;
- regulatory risks caused by the introduction of more stringent international, European and national regulations aimed at reducing greenhouse gas emissions;
- competition risks caused by a possible increase in customer demand for more fuel-efficient products and processes;
- the risks of no action being taken to combat climate change.

5.2 Industrial and environmental risks

VINCI has low exposure to industrial and environmental risks. Only a few of Eurovia's activities – those that are closely regulated – have characteristics similar to those of industry and can therefore be exposed to limited but well identified risks.
- Binder plants: the use or manufacture of products that are potentially hazardous to the environment is subject to continuous monitoring and internal inspections by Eurovia's quality, safety and environment managers;
- Coating plants: the setting up of an environmental regulation monitoring group for the industrial sites allows managers to takes the necessary action to ensure continuing compliance with regulations; Regular and unannounced external inspections to analyse products and measure the quantities in stock ensure the plants comply with regulations;
- Quarries: the risks identified relate to noise, vibration and dust emissions. External audits of quarries are made annually by certified organisations. Dust emissions are inspected in accordance with standards by an external body and a report is sent annually to the regional departments 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 associated with their management. However, all identified risks are analysed on a case-by-case basis and any required provisions are taken. At 31 December 2007, provisions taken by Eurovia, where most of these risks are to be found, amounted to €10.4 million.

5.3 Specific technological risks

As VINCI has no facilities classified under clause IV of article L.515-8 of the French Environmental Code (Seveso High Threshold), relating to environmental protection, its subsidiaries are not directly concerned by technological risks. They can however be indirectly exposed to such risks in the following cases:
- some of the Group's activities may be carried out occasionally or on a long-term basis near facilities classified for environmental protection. The VINCI companies involved comply with all the regulations that apply to such facilities and do not initiate activities that could lead to an increase in the number of employees working close to the classified site;
- some of VINCI Energies' and VINCI Construction's business units (Freyssinet, VINCI Construction France, Solétanche Bachy, CFE, VINCI Construction Grands Projets, and Eurovia) may be called upon to work inside classified facilities (in particular nuclear power plants), where operating rules require them to take all the necessary safety measures, especially those related to employee evacuation.

C. Insurance

1. General policy

Given the Group'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 activitities, the managers of the divisions 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) allowing 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 motor vehicle sector at Eurovia, VINCI Construction France or VINCI Energies, with a maximum amount lower than or equal to €4 million in 2007 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;
- liability for environmental damage.

For historical reasons, part of VINCI's activity in the United Kingdom is insured through a captive insurance company based in Guernsey. A reinsurance mechanism restricts its exposure at a level defined on the basis of market conditions. This was €6 million in 2007.
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 (around ten in five years) of more than €1 million, by the occurrence of a few medium-sized incidents (about forty in 2007), ranging from €75,000 to €1 million and, lastly, by a relatively irreducible number of small incidents, for less than €75,000 each, borne directly by subsidiaries as uninsured losses. Only two incidents of an individual amount of more than €1 million were declared in 2007.

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);
- motor vehicle 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 and selectively, 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 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, bridges, tunnels and car parks presenting a concentration of risk 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 operated under concessions by VINCI subsidiaries in France and other countries are also covered by specific civil liability insurance arrangements, which are co-ordinated with complementary cover at Group level. As in the Energy, Roads and Construction 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 generally benefit from the Group's complementary civil liability cover taken out on behalf of all entities.

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.
Operating losses are covered subject to various levels of uninsured loss. Losses 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 systematically 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 in traffic. To date, no claims have been made under such policies.

D. Other information

1. Trends

1.1 Realised 2007

When it published its 2007 interim results, the Group confirmed the forecast made at the Shareholders General Meeting on 10 May 2007 of an increase in consolidated revenue of 10% for 2007 as a whole, before inclusion of Solétanche Bachy and Entrepose Contracting.
Revenue growth on a like-for-like basis was 11.7% in 2007, reflecting the vigorous nature of the Group's markets.

1.2 Trends 2008

There has been no material change in the Group's financial and commercial position since 31 December 2007.

VINCI has a very well-stocked order book (€21.5 billion at 31 December 2007), up 20% over 12 months and representing 10 month's average business in its contracting business lines (energy, roads and construction).

Moreover, business in 2008 will benefit from a full-year's contribution from the acquisitions made in 2007 and, in the motorway concession business line, from the increase in traffic resulting from the recent entries into service of new sections.

These factors, associated with the Group's positioning in markets that are structurally and durable buoyant and the pertinence of its integrated construction and concession model, provide VINCI with good visibility for 2008 and beyond.

In this context, VINCI expects further growth of its business in 2008, which should be close to 10%.

Order book

(In € millions)	31/12/2007	31/12/2006
Energy	2,181	1,743
Roads	5,029	4,601
Construction	14,308	11,541
Total	**21,515**	**17,866**
Number of months average activity of the above divisions	9.7	10.1

2. Important post balance sheet events

2.1 Exclusive negotiations with Fortis to create the world's leading car park operator

In March 2008, VINCI and Fortis signed a memorandum of understanding with a view to combining their activities in the public car park industry. This combination would be achieved through VINCI Park, a subsidiary of VINCI Concessions, and Interparking, a subsidiary of Fortis Real Estate. The two groups would share the equity of the new entity, which would be majority owned by VINCI, with Fortis keeping a significant stake. The new entity would manage 1.3 million parking spaces in 1,800 car parks in 16 countries worldwide.

The two companies have a very complementary set of activities. VINCI Park is the European car park industry leader and a major player worldwide with a strong presence in various countries in Europe – especially France, UK and Spain – and North America. Interparking, is Europe's third biggest car park operator with a large base of freehold properties and a strong presence in Benelux, Spain, Germany, Austria and Italy.

After a period of due diligence the final agreement is expected to be signed in the third quarter of 2008. The completion of the transaction will be subject to regulatory approval.

2.2 Arcour obtains long-term financing of €625 million

Arcour, the concession operator of the A19 motorway for a 65-year period and a subsidiary of VINCI Concessions, has signed a financing contract worth €625 million with the European Investment Bank (EIB) and a group of arranging banks consisting of BBVA, Calyon, Fortis, ING and Royal Bank of Scotland.
The financing granted by the EIB is in the form of an amortising loan for €200 million with a maturity of 37 years, with a grace period of 10 years.
The loan granted by the group of commercial banks amounts to €425 million with a maturity of 10 years, payable on maturity. This transaction provides Arcour, whose capital expenditure was, until now, financed by the VINCI group, with a long-term dedicated financing structure, mainly at a fixed rate and suited to the specific nature of the project.

3. The Group's markets: seasonal nature of business

Most of the Group's activities – but especially roadworks, civil engineering and some motorway concessions – record lower business volumes in the first half of the year than in the second due to less favourable weather conditions. In 2007, the difference between the two six-month periods was approximately 15%, excluding effects of changes in consolidation scope connected with the main acquisitions in the second half year (19% in 2006).

The seasonality of the Group's business is also reflected in the net use of cash over the first half, due to the low level of receipts during this period and the pattern of operating cash flows, most of which are generated during the second half of the year. Group income and expenses from normal business operations that are of a seasonal, cyclical or occasional nature are accounted for using the same accounting methods as those adopted for the full-year financial statements. Income and expenses invoiced on an annual basis (e.g. patent fees and licence fees) are accounted for pro-rata using an estimate for the full year.

The sections entitled *Stock market and shareholder base* (pages 20 to 21), *A responsible group* (pages 94 to 135), *Report of the Chairman* (pages 153 to 160), *Corporate governance* (pages 138 to 152), *General information about the Company and its share capital* (pages 277 to 285), *Parent company financial statements* (pages 259 to 276), *List of shareholdings in subsidiaries and affiliated companies at 31 December 2007* (page 275), *Five-year financial summary* (page 275) and Notes A, B, 8, 12, 18, 19, 21, 22, 23, F, G, H to the consolidated financial statements form an integral part of the Report of the Board of Directors.

VINCI consolidated financial statements at 31 December 2007

Contents
Consolidated financial statements

Notes to the consolidated financial statements

VINCI's consolidated financial statements presented in the following pages take account of consolidated data, for 2006, that includes Autoroutes du Sud de la France as from the date when control thereof was acquired on 9 March 2006.

Key figures

(in € millions)	2007	2006
Revenue	**30,427.8**	**25,634.3**
Of which revenue outside France	10,711.2	8,809.5
% of revenue	*35.2%*	*34.4%*
Operating profit from ordinary activities	3,112.8	2,579.8
% of revenue	*10.2%*	*10.1%*
Operating profit	3,006.1	2,494.3(*)
Net profit attributable to equity holders of the parent	**1,461.0**	**1,270.4**
Earnings per share (in euros)	3.14	2.90(**)
Diluted earnings per share (in euros)	3.02	2.77(**)
Dividend per share (in euros)	1.52	1.33(**)
Equity including minority interest	8,196.7	8,570.1(***)
Net financial debt	(16,303.3)	(14,796.4)
Cash flows from operations	**4,514.7**	**3,755.0**
Net investments in operating assets	(683.1)	(572.1)
Investments in concession assets	(1,269.5)	(1,205.3)
Net financial investments	(2,023.2)	(9,242.8)

(*) restated in accordance with the change of presentation described in Note A.1.3 "Change of presentation: profit or loss of associates".
(**) figures restated following the two-for-one VINCI share split on 17 May 2007.
(***) restated in accordance with the change of method described in Note A.1.2 "Change of method: transactions between shareholders, acquisitions and disposals of non-controlling interests after acquisition of control".

Consolidated income statement

(in € millions)	Notes	2007	2006
Revenue	**1-2-3**	**30,427.8**	**25,634.3**
Revenue from ancillary activities	5	234.3	218.8
Operating expenses	5	(27,549.3)	(23,273.3)
Operating profit from ordinary activities	**2-3-5**	**3,112.8**	**2,579.8**
Share-based payment expense (IFRS 2)	5-19	(117.6)	(89.5)
Goodwill impairment expense	9-11	(6.0)	(14.3)
Profit or loss of associates	15	17.0	18.3(*)
Operating Profit	**2-3-5**	**3,006.1**	**2,494.3(*)**
Cost of gross financial debt		(1,006.5)	(733.7)
Financial income from cash management investments		195.5	152.1
Cost of net financial debt	**6**	**(811.0)**	**(581.7)**
Other financial income	6	199.5	186.3
Other financial expenses	6	(67.8)	(48.9)
Income tax expense	7	(743.8)	(667.4)
Net profit from continuing operations		**1,583.0**	**1,382.7**
Net profit after tax from discontinued operations (halted or sold)	25		49.4
Net profit for the period		**1,583.0**	**1,432.1**
Net profit attributable to minority interests		122.0	161.7
Net profit attributable to equity holders of the parent		**1,461.0**	**1,270.4**
Earnings per share from continuing operations			
Earnings per share (in euros)	8	3.14	2.79(**)
Diluted earnings per share (in euros)	8	3.02	2.67(**)
Earnings per share attributable to equity holders of the parent			
Earnings per share (in euros)	8	3.14	2.90(**)
Diluted earnings per share (in euros)	8	3.02	2.77(**)

(*) restated in accordance with the change of presentation described in Note A.1.3 "Change of presentation: profit or loss of associates".
(**) restated following the two-for-one VINCI share split on 17 May 2007.

Consolidated balance sheet

Assets

(in € millions)	Notes	2007	2006
Non-current assets			
Goodwill	9	3,382.5	2,636.5(*)
Other intangible assets	10	141.6	128.3
Concession intangible assets	12	25,060.6	24,698.5
Property, plant and equipment	13	2,824.5	2,322.6
Investment property	14	52.6	47.3
Investments in associates	15	191.9	102.8
Other non-current financial assets	16-21	562.3	348.2
Deferred tax assets	7	110.1	218.8
Total non-current assets		**32,326.0**	**30,503.0**
Current assets			
Inventories and work in progress	24	647.5	567.1
Trade and other operating receivables	24	11,101.3	9,503.1
Other current assets	24	288.4	241.0
Current tax assets	7	54.8	37.5
Other current financial assets	16-21	232.2	158.1
Cash management financial assets	21	665.0	1,223.2
Cash and cash equivalents	21	4,223.8	5,154.8
Total current assets (before assets held for sale)		**17,213.2**	**16,884.8**
Assets related to discontinued activities and other assets available for sale	25	5.4	
Total current assets		**17,218.5**	**16,884.8**
Total assets		**49,544.5**	**47,387.8**

(*) Restated in accordance with the change of method described in Note A.1.2 "Change of method: transactions between shareholders, acquisitions and disposals of non-controlling interests after acquisition of control".

Equity and liabilities

(in € millions)	Notes	2007	2006
Equity			
Share capital		1,214.9	1,176.6
Share premium		4,806.8	4,475.5
Treasury shares		(1,102.2)	(178.4)
Other equity instruments		490.6	490.6
Consolidated reserves		727.5	557.1(*)
Currency translation reserves		(20.7)	20.5
Net profit for the period attributable to equity holders of the parent		1,461.0	1,270.4
Net income recognised directly in equity		46.9	9.5
Equity attributable to equity holders of the parent		**7,624.9**	**7,821.8(*)**
Minority interest		571.8	748.4
Total equity	**18**	**8,196.7**	**8,570.1(*)**
Non-current liabilities			
Non-current provisions	20	1,067.2	1,015.0
Bonds	21	5,159.8	3,591.3
Other loans and borrowings	21	13,480.7	14,043.7
Other non-current liabilities		85.6	49.1
Deferred tax liabilities	7	2,453.4	2,612.7
Total non-current liabilities		**22,246.6**	**21,311.8**
Current liabilities			
Current provisions	24	2,003.1	1,655.9
Trade payables	24	6,553.4	5,554.1
Other current payables	24	7,594.9	6,428.7
Current tax payables	7	156.0	138.7
Current borrowings	21	2,792.6	3,728.6
Total current liabilities (before liabilities held for sale)		**19,099.9**	**17,505.9**
Liabilities related to discontinued activities and other liabilities available for sale	25	1.3	
Total current liabilities		**19,101.2**	**17,505.9**
Total equity and liabilities		**49,544.5**	**47,387.8**

(*) Restated in accordance with the change of method described in Note A.1.2 "Change of method: transactions between shareholders, acquisitions and disposals of non-controlling interests after acquisition of control".

Consolidated cash flow statement

(in € millions)		Notes	2007	2006
Net profit for the period (including minority interest)			**1,583.0**	**1,432.1**
Depreciation and amortisation			1,594.9	1,365.9
Net increase / (decrease) in provisions			48.1	2.2
Share-based payments (IFRS 2) and other restatements			15.0	40.4
Gain or loss on disposals			(87.8)	(166.0)
Change in fair value of foreign currency derivative financial instruments			(26.8)	(0.2)
Share of profit or loss of associates, dividends received from unconsolidated entities and profit or loss of operations classified as held for sale			(30.8)	(76.2)
Capitalised borrowing costs			(135.6)	(92.3)
Cost of net financial debt recognised			811.0	581.7
Current and deferred tax expense recognised			743.8	667.4
Cash flows (used in) / from operations before tax and financing costs		**2-3**	**4,514.7**	**3,755.0**
Changes in working capital requirement and current provisions		2-3-24	687.5	12.7
Income taxes paid			(782.6)	(758.2)
Net interest paid			(836.1)	(518.0)
Net cash flows (used in) / from operating activities	**I**	**2-3**	**3,583.5**	**2,491.6**
Purchases of property, plant and equipment, and intangible assets		2-3-4	(815.7)	(771.8)
Proceeds from sales of property, plant and equipment, and intangible assets		2-3-4	132.7	199.7
Purchases of concession fixed assets *(net of grants received)*		2-3-4	(1,269.5)	(1,205.3)
Purchases of shares in subsidiaries and associates (consolidated and unconsolidated)			(2,095.0)	(9,322.4)
Proceeds from sales of shares in subsidiaries and associates (consolidated and unconsolidated)			71.9	79.7
Net effect of changes in scope of consolidation			292.0	614.2
Dividends received from associates and unconsolidated entities			27.2	15.9
Other			(11.0)	5.9
Net cash flows (used in) / from investing activities	**II**	**2-3**	**(3,667.5)**	**(10,384.1)**
Changes in share capital			369.7	3,391.9
Changes in treasury shares			(939.5)	(310.4)
Minority interest in share capital increases of subsidiaries			2.3	24.4
Dividends paid				
– to shareholders of VINCI SA			*(664.5)*	*(472.0)*
– to minority interests			*(48.4)*	*(79.6)*
Proceeds from new borrowings			3,611.8	5,600.2
Repayment of borrowings and changes in other current financial debt			(2,366.9)	104.3
Change in cash management assets			(758.2)	(52.2)
Net cash flows (used in) / from financing activities	**III**	**2-3**	**(793.7)**	**8,206.8**
Net cash flows associated with discontinued operations (halted or sold)	**IV**			**219.4**
Change in net cash	**I + II + III + IV**		**(877.7)**	**533.6**
Net cash and cash equivalents at beginning of period			**4,487.7**	**3,993.6**
Other changes			(15.9)	(39.6)
Net cash and cash equivalents at end of period		**21**	**3,594.0**	**4,487.7**
Increase (decrease) of cash management financial assets			758.2	52.2
(Proceeds from) / repayment of loans			(1,244.9)	(5,704.6)
Other changes			(126.4)	(8,059.0)
Change in net debt			**(1,506.8)**	**(13,217.4)**
Net debt at beginning of period			**(14,796.4)**	**(1,579.0)**
Net debt at end of period			**(16,303.3)**	**(14,796.4)**

Statement of changes in consolidated equity

(in € millions)	Capital and reserves attributable to equity holders of the parent										
	Share capital	**Share premium**	**Treasury shares**	**Other equity instruments**	**Consolidated reserves**	**Currency translation reserves**	**Net profit for the period**	**Net income recognised directly in equity**	**Total**	**Minority interest**	**Total**
Balance at 1 January 2006 restated(*)	**983.2**	**2,247.5**	**(335.8)**		**842.8**	**31.3**	**871.2**	**(0.0)**	**4,640.2**	**671.7**	**5,311.9**
Increases in share capital	228.3	2,673.0		490.6					3,391.9	24.4	3,416.3
Decreases in share capital	(34.9)	(445.1)	479.9						0.0		0.0
Changes in treasury shares			(322.5)		12.1				(310.4)		(310.4)
Allocation of net income and dividend payments					399.2		(871.2)		(472.0)	(79.6)	(551.6)
Net profit for the period (a)							1,270.4		1,270.4	161.7	1,432.1
Financial instruments: changes in fair value (b)								7.1	7.1	(0.1)	7.0
including:											
Available-for-sale financial assets								*(0.2)*	*(0.2)*		*(0.2)*
Cash flow hedges								*7.3*	*7.3*	*(0.1)*	*7.2*
Currency translation differences						(10.0)			(10.0)	(2.5)	(12.5)
Changes in equity of associates recognised directly in equity								0.2	0.2		0.2
Share-based payments (IFRS 2)					75.8				75.8		75.8
Effect of acquisitions of non-controlling interests after having acquired acquisition of control					(1,038.2)				(1,038.2)		(1,038.2)
Changes in consolidation scope					263.4	(0.4)			263.0	(25.9)	237.1
Other					1.9	(0.4)		2.1	3.7	(1.4)	2.3
Balance at 31 December 2006 restated(*)	**1,176.6**	**4,475.5**	**(178.4)**	**490.6**	**557.1**	**20.5**	**1,270.4**	**9.5**	**7,821.8**	**748.4**	**8,570.1**
of which total income and expense recognised in respect of 2006 (a) + (b)							*1,270.4*	*7.1*	*1,277.5*	*161.6*	*1,439.1*
Increases in share capital	47.9	444.7							492.6	2.3	494.9
Decreases in share capital	(9.5)	(113.4)							(122.9)		(122.9)
Changes in treasury shares			(923.9)		(15.6)				(939.5)		(939.5)
Allocation of net income and dividend payments					605.8		(1,270.4)		(664.5)	(48.4)	(712.9)
Net profit for the period (a)							1,461.0		1,461.0	122.0	1,583.0
Financial instruments: changes in fair value (b)								38.2	38.2	0.4	38.7
including:											
Available-for-sale financial assets								*3.6*	*3.6*		*3.6*
Cash flow hedges								*34.6*	*34.6*	*0.4*	*35.1*
Currency translation differences						(46.7)			(46.7)	(2.1)	(48.8)
Changes in equity of associates recognised directly in equity									0.0		0.0
Share-based payments (IFRS 2)					82.4				82.4		82.4
Effect of acquisitions of non-controlling interests after having acquired acquisition of control					(558.5)	0.1		0.4	(558.0)	(284.2)	(842.2)
Changes in consolidation scope					17.6	3.9		(0.2)	21.3	34.7	56.1
Other					38.6	1.5		(0.9)	39.2	(1.3)	37.8
Balance at 31 December 2007	**1,214.9**	**4,806.8**	**(1,102.2)**	**490.6**	**727.5**	**(20.7)**	**1,461.0**	**46.9**	**7,624.9**	**571.8**	**8,196.7**
Of which – total income and expense recognised in respect of 2007 (a) + (b)							*1,461.0*	*38.2*	*1,499.2*	*122.4*	*1,621.7*

(*) Restated in accordance with the change of method described in Note A.1.2 "Change of method: transactions between shareholders, acquisitions and disposals of non-controlling interests after acquisition of control".

Notes to the consolidated financial statements

A. Accounting policies and measurement methods

1. General principles

In application of Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002, the Group's consolidated financial statements for the period ended 31 December 2007 have been prepared under the International Financial Reporting Standards (IFRS) as endorsed by the European Union at 31 December 2007.

The accounting policies applied by the Group at 31 December 2007 are the same as those used in preparing its consolidated financial statements at 31 December 2006, except for:
- the Standards and Interpretations adopted by the European Union, applicable as from 1 January 2007 (see Note A1.1 "*New Standards and Interpretations applicable from 1 January 2007*");
- the change of accounting method relating to the treatment of acquisitions and disposals of minority interests after control has been acquired (see Note A1.2 "*Change of method: transactions between shareholders, acquisition and disposal of non-controlling interests after acquisition of control*"); and
- the change of presentation of the profit or loss of associates in the income statement (see Note A1.3 "*Change of presentation, profit or loss of associates*").

The information relating to 2005, presented in the 2006 registration document D.07-0242 filed with the AMF on 29 March 2007 is deemed to be included herein.

The Board of Directors finalised the consolidated financial statements on 27 February 2008.

1.1 New Standards and Interpretations applicable from 1 January 2007

1.1.1 IFRS 7 *Financial Instruments: Disclosures* and Amendment to IAS 1 *Presentation of Financial Statements – Capital Disclosures*

On 18 August 2005, the IASB published IFRS 7 *Financial Instruments: Disclosures* and the Amendment to IAS 1 "Presentation of Financial Statements – Capital Disclosures."

The objective of IFRS 7 is to provide further disclosures on financial instruments, as defined in IAS 32 "*Financial Instruments: Disclosure and Presentation"* and IAS 39 *"Financial Instruments: Recognition and Measurement"* in order to improve communication about the exposure to the management of financial risks. IFRS 7 requires in particular:
- qualitative disclosures on the management of risks as they are analysed by the Group's management;
- quantitative disclosures on the sensitivity of profit or loss and equity to fluctuations in the various market risks (interest rates, foreign exchange rate, equity prices, raw material prices, etc.).

The Amendment to IAS 1 requires presentation of qualitative and quantitative information on the objectives, policies and processes for managing capital.

Application of this Standard and this Amendment, adopted by the European Union on 11 January 2006 and published in the Official Journal of the European Union on 27 January 2006, has been mandatory since 1 January 2007. The consolidated financial statements of VINCI at 31 December 2006 have therefore been adjusted in consequence to take account of their application retrospectively.

1.1.2 New Interpretations applicable from 1 January 2007

· IFRIC 10 "*Interim Financial Reporting and Impairment"*
· IFRIC 9 "*Reassessment of Embedded Derivatives"*
· IFRIC 8 "*Scope of IFRS 2"*
· IFRIC 7 "*Applying the Restatement Approach under IAS 29 (Financial Reporting in Hyperinflationary Economies)"*.

The application of these interpretations has no material effect on the Group's consolidated financial statements.

1.2 Change of method: transactions between shareholders, acquisitions and disposals of non-controlling interests after acquisition of control

The IFRSs in force at 31 December 2007 do not specify the accounting treatment applicable to acquisitions or disposals of non-controlling interests in companies that are already controlled.

In its revision of IFRS 3 "Business Combinations", published on 10 January 2008, the IASB considers acquisitions or disposals of non-controlling interests as equity transactions with the Group's shareholders. Under this approach, the difference between the consideration paid to increase the percentage shareholding in entities that are already controlled and the supplementary share of the equity thus acquired is recorded under consolidated equity. Similarly, a decrease in the Group's percentage holding in an entity that continues to be controlled is booked in the accounts through equity, with no impact on profit or loss.

VINCI has decided to adopt the approach retained by the IASB as from 1 January 2007 in order to improve the quality of its financial disclosures on these transactions, which are now considered as being equity transactions. In accordance with the provisions of IAS 8, this change of method has been applied retrospectively and the opening balance of equity at 1 January 2006 and the comparative data presented have been restated.

The impacts are shown in the table below:

(in € millions)	31 December 2006		1 January 2006	
	Goodwill	Equity	Goodwill	Equity
Published	3,681.3	9,614.9	813.1	5,318.5
Restated	2,636.5	8,570.1	806.5	5,311.9
Impact of change of method	**(1,044.8)**	**(1,044.8)**	**(6.6)**	**(6.6)**

At 1 January 2007, this change of method, which has no impact on profit or loss, results in a reclassification of €1,044.8 million of goodwill as a reduction of equity. This amount relates for €1,025.6 million to the impact of the goodwill arising on the acquisition of 27% of ASF's shares after 9 March 2006, the date when VINCI acquired control of ASF.

1.3 Change of presentation: profit or loss of associates

The IFRSs in force at 31 December 2007 require the profit or loss of associates to be disclosed on a specific line in the income statement, but do not state where this line should be placed. Furthermore, they allow supplementary lines and subtotals to be added whenever this facilitates understanding of the entity's performance.
The associates in which VINCI exercises significant influence are companies that operate in VINCI's business lines (Concessions, Construction, Roads and Energy).

In order to improve the information presented on the operational performance of its business lines, VINCI has decided to present the results of associates from now on, on a specific line between *Operating profit from ordinary activities* and *Operating profit*. In accordance with IAS 8, this change of presentation has been applied to the comparative data presented.

(in € millions)	2006 As published
Revenue	**25,634.3**
Operating profit from ordinary activities	**2,579.8**
Share-based payment expense (IFRS 2)	(89.5)
Goodwill impairment expense	(14.3)
Operating profit	**2,476.0**
Cost of net financial debt	**(581.7)**
Profit / (loss) of associates	18.3
Income tax expense	(667.4)
Net profit or loss after tax of discontinued operations (halted or sold)	49.4
Net profit for the period	**1,432.1**
Minority interest	161.7
Net profit for the period attributable to equity holders of the parent	**1,270.4**

(in € millions)	2006 Restated
Revenue	**25,634.3**
Operating profit from ordinary activities	**2,579.8**
Share-based payment expense (IFRS 2)	(89.5)
Goodwill impairment expense	(14.3)
Profit / (loss) of associates	18.3
Operating profit	**2,494.3**
Cost of net financial debt	(581.7)
Income tax expense	(667.4)
Net profit or loss after tax of discontinued operations (halted or sold)	49.4
Net profit for the period	**1,432.1**
Minority interest	161.7
Net profit for the period attributable to equity holders of the parent	**1,270.4**

2. Consolidation methods

2.1 Consolidation scope

Companies of which the Group holds, whether directly or indirectly, the majority of voting rights enabling control to be exercised, are fully consolidated. Companies that are less than 50% owned but in which VINCI exercises *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 46.84%.

Companies over which the Group exercises significant influence are accounted for using the equity method.

Proportionate consolidation is used for jointly controlled entities. This relates in particular to joint-venture agreements (*sociétés en participation*) and Consortium Stade de France, of which VINCI owns 66.67 % and where there is a shareholders' agreement with Bouygues, which owns 33.33%. This agreement organises the joint control by this company's two sole shareholders, and provides that all financial, operational and investments decisions must be made unanimously.

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 the Group's financial statements is material.

Number of companies by reporting method

	31 December 2007			31 December 2006		
	Total	France	Foreign	Total	France	Foreign
Full consolidation	**1,610**	1,025	585	**1,398**	934	464
Proportionate consolidation	**404**	187	217	**320**	161	159
Equity method	**76**	35	41	**48**	14	34
Total	**2,090**	**1,247**	**843**	**1,766**	**1,109**	**657**

The main acquisitions during the period were Solétanche (142 companies), acquired by VINCI Construction, and Entrepose Contracting (33 companies), acquired by VINCI, which are described in Note B. "*Business combinations*".
The other changes in consolidation scope mainly arise from the acquisition of 35 companies in the Energy business line (including Etavis), 34 companies in the Construction business line (including Nukem) and 14 companies by VINCI Park.

2.2 Intragroup transactions

Reciprocal operations and transactions relating to assets and liabilities, income and expenses between consolidated or equity-accounted companies are eliminated in the consolidated financial statements. This is done:
- for the full amount if the transaction is between two subsidiaries;
- applying the percentage of proportionate 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.

2.3 Translation of the financial statements of foreign subsidiaries and establishments

In most cases, the functional currency of entities and establishments is their local currency.
The financial statements of foreign entities of which the functional currency is different from that used in preparing the Group's consolidated financial statements are translated at the closing rate. Balance sheet items are translated at the exchange rate at the balance sheet date and income statement items are converted at the average rate for the period (which represents the best estimate of the exchange rate at the transaction date). 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.

2.4 Foreign currency transactions

Transactions in foreign currency 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 other financial 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.

2.5 Business combinations

The Group applies the so-called purchase method for business combinations made as from 1 January 2004. In application of this method, the Group recognises the identifiable assets, liabilities and 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 an agreement provides for an adjustment to the purchase price contingent on future events, the Group includes the amount of that adjustment in the purchase cost of the target entity at the acquisition date if the adjustment is probable and can be measured reliably.
The cost of acquisition is allocated by recognising the identifiable assets, liabilities and contingent liabilities of the acquiree at their fair value at that date, except for assets or asset groups classified as held for sale under IFRS 5, which are recognised at their fair value less costs to sell. The positive difference between the cost of acquisition, as defined above, and VINCI's interest in the fair value of the identifiable assets, liabilities and contingent liabilities is recognised as goodwill.
The Group has 12 months from the date of acquisition to finalise recognition of the business combination in question.

2.6 Discontinued operations (halted or sold), operations and assets classified as held for sale

Discontinued operation

Whenever discontinued operations (halted or sold), or operations held for sale are:
- a business line or a geographical area of business that is material for the Group and that forms part of a single disposal plan; or
- a subsidiary acquired exclusively with a view to resale;

they are shown on a separate line of the consolidated balance sheet at the balance sheet date of the period under consideration.

Assets connected with discontinued operations are measured at the lower of their carrying amount and their estimated sales price less costs to sell. Income statement and cash flow items relating to these discontinued operations are shown on a separate line for all the periods presented.

Assets classified as held for sale

Non-current assets of which the sale has been decided during the period are shown on a separate line of the balance sheet whenever the sale is expected to be completed within one year. Such assets are measured at the lower of their carrying amount and their estimated sales price less costs to sell.
Contrary to discontinued operations, the related income statement and cash flow items are not shown on a separate line.

3. Measurement rules and methods

3.1 Use of estimates

The preparation of financial statements under the IFRSs requires estimates to be used and assumptions to be made that affect the amounts shown in these financial statements.
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.
Use of estimates relates in particular to the following:

3.1.1 Measurement of construction contract profit or loss using the stage of completion method

The Group uses the stage of completion method to recognise revenue and profit or loss on construction contracts, applying the general revenue recognition rules on the basis of the percentage of completion.
The percentage of completion and the revenue to recognise are determined on the basis of a large number of estimates based on monitoring of the work performed and using the benefit of experience to take account of unforeseen circumstances. In consequence, adjustments may be made to initial estimates throughout the contract and may have material effects on future results.

3.1.2 Values used in impairment tests

The assumptions and estimates made to determine the recoverable amount of goodwill, intangible assets and property, plant and equipment, relate in particular to the assessment of market prospects, needed to estimate the cash flows, and discount rates adopted. Any change in these assumptions could have a material effect on the recoverable amount and could entail a change in the impairment losses to recognise.
The main assumptions used by the Group are described in Note E.11 "*Test of impairment of goodwill and other non-financial assets*".

3.1.3 Measurement of share-based payment expenses under IFRS 2

The Group recognises a share-based payment expense relating to the granting to its employees of share options (offers to subscribe to or purchase shares), free share plans and of shares under the Group Savings Scheme. This expense is measured on the basis of actuarial calculations using estimated behavioural assumptions based on observation of past behaviour.
The main actuarial assumptions (expected volatility, expected return on the share, etc.) adopted by the Group are described for each plan in Note E19 "*Share-based payments*".

3.1.4 Measurement of retirement benefit obligations

The Group is involved in defined contribution and defined benefit retirement plans. Its obligations in connection with these plans are measured actuarially based on assumptions such as the discount rate, the return on the investments dedicated to these plans, future increases in wages and salaries, employee turnover, mortality rates and the rate of increase of health expenses.
These assumptions are generally updated annually. Details of the assumptions used and how they are determined are given in Note E.20.1 "*Provisions for retirement and other employee benefit obligations*".
The Group considers that the actuarial assumptions used are appropriate and justified. Obligations may, however, change in the event of changes in assumptions.

3.1.5 Measurement of provisions

The factors that materially influence the amount of provisions relate to:
- the estimates made on a statistical basis from expenses incurred in previous years, for after-sales service provisions;
- the estimates of forecast profit or loss on construction contracts, which serve as a basis for the determination of losses on completion;
- the forecasts for maintenance expenses spanning several years, and for major repairs, which serve as a basis for the provisions for major repairs. The future application of Interpretation IFRIC 12 could moreover alter the determination of these provisions (see Note A.5 "*Standards and Interpretations not applied early*").

3.1.6 Measurement of financial instruments at fair value.

Whenever financial instruments are not listed on a market, the Group uses, in assessing their fair value, measurement models based on assumptions, which give preference to the use of observable factors.

3.2 Revenue

Consolidated revenue of the Energy, Roads and Construction business lines is recognised in accordance with IAS 11 as described below (see Note A.3.4 "*Construction contracts*"). It 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 assets shown in the VINCI balance sheet as concession intangible assets. The method for recognising revenue in respect of construction contracts is explained in Note A.3.4 "*Construction contracts*" below.

The Concession business line's consolidated revenue is recognised in accordance with IAS 18. It 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 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.).

3.3 Revenue from ancillary activities

Revenue from ancillary activities is recognised in accordance with IAS 18. It comprises rental income, sales of equipment, materials and merchandise, study work and fees other than those generated by concession operators.

3.4 Construction contracts

The Group 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 Energy) the stage of completion is determined on the basis of the percentage of total costs incurred to date.

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 if need be 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 connection with concession contracts shown under concession intangible 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.

3.5 Share-based payments

The measurement and recognition methods for share subscription and purchase plans, the *Plans d'Epargne Groupe* – Group Savings Schemes – and free share plans, are defined by IFRS 2 "*Share-based Payment*". The granting of share options, free shares and offers to subscribe to the group savings plan 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 at the grant date of the equity instruments granted.

3.5.1 Share subscription or purchase option plans

Options to subscribe to or purchase shares are granted to Group employees and Company officers. The fair value of the options granted is determined at the grant date using a binomial valuation model, of the "Monte Carlo" type. The number of options measured is adjusted for the probability that the vesting conditions for the exercise of the option will not be satisfied.

3.5.2 Free share allocation plans

As this is a plan under which the final vesting of the free shares is dependent on the realisation of conditions relating to market performance and financial criteria, the fair value of the free VINCI shares has been estimated, at grant date, using a simulation model of the Monte Carlo type, in order to incorporate the impact of the market performance condition and according to the likelihood of the financial criteria being met, as recommended by IFRS 2.
The number of free shares measured at fair value in the calculation of the IFRS 2 expense is then adjusted at each balance sheet date for the impact of the change in the likelihood of the financial criteria being met.

3.5.3 Group Savings Scheme

Under the Group Savings Scheme, VINCI issues new shares in France 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 being determined using a binomial valuation model, of the "Monte Carlo" type, at the date on which the Board of Directors announces a plan to the employees. 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.

In 2007, VINCI carried out a leveraged employee shareholding transaction, called *Castor Avantage*, for the employees of its French subsidiaries.
The expense related to leveraged plans is measured at grant date in accordance with IFRS 2, on the basis of the benefit granted by VINCI to its employees.

The Group recognises the benefits granted in this way to its employees as an expense over the vesting period, with a corresponding entry increasing consolidated equity.
The plans, implemented as decided by VINCI's Board of Directors and approved by the Shareholders General Meeting, are not systematically renewed. As their measurement is not directly linked to the business line's operations, VINCI has considered it appropriate not to include this expense in the operating profit from ordinary activities, which is an indicator of the business line's performance, but to report it on a separate line, labelled *Share-based payment expense (IFRS 2)*, in operating profit.

3.6 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 derivatives in respect of gross financial debt, whether they are designated as hedges for accounting purposes or not.
- the line item *financial income from cash management investments* comprises the return on investments of cash and cash equivalents. Investments of cash and cash equivalents are measured at fair value through profit or loss.

3.7 Other financial income and expenses

Other financial income and expenses mainly comprises 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 those 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 for construction work, other than those specifically intended for the construction of given assets.

3.8 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 temporary differences between the carrying amount and the tax base of assets and liabilities. Deferred tax is calculated using the latest tax rates enacted or substantially enacted. 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.
Whenever subsidiaries have distributable reserves, a deferred tax liability is recognised in respect of the probable distributions that will be made in the foreseeable future. Moreover, shareholdings in associates and joint ventures give rise to recognition of a deferred tax liability in respect of all the differences between the carrying amount and the tax base of the shares.

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.

3.9 Earnings per share

Earnings per share is the net profit for the period after minority interest, 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, in particular such as share subscription or purchase options and free shares.

3.10 Goodwill

Goodwill is the excess of the cost of a business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities at the date(s) of acquisition, recognised on first consolidation.

Goodwill relating to fully and proportionately consolidated entities is reported under the consolidated balance sheet under *Goodwill*. Goodwill relating to associates is included in the line-item *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 in operating profit or loss in the period and is not reversible.
Negative goodwill is recognised directly in profit or loss in the year of acquisition.

3.11 Other intangible assets

Other intangible assets mainly comprise operating rights, quarrying rights of finite duration and computer software. Purchased intangible assets are measured at cost less cumulative amortisation and impairment losses. Quarrying rights are amortised as materials are extracted (volumes extracted during the period are compared with the estimated total volume to be extracted from the quarry over its useful life), in order to reflect the decline in value due to depletion. Other intangible assets are amortised on a straight-line basis over their useful life.

3.12 Concession intangible assets

The costs of concession contracts are shown on a specific line in the balance sheet as concession intangible 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.

3.13 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.

3.14 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. 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. In the particular case of quarries, they are amortised as materials are extracted (volumes extracted during the period are compared with the estimated total volume to be extracted from the quarry over its useful life), in order to reflect the decline in value due to depletion.

The main periods of use of the various categories of items of property, plant and equipment are as follows:

Constructions	
- structure	between 20 and 50 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 date when the asset is ready to enter service.

3.15 Finance leases

Assets acquired under finance leases are recognised as non-current 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.

3.16 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, in the same way as items of property, plant and equipment.

3.17 Impairment of non-financial non-current assets

Under certain circumstances, impairment tests must be performed on intangible and tangible fixed assets. For intangible assets with an indefinite useful life and 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 inflows 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.

3.18 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 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 that an investment may be impaired, its recoverable value is tested as described in Note A.3.17 *Impairment of non-financial non-current assets*.

3.19 Other non-current financial assets

Other non-current financial assets comprise available-for-sale securities, the part at more than one year of loans and receivables measured at their amortised cost, the part at more than one year of public private partnership contracts (PPP) and the fair value of non-current derivative financial instruments (assets) (see Note A 3.28.2 *Fair value of derivative instruments, (assets and liabilities)*).

3.19.1 Available-for-sale securities

Available-for-sale securities comprises the Group's shareholdings in unconsolidated entities.

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, if their fair value cannot be determined reliably, the securities continue to be measured at their original cost, i.e. their cost of acquisition plus transaction costs.

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 a decrease in the fair value of an available-for-sale financial asset has been recognised directly in equity and when there is an objective indication that it is durably impaired, the corresponding loss is recognised in profit or loss and may not be reversed.

3.19.2 Loans and receivables at amortised cost

Loans and receivables at amortised cost mainly comprises receivables connected with shareholdings, current account advances to associates or unconsolidated entities, guarantee deposits, collateralised loans and receivables, other loans and receivables and the receivables relating to public-private partnership (PPP) contracts.

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 method. In the particular case of receivables relating to PPP contracts, the effective interest rate used corresponds to the project's internal rate of return.

If there is an objective indication of durable impairment, an impairment loss is recognised at the balance sheet date. 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. This loss may be reversed if the recoverable value increases subsequently and if this favourable change can objectively be linked to an event arising after recognition of the impairment loss.

3.20 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.

3.21 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.

3.22 Other current financial assets

Other current financial assets comprises the fair value of derivative financial instruments (assets) and the part at less than one year of loans and receivables reported under other non-current financial assets.

3.23 Cash management financial assets

Cash management financial assets comprises investments in monetary and bond securities, and units in UCITS, made with a short-term management objective, that do not satisfy the IAS 7 criteria for recognition as cash (see Note A 3.24 *Cash and cash equivalents*). As the Group adopts fair value as being the best reflection of the performance of these assets, they are measured and recognised at their fair value, and changes in fair value

are recognised through profit or loss.
Purchases and sales of cash management financial assets are recognised at their transaction 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 assessing the fair value of listed instruments, the Group uses the market price at the balance sheet date or the cash-in-value of UCITS.

3.24 Cash and cash equivalents

This item comprises current accounts at banks and cash equivalents corresponding to short-term, liquid investments subject to negligible risks of fluctuations of value. Cash equivalents comprise in particular monetary UCITS (in accordance with the AMF classification), and certificates of deposit with maturities not exceeding three months at the origin. Bank overdrafts are not included in cash and are reported under current financial liabilities.

The Group has adopted the fair value method to assess the return on its financial instruments. Changes in fair value are recognised directly in profit or loss.

3.25 Treasury shares and other equity instruments

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.

In accordance with IAS 32, equity includes perpetual subordinated bonds that meet the definition of an equity instrument.

3.26 Non-current provisions

Non-current provisions comprise provisions for retirement benefit obligations and other non-current provisions.

3.26.1 Provisions for retirement benefit obligations

Provisions are taken in the balance sheet for obligations connected with 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 annual 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 plan'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).
Cumulative unrecognised actuarial gains and losses that exceed 10% of the higher of the present value of the defined benefit obligation and the fair value of the plan assets are recognised in profit or loss for the excess portion on a straight-line basis over the average expected remaining working lives of the employees 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 considered as being under defined contribution plans and are recognised as an expense as and when contributions are payable.

That part of provisions for retirement benefit obligations that matures within less than one year is shown under current liabilities.

3.26.2 Other non-current provisions

These comprise provisions for other employee benefits, measured in accordance with IAS 19, and those provisions that are not directly linked to the operating cycle, measured in accordance with IAS 37. These are recognised whenever, at the balance sheet date, the Group has a legal or constructive present obligation towards third parties arising from a past event, whenever it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and whenever a reliable estimate can be made of the amount of the obligation. These provisions are measured at their present value, corresponding to the best estimate of the outflow of resources required to settle the obligation.

Provision expenses and reversals result from the change in these assessments at each balance sheet date.
The part at less than one year of other employee benefits is reported under *other current liabilities*. The part at less than one year of provisions not directly linked to the operating cycle is reported under *current provisions*.

3.27 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. They are recognised in accordance with IAS 37 (see above). They also include the part at less than one year of provisions not directly linked to the operating cycle.

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 events.

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.

3.28 Bonds and other financial debt (current and non-current)

3.28.1 Bond loans, other loans and borrowings

These are recognised at amortised cost using the effective interest method. The effective interest rate is determined after taking account of redemption premiums and issuance expenses. Under this method, the interest expense is measured using the amortised cost method and reported under the cost of gross financial debt.

Financial instruments that comprise both a debt component and an equity component are recognised in accordance with IAS 32. The carrying amount of the hybrid instrument is apportioned between its debt component and its equity component, the equity component being defined as the difference between the fair value of the hybrid instrument and the fair value of the debt component. The debt component corresponds to the fair value of a debt with similar characteristics but without an equity component. The value attributed to the separately recognized equity component is not altered during the term of the instrument. 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.

3.28.2 Fair value of derivative financial instruments (assets and liabilities)

The Group uses derivative financial instruments to hedge its exposure to market risks (mainly interest rates and exchange rates). Most interest rate and exchange rate derivatives used by VINCI are designated as hedging instruments. Hedge accounting is applicable in particular if the conditions provided for in IAS 39 are satisfied:
- at the inception of the hedge, there is formal designation and documentation of the hedging relationship;
- the effectiveness of the hedging relationship is demonstrated from the outset and at each balance sheet date, prospectively and retrospectively.

The fair value of derivative financial instruments designated as hedges of which the maturity is greater than one year is reported in the balance sheet under *Other non-current financial assets* or *Other loans and borrowings (non-current).* The fair value of other derivative instruments not designated as hedges and the part at less than one year of instruments designated as non-current hedges are reported under *Other current financial assets* or *Current borrowings*.

Financial instruments designated as hedging instruments

Derivative financial instruments designated as hedging instruments are systematically recognised in the balance sheet at fair value. Nevertheless, their recognition varies depending on whether they are designated as:
- a fair value hedge of an asset or a liability or of an unrecognised firm commitment;
- 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 a financial asset, a financial liability or an unrecognised firm commitment to be hedged.

Changes in the fair value of the hedging instrument are recognised in profit or loss for the period. The change in value of the hedged item attributable to the hedged risk is recognised symmetrically in profit or loss for the period (and adjusted to the carrying amount of the hedged item). 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 exposure to variability in future cash flows associated with an existing asset or liability, or a highly probable forecast transaction, to be hedged.

Changes in the fair value of the derivative financial instrument are recognised in equity for the effective part and in profit or loss for the period for the ineffective part. Cumulative gains or losses in equity are taken to 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 expected, the gains and losses previously recognised in equity are 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 hedging 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 hedging instrument recognised in translation differences is reversed through profit or loss when the foreign entity in which the initial investment was made is disposed of.

Derivative financial instruments not designated as hedging instruments
Derivative financial instruments that are not designated as hedging instruments are reported in the balance sheet at fair value and changes in their fair value are recognised in profit or loss.

3.29 Off-balance sheet commitments

The Group's off-balance sheet commitments are monitored through a specific annual and six-monthly report.
Off-balance sheet commitments are reported in the appropriate notes, as dictated by their nature and the activity to which they relate.

4. Reminder of the elections made on first application of the IFRSs

In the context of the transition to the IFRS in 2005, and in accordance with IFRS 1 *First-time Adoption of International Financial Reporting Standards,* VINCI made the following elections:

Retirement benefit obligations: the actuarial gains and losses existing at 1 January 2004, not recognised under French GAAP, were 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: the Group 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 was 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.

5. Standards and Interpretations not applied early

The Group has not elected to apply the following Standards or Interpretations early:

- IFRS 3 Revised "*Business Combinations*"
- IAS 1 Revised "*Presentation of Financial Statements*"
- Amendments to IAS 23 "*Borrowing Costs*"
- IFRS 8 "*Operating Segments*"
- IFRIC 11 "*Group and Treasury Share Transactions*"
- IFRIC 13 "*Customer Loyalty Programmes*"
- IFRIC 14 "*The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*"

VINCI is currently analysing the impacts and practical consequences of the application of these Standards and Interpretations.

On 30 November 2006, the IFRIC published Interpretation IFRIC 12 on accounting for service concession arrangements:
- The application scope covers public service concession contracts in which the concession grantor is considered to exercise control over the assets operated.
- The various accounting models applicable depend on the consideration received by the operator:
  - Under the intangible asset model, the operator recognises the asset under concession as an intangible asset to the extent that it receives a right to collect tolls (or receive other remuneration) from users, in consideration for the financing, building, and operation of the infrastructure. This treatment would apply to most infrastructure concessions that are today operated by VINCI, in particular the motorway networks of ASF, ESCOTA and Cofiroute, the A19, the Rion-Antirion bridge in Greece, and most of the parking facilities managed under concessions by VINCI Park. The intangible asset model also applies whenever the concession grantor remunerates the concession operator on the basis of the extent of use of the infrastructure by users, but with no guarantees as to the amounts that will be paid to the operator (under a simple *pass through* or *shadow toll* agreement).
  - Under the financial asset model: the operator's rights over the asset under concession are recognised as an interest-bearing financial receivable whenever the concession operator has an unconditional right to receive payments from the concession grantor independently of the extent of use of the infrastructure by users. On the basis of the analysis of VINCI's current contracts, this model would apply to the Newport bypass contract, to some VINCI Park contracts and to the Public-Private Partnership contracts.
  - Whenever only part of the investment is covered by a payment commitment from the grantor, it is recognised as a financial receivable up to the amount guaranteed by the grantor, and as an intangible fixed asset for the balance.

VINCI has not elected for early application at 31 December 2007 of this Interpretation, which is in the course of endorsement by the European Union.
The application of IFRIC 12 by VINCI will require the accounting rules and procedures applicable to concession contracts to be adapted, in particular as regards the accounting treatment of provisions for major repairs.

B. Business combinations

Regarding the acquisitions mentioned below, the values attributed to the identifiable assets, liabilities and contingent liabilities at the date of acquisition of control have been determined on the basis of the information available at the date balance sheet date. The goodwill arising may alter during the 12 months following the date of acquisition of control, depending on any changes made during this period.

1. Acquisition of Solétanche Bachy

In January 2007, VINCI Construction agreed to acquire 81% of the share capital of Solétanche (the parent company of the Solétanche Bachy group), bringing its shareholding to 100%. Solétanche Bachy, one of the world leaders in special foundations and soil improvement, booked revenue of €1.4 billion on a fair value basis in 2007.

As the acquisition of Solétanche Bachy was finalised on 27 July, following the approval by the European competition authorities, the company has been fully consolidated in the Group's financial statements since that date.

Determination of the identifiable assets and liabilities acquired at the date of acquisition of control

(in € millions)	Historical values	Fair-value adjustments	Fair values
Non-current assets			
Property, plant and equipment and intangible assets	205.7		205.7
Non-current financial assets	3.2	2.9	6.1
Deferred tax assets	3.9	8.0	11.9
Total non-current assets	**212.8**	**10.9**	**223.7**
Current assets	**768.2**	**(9.6)**	**758.6**
Non-current liabilities			
Non-current financial debt and derivatives	113.0		113.0
Other non-current liabilities	25.1	2.5	27.6
Deferred tax liabilities	3.2		3.2
Total non-current liabilities	**141.3**	**2.5**	**143.8**
Current liabilities			
Current financial debt and derivatives	33.9		33.9
Other current payables	608.1	51.3	659.4
Total current liabilities	**642.0**	**51.3**	**693.3**
Total net assets(*)	**197.7**	**(52.5)**	**145.2**
Purchase consideration (81% of the shares) (**)			**281.3**

(*) Including minority shareholders for €7.6 million.
(**) Excluding block acquired before acquisition of control.

Fair value adjustments relate mainly to the recognition of contingent liabilities.

The goodwill arising from the acquisition of control of Solétanche Bachy amounts to €169.6 million. For the block of shares acquired in 2007 and the block held before that date, goodwill has been determined by comparing the consideration paid for each block of shares necessary to acquire control with the corresponding share of the assets and liabilities held remeasured at their fair value. This unallocated goodwill corresponds to the future economic benefits that VINCI considers it will receive as a result of this acquisition.

2. Acquisition of Entrepose Contracting

Entrepose Contracting carries out turnkey projects in oil and gas transport and storage (pipelines and compression facilities). In 2007, it booked a revenue of about €570 million on a full-year basis.

VINCI acquired 77.3% of Entrepose Contracting for a total price of €251 million.

This transaction comprised several stages during the period:
- acquisition of 13.4% of the outstanding shares on 4 June 2007 at a price of €65 per share (cum dividend), making a total of €43.6 million;
- acquisition of blocks of shares held by employees and managers representing 20.3% of the share capital, following approval of the transaction by the competition authorities. This approval was granted on 23 August 2007;

- filing by VINCI, on 20 June 2007, of a Public Purchase Tender for all the remaining shares in Entrepose Contracting (representing 59.17% of the share capital), at a price of €64.4 ex dividend per share. This Tender opened on 13 July 2007, closed on 20 August 2007 and enabled VINCI to acquire a further 27.3%.

On completion of these transactions and supplementary purchases on the stock market (6.7%), VINCI held 67.7% of the outstanding shares in Entrepose Contracting, which, as a result, has been fully consolidated in VINCI's financial statements as from 5 September 2007. Goodwill of €201 million has been recognised.

VINCI subsequently acquired a further 9.6% for €31.1 million, bringing its shareholding to 77.3%, under a renewal of its Public Purchase Tender in September 2007. In accordance with the accounting policies described in Note A.1.2 *Change of method: transactions between shareholders, acquisitions and disposals of non-controlling interests after acquisition of control*, the difference between the purchase consideration and the share of the net consolidated assets acquired after the date of acquisition of control (€2.7 million), has been taken as a reduction of consolidated reserves, for a total amount of €28.4 million.

Determination of the identifiable assets and liabilities acquired at the date of acquisition of control

(in € millions)	Historical values	Fair-value adjustments	Fair values
Non-current assets			
Property, plant and equipment and intangible assets	70.5	(42.1)	28.4
Non-current financial assets	11.4		11.4
Deferred tax assets	6.7		6.7
Total non-current assets	**88.6**	**(42.1)**	**46.5**
Current assets	**320.2**		**320.2**
Non-current liabilities			
Non-current financial debt and derivatives	2.3		2.3
Other non-current liabilities	11.7		11.7
Deferred tax liabilities	0.6		0.6
Total non-current liabilities	**14.6**		**14.6**
Current liabilities			
Current financial debt and derivatives	29.1		29.1
Other current payables	295.9		295.9
Total current liabilities	**325.0**		**325.0**
Total net assets (on 100% basis)	**69.2**	**(42.1)**	**27.1**
Purchase consideration (67.7% of the shares)			**220.1**

The assets and liabilities acquired mainly comprise operating assets and liabilities of which the carrying amount corresponds to their fair value. The adjustment to the fair value arises from the write off of the goodwill initially recognised by Entrepose Contracting relating to the acquisitions of Spie Capag and Holding Océane Offshore.

Measurement of goodwill on acquisition, on the basis of fair value of the company's assets and liabilities at the date of acquisition of control, resulted in recognition of goodwill of €201.5 million.

3. Other business combinations

3.1 Acquisition of Nukem

In May 2007, Freyssinet, a subsidiary of VINCI Construction, acquired a 100% shareholding in Nukem Ltd for £111.3 million (€164.8 million). This company is one of the principal operators in the UK in the field of dismantling of nuclear installations, decontamination, waste treatment and radiation protection.

Measurement of goodwill on acquisition, on the basis of fair value of the company's assets, contingent liabilities and liabilities at the date of acquisition of control, resulted in recognition of goodwill of £144 million (€155.4 million).

3.2 Acquisition of Etavis

On 16 July 2007, VINCI Energies acquired 95% of Etavis for €69 million and undertook to purchase the non-controlling interest depending on future earnings. The Swiss leader in energy and information technologies, Etavis provides services from consulting and engineering through to implementation and maintenance of networks for the service and industrial and telecommunications sectors. In 2007, Etavis booked revenue of about €200 million.

Measurement of goodwill on acquisition, on the basis of fair value of the company's assets, liabilities and contingent liabilities at the date of acquisition of control, resulted in recognition of goodwill of €76 million.

3.3 Partnership agreement between Signature and Eurovia

At the end of 2007, Eurovia entered into a partnership agreement with Signature, a subsidiary of Plastic Omnium, operating in the field of road markings and signs. This agreement, which was given prior approval on 22 November by the European Commission, provides for the exchange by the two companies of cross shareholdings in their respective vertical and horizontal road marking operations, which will henceforth be carried out by two intermediate holding companies (Euromark and Signature Vertical).

On 21 December 2007, with effect from 31 December 2007, Eurovia became a 65% shareholder of Euromark (horizontal road markings) and a 35% shareholder of Signature Vertical (vertical road markings). Together, these two transactions amounted to a total of €55.8 million.

Measurement of goodwill on acquisition, on the basis of fair value of the company's the assets, liabilities and contingent liabilities at the date of acquisition of control, resulted in recognition at 31 December 2007 of goodwill of €19 million in respect of the horizontal road marking business, and goodwill of €19 million on the equity-accounted shares for the vertical road marking business.

C. Segment information

Based on the Group's internal organisation, segment information is presented by business line and geographical segment.

The main activities of each business line are:
- Concessions: management under concessions, tenancy agreements or service provision agreements of motorways and major infrastructures such as bridges and tunnels, car parks, airports and public infrastructure equipment.
- Energy: electrical works and engineering, information and communication technology, heating ventilation and air conditioning engineering, insulation.
- Roads: building and maintenance of roads and motorways, production of road-building materials, urban infrastructure, environmental work, demolition and recycling.
- Construction: design and construction in the building, civil engineering, and hydraulic sectors, multi-technical maintenance, foundations, soil treatment and dredging.

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

(in € millions)	31/12/2007	31/12/2006	Change 2007/2006
Concessions	4,580.0	3,893.5(*)	17.6%
Energy	4,300.7	3,653.7	17.7%
Roads	7,706.0	7,234.5	6.5%
Construction	13,653.2	10,617.2	28.6%
Holding companies, other activities and eliminations	187.8	235.4	(20.2%)
Total	**30,427.8**	**25,634.3**	**18.7%**

(*) Including the ASF Group's revenue of €2,227.2 million as from 9 March 2006.

1.2 Breakdown of revenue by geographical market

(in € millions)	31/12/2007	%	31/12/2006	%
France	**19,716.6**	**64.8%**	**16,824.8(***)**	**65.6%**
United Kingdom	2,048.5	6.7%	1,714.1	6.7%
Germany	1,621.3	5.3%	1,662.2	6.5%
Central and Eastern Europe(*)	2,307.6	7.6%	1,703.6	6.6%
Belgium	826.3	2.7%	689.8	2.7%
Spain	361.6	1.2%	315.5	1.2%
Other European countries	888.1	2.9%	705.1	2.8%
Europe(**)	**27,770.0**	**91.3%**	**23,615.2**	**92.1%**
including European Union, for	27,386.8	90.0%	23,436.5	91.4%
North America	720.5	2.4%	686.9	2.7%
Africa	858.8	2.8%	607.1	2.4%
Rest of world	1,078.4	3.5%	725.1	2.8%
Total	**30,427.8**	**100.0%**	**25,634.3**	**100.0%**

(*) Albania, Bosnia-Herzegovina, Bulgaria, Croatia, Hungary, Latvia, Lithuania, Poland, Czech Republic, Romania, Russia, Serbia-Montenegro, Slovakia, Slovenia and Ukraine.
(**) Including the eurozone for €23,103.3 million at 31 December 2007 and €20,043.1 million at 31 December 2006.
(***) Including the ASF Group's revenue of €2,227.2 million as from 9 March 2006.

Revenue arising in foreign countries amounted to €10,711.2 million in 2007, 21.6% more than in 2006, and represented 35.2% of the total.

1.3 Breakdown of revenue by location of operations

(in € millions)	31/12/2007	%	31/12/2006	%
France	**20,483.0**	**67.3%**	**16,957.3(***)**	**66.2%**
United Kingdom	1,940.1	6.4%	1,716.8	6.7%
Germany	1,702.4	5.6%	1,717.3	6.7%
Central and Eastern Europe(*)	1,964.7	6.5%	1,567.1	6.1%
Belgium	1,667.5	5.5%	1,324.2	5.2%
Spain	317.2	1.0%	297.5	1.2%
Other European countries	573.0	1.9%	435.7	1.7%
Europe(**)	**28,648.0**	**94.2%**	**24,015.9**	**93.7%**
including European Union, for	28,443.2	93.5%	23,922.2	93.3%
North America	685.3	2.3%	679.2	2.6%
Africa	646.9	2.1%	536.7	2.1%
Rest of world	447.5	1.5%	402.5	1.6%
Total	**30,427.8**	**100.0%**	**25,634.3**	**100.0%**

(*) Albania, Croatia, Hungary, Lithuania, Poland, Czech Republic, Romania, Russia, Serbia-Montenegro, Slovakia and Ukraine.
(**) Including the eurozone for €24,492.6 million at 31 December 2007 and €20,583.7 million at 31 December 2006.
(***) Including the ASF Group's revenue of €2,227.2 million as from 9 March 2006.

2. Other segment information by business line

The data below is for each business line separately and is stated before elimination, at their own level, of transactions with other business lines.

2007

(in € millions)	Concessions	Energy	Roads	Construction	Holding companies and other activities	Eliminations	Total
31/12/2007							
Income statement							
Revenue	**4,580.0**	**4,300.7**	**7,706.0**	**13,653.2**	**558.3**	**(370.5)**	**30,427.8**
Elimination of inter-segment sales	(1.6)	(90.8)	(103.5)	(173.3)	(1.3)	370.5	
Revenue invoiced to outside parties	4,578.5	4,210.0	7,602.5	13,479.9	556.9	0.0	30,427.8
Operating profit from ordinary activities	1,746.5	229.5	391.7	668.3	76.8		3,112.8
% of revenue	*38.1%*	*5.3%*	*5.1%*	*4.9%*	*13.8%*		*10.2%*
Operating profit	1,735.1	198.4	375.2	632.0	65.5		3,006.1
Net profit or loss from continuing operations	751.1	144.6	275.0	475.5	(63.2)		1,583.0
Net profit attributable to equity holders of the parent	**679.8**	**142.0**	**263.1**	**438.3**	**(62.2)**		**1,461.0**
Cash flow statement							
Cash flows (used in) / from operations before tax and financing costs	**2,833.5**	**250.2**	**513.6**	**895.4**	**22.0**		**4,514.7**
including net depreciation and amortisation, for	*1,054.4*	*54.4*	*193.9*	*285.5*	*6.7*		*1,594.9*
including net provisions, for	*52.8*	*13.4*	*(0.2)*	*6.6*	*(24.5)*		*48.1*
Net cash flows (used in) / from operating activities	**1,557.6**	**252.6**	**429.8**	**1,328.9**	**14.5**		**3,583.5**
Cash flows (used in) / from investing activities	**(2,151.6)**	**(178.2)**	**(258.9)**	**(852.5)**	**(226.3)**		**(3,667.5)**
including net investments in operating and concession assets, for	*(1,306.7)*	*(48.3)*	*(208.5)*	*(387.1)*	*(2.0)*		*(1,952.6)*
including net financial investments, for	*(830.1)*	*(146.3)*	*(73.6)*	*(741.0)*	*(232.2)*		*(2,023.2)*
Net cash flows (used in) / from financing activities	**148.9**	**(56.2)**	**(144.1)**	**77.5**	**(819.8)**		**(793.7)**
Change in net cash and cash equivalents	**(445.1)**	**18.3**	**26.8**	**553.9**	**(1,031.7)**		**(877.7)**
Balance sheet							
Segment assets	**28,300.0**	**2,288.0**	**3,838.2**	**8,872.9**	**391.8**		**43,690.9**
Segment liabilities	**1,205.0**	**2,227.1**	**3,287.7**	**9,097.4**	**334.2**		**16,151.3**
Net financial surplus (debt)	**(16,966.6)**	**515.0**	**599.6**	**1,478.2**	**(1,929.4)**		**(16,303.3)**
Employees at 31 December	**15,872**	**31,852**	**39,804**	**70,455**	**645**		**158,628**

2006

(in € millions)	Concessions	Energy	Roads	Construction	Holding companies and other activities	Eliminations	Total
31/12/2006							
Income statement							
Revenue	**3,893.5**	**3,653.7**	**7,234.5**	**10,617.2**	**564.8**	**(329.4)**	**25,634.3**
Elimination of inter-segment sales	(2.5)	(68.7)	(62.7)	(182.0)	(13.5)	329.4	
Revenue invoiced to outside parties	3,891.0	3,584.9	7,171.8	10,435.2	551.3	0.0	25,634.3
Operating profit from ordinary activities	1,491.3	191.8	288.1	495.7	112.9		2,579.8
% of revenue	*38.3%*	*5.2%*	*4.0%*	*4.7%*	*20.0%*		*10.1%*
Operating profit(*)	1,483.7	164.4	276.9	465.2	104.2		2,494.3
Net profit or loss from continuing operations	743.0	112.0	210.1	369.8	(52.2)		1,382.7
Net profit attributable to equity holders of the parent	**667.6**	**110.6**	**201.9**	**342.0**	**(51.7)**		**1,270.4**
Cash flow statement							
Cash flows (used in) / from operations before tax and financing costs	**2,380.5**	**228.3**	**425.8**	**680.0**	**40.4**		**3,755.0**
including net depreciation and amortisation, for	*884.0*	*55.5*	*184.9*	*235.0*	*6.6*		*1,365.9*
including net provisions, for	*28.6*	*0.3*	*(4.0)*	*(3.0)*	*(19.6)*		*2.2*
Net cash flows (used in) / from operating activities	**1,549.2**	**219.7**	**388.3**	**493.7**	**(159.3)**		**2,491.6**
Cash flows (used in) / from investing activities	**(619.9)**	**(95.6)**	**(264.8)**	**(417.4)**	**(8,986.3)**		**(10,384.1)**
including net investments in operating and concession assets, for	*(1,237.7)*	*(58.0)*	*(185.8)*	*(378.9)*	*83.0*		*(1,777.4)*
including net financial investments, for	*23.0*	*(38.3)*	*(91.7)*	*(50.9)*	*(9,084.9)*		*(9,242.8)*
Net cash flows (used in) / from financing activities	**(372.3)**	**(133.7)**	**(71.9)**	**69.6**	**8,715.0**		**8,206.8**
Cash flows associated with operations disposed of or classified as held for sale	**219.4**						**219.4**
Change in net cash and cash equivalents	**776.4**	**(9.6)**	**51.5**	**145.8**	**(430.6)**		**533.6**
Balance sheet							
Segment assets(**)	**27,841.9**	**2,000.4**	**3,388.2**	**6,597.7**	**419.0**		**40,247.2**
Segment liabilities	**1,110.4**	**2,038.7**	**2,961.9**	**7,076.0**	**451.7**		**13,638.7**
Net financial surplus (debt)	**(12,207.9)**	**535.8**	**613.2**	**1,491.9**	**(5,229.4)**		**(14,796.4)**
Employees at 31 December	**15,938**	**26,996**	**38,818**	**56,238**	**534**		**138,524**

(*) Restated in accordance with the change of presentation described in Note A.1.3 "Change of presentation: profit or loss of associates".
(**) Restated in accordance with the change of method described in Note A.1 2 "Change of method: transactions between shareholders, acquisitions and disposals of non-controlling interests after acquisition of control".

Reconciliation between segment information and financial statements

(in € millions)	31/12/2007	31/12/2006
Segment assets		
Goodwill	3,382.5	2,636.5(*)
Other intangible assets	141.6	128.3
Property, plant and equipment and investment property	2,877.1	2,369.9
Concession intangible assets	25,060.6	24,698.5
Investments in associates	191.9	102.8
Inventories and work in progress	647.5	567.1
Trade and other operating receivables	11,101.3	9,503.1
Other current assets	288.4	241.0
Segment assets	**43,690.9**	**40,247.2**
Segment liabilities		
Current provisions	2,003.1	1,655.9
Trade payables	6,553.4	5,554.1
Other current payables	7,594.9	6,428.7
Segment liabilities	**16,151.3**	**13,638.7**

(*) Restated in accordance with the change of method described in Note A.1 2 "Change of method: transactions between shareholders, acquisitions and disposals of non-controlling interests after acquisition of control".

3. Breakdown of the Concessions business line

2007

(in € millions)	Cofiroute(*)	ASF Group	VINCI Park	Other concessions	Holding companies	Total
31/12/2007						
Income statement						
Revenue	**1,038.5**	**2,811.4**	**561.9**	**168.2**		**4,580.0**
Operating profit from ordinary activities	562.5	1,001.6	130.9	58.3	(6.8)	1,746.5
% of revenue	*54.2%*	*35.6%*	*23.3%*	*34.7%*		*38.1%*
Operating profit / (loss)(**)	563.3	991.9	130.9	63.3	(14.2)	1,735.1
Net profit or loss from continuing operations	344.9	353.9	63.8	35.4	(46.9)	751.1
Net profit attributable to equity holders of the parent	**279.9**	**352.6**	**63.7**	**30.5**	**(46.9)**	**679.8**
Cash flow statement						
Cash flows (used in) / from operations before tax and financing costs	**732.8**	**1,841.6**	**194.3**	**81.3**	**(16.5)**	**2,833.5**
including net depreciation and amortisation, for	*152.7*	*809.4*	*68.1*	*22.6*	*1.6*	*1,054.4*
including net provisions, for	*13.0*	*40.2*	*3.3*	*0.3*	*(4.1)*	*52.8*
Net cash flows (used in) / from operating activities	**496.6**	**1,050.8**	**125.8**	**45.8**	**(161.4)**	**1,557.6**
Cash flows (used in) / from investing activities	**(559.8)**	**(411.0)**	**(87.9)**	**(276.5)**	**(816.4)**	**(2,151.6)**
including net investments in operating and concession assets, for	*(560.0)*	*(411.0)*	*(62.3)*	*(273.4)*	*(0.1)*	*(1,306.7)*
including net financial investments, for			*(18.2)*	*(2.9)*	*(809.1)*	*(830.1)*
Net cash flows (used in) / from financing activities	**162.1**	**(1,189.9)**	**(34.4)**	**185.6**	**1,025.4**	**148.9**
Change in net cash and cash equivalents	**98.9**	**(550.1)**	**3.5**	**(45.1)**	**47.6**	**(445.1)**
Balance sheet						
Segment assets	**5,347.8**	**20,362.5**	**1,505.3**	**1,034.8**	**49.6**	**28,300.0**
Segment liabilities	**167.9**	**622.5**	**256.2**	**148.6**	**9.8**	**1,205.0**
Net financial surplus (debt)	**(3,263.8)**	**(10,667.2)**	**(856.6)**	**(580.4)**	**(1,598.6)**	**(16,966.6)**
Employees at 31 December	**1,998**	**7,267**	**5,404**	**1,199**	**3**	**15,872**

*(*) On a 100% basis.*
(**) The ASF Group's operating profit includes the IFRS 2 expense. The IFRS 2 expense for the other companies in the business line is shown in the column headed Holding companies.

2006

(in € millions)	Cofiroute(1)	ASF Group	VINCI Park	Other concessions	Holding companies	Total
31/12/2006						
Income statement						
Revenue	**965.7**	**2,227.2**	**523.1**	**182.6**	**(5.0)**	**3,893.5**
Operating profit from ordinary activities	513.9	815.1	121.4	61.0	(20.1)	1,491.3
% of revenue	*53.2%*	*36.6%*	*23.2%*	*33.4%*		*38.3%*
Operating profit / (loss) (2) (3)	514.5	808.3	121.3	66.0	(26.4)	1,483.7
Net profit or loss from continuing operations	302.7	349.6	63.8	53.4	(26.6)	743.0
Net profit attributable to equity holders of the parent	**197.4**	**333.4**	**63.7**	**50.2**	**22.8**	**667.6**
Cash flow statement						
Cash flows (used in) / from operations before tax and financing costs	**662.5**	**1,466.6**	**187.3**	**87.0**	**(22.7)**	**2,380.5**
including net depreciation and amortisation, for	*139.1*	*649.1*	*63.5*	*29.8*	*2.5*	*884.0*
including net provisions, for	*8.5*	*15.1*	*3.2*	*0.8*	*1.0*	*28.6*
Net cash flows (used in) / from operating activities	**479.8**	**913.1**	**124.4**	**34.5**	**(2.6)**	**1,549.2**
Cash flows (used in) / from investing activities	**(754.6)**	**252.2(4)**	**(71.9)**	**(45.5)**	**(0.0)**	**(619.9)**
including net investments in operating and concession assets, for	*(755.1)*	*(350.3)*	*(71.4)*	*(60.8)*	*(0.1)*	*(1,237.7)*
including net financial investments, for		*(1.3)*	*(0.5)*	*14.2*	*10.5*	*23.0*
Net cash flows (used in) / from financing activities	**301.4**	**(541.8)**	**(58.8)**	**14.0**	**(87.0)**	**(372.3)**
Cash flows associated with operations disposed of or classified as held for sale					**219.4**	**219.4**
Change in net cash and cash equivalents	**26.5**	**623.5**	**(6.3)**	**2.9**	**129.7**	**776.4**
Balance sheet						
Segment assets (5)	**4,875.0**	**20,698.1**	**1,473.4**	**739.9**	**55.6**	**27,841.9**
Segment liabilities	**181.4**	**548.4**	**242.4**	**109.1**	**29.0**	**1,110.4**
Net financial surplus (debt)	**(3,005.7)**	**(7,612.5)**	**(873.6)**	**(483.5)**	**(232.5)**	**(12,207.9)**
Employees at 31 December	**2,045**	**7,669**	**5,243**	**981**	**0**	**15,938**

(1) On a 100% basis
(2) The ASF Group's operating profit includes the IFRS 2 expense. The IFRS 2 expense for the other companies in the business line is shown in the column headed Holding companies.
(3) Restated in accordance with the change of presentation described in Note A.1.3 "Change of presentation: profit or loss of associates".
(4) Including the cash position of the ASF Group at the date of acquisition for €604.8 million.
(5) Restated in accordance with the change of method described in Note A.1 2 "Change of method: transactions between shareholders, acquisitions and disposals of non-controlling interests after acquisition of control".

4. Segment information by geographical segment

(in € millions)	France	Germany	United Kingdom	Central & Eastern Europe	Belgium	Spain	Other European countries	Europe	North America	Rest of world	Total
31/12/2007											
Segment assets	36,633.2	655.5	951.8	954.9	941.2	430.0	1,284.4	41,850.9	389.6	1,450.5	**43,690.9**
Net investments in operating and concession assets	(1,573.0)	(51.8)	(14.2)	(38.8)	(53.2)	(4.2)	(47.0)	(1,782.1)	(46.3)	(124.2)	**(1,952.6)**
Employees at 31 Dec. 2007	90,116	8,795	8,868	11,653	5,748	3,356	7,557	136,093	4,821	17,714	**158,628**
31/12/2006											
Segment assets(*)	35,098.1	615.9	645.6	775.1	1,055.5	256.4	881.0	39,327.7	175.6	743.9	**40,247.2**
Net investments in operating and concession assets	(1,484.2)	(19.7)	(7.8)	(36.6)	(129.9)	(8.5)	(27.4)	(1,714.1)	(23.3)	(40.1)	**(1,777.4)**
Employees at 31 Dec. 2006	83,730	8,906	8,058	8,263	4,936	1,876	3,137	118,906	3,741	15,877	**138,524**

(*) Restated in accordance with the change of method described in Note A.1 2 "Change of method: transactions between shareholders, acquisitions and disposals of non-controlling interests after acquisition of control".

D. Notes to the income statement

5. Operating profit

(in € millions)	31/12/2007	31/12/2006
Revenue	**30,427.8**	**25,634.3**
Revenue from ancillary activities	**234.3**	**218.8**
Purchases consumed	(7,214.9)	(6,306.5)
External services	(3,621.5)	(2,944.4)
Temporary employees	(967.3)	(842.0)
Subcontracting	(6,696.5)	(5,432.0)
Taxes and levies	(820.9)	(715.9)
Employment costs	(6,452.2)	(5,707.2)
Other operating income and expenses	96.6	144.0
Depreciation and amortisation(*)	(1,587.3)	(1,359.6)
Net provision charges	(285.2)	(109.7)
Operating expenses	**(27,549.3)**	**(23,273.3)**
Operating profit from ordinary activities	**3,112.8**	**2,579.8**
Share-based payment expense (IFRS 2)	(117.6)	(89.5)
Goodwill impairment expense	(6.0)	(14.3)
Profit / (loss) of associates(**)	17.0	18.3
Operating profit	**3,006.1**	**2,494.3**

(*) Including reversals of depreciation and amortisation relating to investment grants.
(**) Restated in accordance with the change of presentation described in Note A.1.3 "Change of presentation: profit or loss of associates".

Operating profit from ordinary activities, measures the operating performance of the Group's subsidiaries before the effects of share-based payments (IFRS 2), goodwill impairment losses and profit or loss of associates. It was €3,112.8 million at 31 December 2007 (10.2% of revenue) compared with €2,579.8 million at 31 December 2006 (10.1% of revenue), up 20.7%. On a pro forma basis, restating the 2006 data for ASF on a full-year basis, the increase was 16.6%.
Readers are also reminded that at 31 December 2006, other income and expenses included a capital gain of €53 million in connection with the disposal of a property complex in Nanterre.

Operating profit, after taking account of share-based payment expenses, goodwill impairment losses and the profit or loss of associates, amounted to €3,006.1 million at 31 December 2007 compared with €2,494.3 million at 31 December 2006 (9.9% of revenue), an increase of 20.5% (or 16.6% after restating the 2006 data of the ASF Group on a full-year basis).

5.1 Other operating income and expenses

(in € millions)	31/12/2007	31/12/2006
Net gains or losses on disposal of property, plant and equipment and intangible assets	57.0	115.2(*)
Share in operating profit or loss of joint ventures	31.1	26.7
Other	8.5	2.2
Total	**96.6**	**144.0**

(*) Dont 53 millions d'euros liés à la cession de l'ensemble immobilier de Nanterre.

5.2 Depreciation and amortisation

Net depreciation and amortisation breaks down as follows:

(in € millions)	31/12/2007	31/12/2006
Intangible assets	(31.4)	(25.6)
Concession intangible assets	(1,021.9)	(854.6)(*)
Property, plant and equipment	(530.1)	(477.7)
Investment property	(3.8)	(1.6)
Depreciation and amortisation	**(1,587.3)**	**(1,359.6)**

(*) Including ASF for €793.8 million in 2007, €637.6 million in 2006.

5.3 Share-based payments

The expense relating to benefits granted to employees has been assessed at €117.6 million in respect of 2007 (compared with €89.5 million in 2006), of which €26.0 million was in respect of share option plans (compared with €32.5 million in 2006), €59.1 million in respect of group savings plans (compared with €54.5 million in 2006) and €32.1 million in respect of the plan to allocate shares for no consideration. (See Note E.19 *Share-based payments*).

6. Financial income and expenses

(in € millions)	31/12/2007	31/12/2006
Cost of gross financial debt (*)	(1,006.5)	(733.7)
Financial income from cash management investments	195.5	152.1
Cost of net financial debt	**(811.0)**	**(581.7)**
Other financial income	199.5	186.3
Other financial expenses	(67.8)	(48.9)
Other financial income and expenses	**131.7**	**137.4**

(*) Calculated using the effective interest rate.

The cost of financial debt amounted to €811 million at 31 December 2007 compared with €581.7 million at 31 December 2006.

Other financial income and expense amounted to net income of €131.7 million at 31 December 2007, compared with €137.4 million at 31 December 2006. This mainly comprises capitalised borrowing costs included in the cost of concession assets under construction for €132.7 million at 31 December 2007 (of which €109.2 million was in Cofiroute and €16.1 million was in ASF) compared with €91.6 million at 31 December 2006.

The breakdown of financial expenses and income by accounting category is as follows:

	31/12/2007		
(in € millions)	**Cost of net financial debt**	**Other financial income and expenses**	**Equity**
Liabilities at amortised cost(*)	(1,000.3)		
Assets and liabilities at fair value through profit or loss (fair value option)	195.5		
Derivatives designated as hedges: assets and liabilities	6.2		51.6
Derivatives at fair value through profit or loss (trading): assets and liabilities	(12.4)	(16.3)	
Loans and receivables		1.5	
Available-for-sale financial assets		45.9	3.6
Foreign exchange gains and losses		0.5	
Effect of discounting to present value		(35.6)	
Capitalised borrowing costs		135.6	
Total financial income and expenses	***(811.0)***	***131.7***	***55.2***
of which			
Concessions	(681.1)	129.2	71.7
Other business lines	70.1	21.8	0.2
Holding companies	(200.0)	(19.3)	(16.7)

(1) including €1.2 million in respect of expenses and fees on credit lines not included in the amortised cost calculation.

(in € millions)	31/12/2006 Cost of net financial debt	Other financial income and expenses	Equity
Liabilities at amortised cost	(783.9)		
Assets and liabilities at fair value through profit or loss (fair value option)	152.2		
Derivatives designated as hedges: assets and liabilities	49.7		10.8
Derivatives at fair value through profit or loss (trading): assets and liabilities	0.3	(0.1)	
Loans and receivables		3.4	
Available-for-sale financial assets		78.2	(0.1)
Foreign exchange gains and losses		(11.6)	
Effect of discounting to present value		(24.8)	
Capitalised borrowing costs		92.3	
Total financial income and expenses	***(581.7)***	***137.4***	***10.7***
of which			
Concessions	(467.3)	99.4	15.6
Other business lines	56.4	24.4	3.1
Holding companies	(170.7)	13.6	(8.0)

Gains and losses on derivative financial instruments allocated to financial debt (and designated as hedges) breaks down as follows:

(in € millions)	31/12/2007	31/12/2006
Net interest on derivatives designated as fair value hedges	6.3	49.7
Change in value of derivatives designated as fair value hedges	(25.5)	(2.0)
Change in value of the adjustment to fair value hedged financial debt	24.7	2.0
Reserve reversed through profit or loss in respect of cash flow hedges	0.6	0.5
Ineffectiveness of cash flow hedges	0.1	(0.5)
Gains and losses on derivative instruments allocated to net financial debt	**6.2**	**49.7**
of which		
Concessions	8.4	40.8
Other business lines	(0.2)	
Holding companies	(1.9)	9.0

7. Income tax

7.1 Analysis of net tax expense

(in € millions)	31/12/2007	31/12/2006
Current tax	(795.7)	(696.0)
Deferred tax	51.9	28.6
including temporary differences, for	*54.4*	*41.4*
including tax losses and tax credits, for	*(2.5)*	*(12.8)*
Total	**(743.8)**	**(667.4)**

The tax expense for the period comprises:
- the tax expense recognised by the French subsidiaries for €624.9 million (compared with €590.7 million in 2006), of which €172.6 million was in Cofiroute (compared with €161.9 million in 2006) and €505.1 million in VINCI SA, the lead company in the tax consolidation group that comprises 766 French subsidiaries (compared with €402.6 million in 2006, taking account of the tax expense of ASF and ESCOTA consolidated in 2006);
- the tax expense recognised by foreign subsidiaries for €118.9 million (against €76.7 million in 2006).

7.2 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)	31/12/2007	31/12/2006
Profit before tax, profit or loss of associates and discontinued operations (halted, sold)	2,309.9	2,031.8
Theoretical tax rate in France	34.43%	34.43%
Theoretical tax expense expected	**(795.3)**	**(699.5)**
Goodwill impairment expense	(2.7)	(4.9)
Impact of taxes due on income taxed at lower rate in France	3.3	12.9
Impact of tax loss carryforwards and other unrecognised or previously capped temporary differences	10.5	(3.0)
Difference in tax rates on foreign profit or loss	37.3	32.3
Permanent differences and miscellaneous	3.2	(5.2)
Tax expense recognised	**(743.8)**	**(667.4)**
Effective tax rate	32.20%	32.85%
Effective tax rate excluding impact of share-based payments, goodwill impairment losses and profit or loss of associates	30.57%	31.25%

A previously unrecognised deferred tax asset of €23.0 million, relating to carryforward tax losses and previous tax credits, has been recognised during the period as a gain.

The permanent differences shown in the effective tax reconciliation include the effects related to the fact that some of the components of the share-based payment expense are non tax-deductible. Such non-deductible items amounted to €-8.9 million at 31 December 2007 (and €-19.4 million at 31 December 2006).

7.3 Breakdown of deferred tax assets and liabilities

		Changes			
(in € millions)	31/12/2007	Profit or loss	Equity	Other	31/12/2006
Deferred tax assets					
Carryforward tax losses and tax credits	225.1	(47.3)		(6.8)	279.2
Retirement benefit obligations	189.4	(3.4)		23.2	169.6
Temporary differences on provisions	288.5	26.0		(0.2)	262.7
Adjustment on measuring financial instruments at fair value	23.9	5.3		1.3	17.3
Finance leases	19.6	(1.3)		5.9	15.1
Other	291.1	(3.5)	3.2	(7.8)	299.2
Netting of deferred tax assets and liabilities by tax jurisdiction	(628.2)			(167.6)	(460.6)
Total	**409.5**	**(24.1)**	**3.2**	**(152.1)**	**582.5**
Deferred tax liabilities					
Remeasurement of assets (*)	(2,784.5)	55.9		(8.1)	(2,832.3)
Finance leases	(27.7)	0.5		(5.7)	(22.5)
Adjustment on measuring financial instruments at fair value	(39.6)	(8.2)	(28.5)	4.0	(7.0)
Other	(229.7)	(22.1)		4.0	(211.6)
Netting of deferred tax assets and liabilities by tax jurisdiction	628.2			167.6	460.6
Total	**(2,453.4)**	**26.1**	**(28.5)**	**161.7**	**(2,612.7)**
Net deferred tax asset or liability before impairment losses	**(2,043.9)**	**2.0**	**(25.3)**	**9.6**	**(2,030.2)**
Capping	(299.4)	49.9		14.6	(363.8)
Net deferred tax	**(2,343.2)**	**51.9**	**(25.3)**	**24.2**	**(2,394.0)**

*(*) including a fair value adjustment on the assets and liabilities of ASF on first consolidation: –€2,204.4 million at the balance sheet date of which the impact on profit or loss for the period is + €92.4 million.*

7.4 Unrecognised deferred taxes

At 31 December 2007, deferred tax assets that are unrecognised on the grounds that their recovery is not probable amounted to €299.4 million. Of this, €80.2 million relates to the German subsidiaries, in respect of their carryforward tax losses. As the German subsidiaries are again profitable, VINCI has, on the basis of the forecasted 2008 results, recognised a deferred tax asset of €8.8 million.

8. Earnings per share

Earnings per share is calculated on the basis of the weighted average number of shares outstanding during the period, less the weighted average number of treasury shares.

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 (in particular share subscription or purchase options and free shares) been converted into shares. Earnings are also adjusted as necessary for changes in income and expenses resulting from the conversion into shares of all potentially dilutive instruments.

The dilution resulting from the exercise of share subscription and purchase options and from free shares is determined using the method defined in IAS 33.

8.1 Earnings per share

The tables below show the reconciliation between earnings per share and diluted earnings per share:

2007	Net profit (*)	Average number of shares	Earnings per share(**)
Total shares		**480,826,874**	
Treasury shares		(16,027,097)	
Basic earnings per share	**1,461.0**	**464,799,777**	**3.14**
Share subscription options		14,321,736	
Share purchase options		2,235,903	
Group savings scheme		387,291	
Free shares		2,129,015	
Diluted earnings per share	**1,461.0**	**483,873,722**	**3.02**

(*) In millions of euros.
(**) In euros.

2006	Net profit (*)	Average number of shares(**)	Earnings per share(***)
Total shares		**448,434,822**	
Treasury shares		(10,331,728)	
Basic earnings per share	**1,270.4**	**438,103,094**	**2.90**
Share subscription options		17,253,878	
Share purchase options		2,231,810	
Group savings scheme		352,580	
Diluted earnings per share	**1,270.4**	**457,941,362**	**2.77**

(*) In millions of euros.
(**) Restated following the two-for-one VINCI share split in May 2007.
(***) In euros.

Diluted earnings per share, calculated above, dœs not take account of the use of hedging financial instruments by VINCI to hedge the dilutive effect of share subscription or purchase plans, or free shares. (See Note E.18.3 *Treasury shares*).

8.2 Earnings per share of discontinued operations

	2007	2006(***)
Basic profit or loss of discontinued operations (*)	–	49.4
Basic earnings per share(**)	–	0.11
Diluted earnings per share(**)	–	0.11

(*) In millions of euros.
(**) In euros.
(***) Restated following the two-for-one VINCI share split in May 2007.

E. Notes to the balance sheet

9. Goodwill

Changes in the period were as follows:

(in € millions)	31/12/2007	31/12/2006 Restated	31/12/2006 Published
Net at the beginning of the period	**2,636.5**	**806.5**	**813.1**
Impact of acquisition of control of the ASF Group(*)		1,932.7	2,958.3
Other goodwill recognised during the period	770.6	44.3	44.3
Impairment losses	(6.0)	(14.3)	(14.3)
Translation differences	(18.5)	(0.6)	(0.6)
Entities no longer consolidated(**)	(6.5)	(93.7)	(93.7)
Other movements	6.4	(38.4)	(25.8)
Net at the end of the period	**3,382.5**	**2,636.5**	**3,681.3**

(*) Restated following the change of method described in Note A.1 2 "Change of method: transactions between shareholders, acquisitions and disposals of non-controlling interests after acquisition of control"
(**) Including goodwill connected with discontinued operations, or those in the process of being sold, for €92.4 million in 2006.

The main items of goodwill at 31 December 2007 were as follows:

	31/12/2007			31/12/2006	
				Restated(**)	Published
(in € millions)	Gross(*)	Impairment losses	Net	Net	Net
ASF Group	1,934.7		1,934.7	1,932.7	2,958.3
VINCI Park (formerly Sogeparc and Finec)	343.3		343.3	343.3	343.3
Entrepose Contracting	201.5		201.5	-	-
Solétanche Bachy	169.6		169.6	-	-
Nukem	155.4		155.4	-	-
Etavis	76.0		76.0	-	-
Other goodwill items individually less than €50 million(***)	547.0	(45.0)	501.9	360.5	379.7
Total	**3,427.5**	**(45.0)**	**3,382.5**	**2,636.5**	**3,681.3**

(*) Gross value less accumulated amortisation at 1 January 2004 (Opening IFRS balance sheet)
(**) Restated following the change of method described in Note A.1 2 "Change of method: transactions between shareholders, acquisitions and disposals of non-controlling interests after acquisition of control"
(***) Net value for individual entities, in each of the two periods.

The main changes in 2007 related to the acquisitions of Solétanche Bachy, Entrepose Contracting, Nukem and Etavis (Note B «*Business combinations*»).

10. Other intangible assets

Changes in the period were as follows:

(in € millions)	Software	Patents, licences and other	Total
Gross			
01/01/2006	**110.3**	**137.9**	**248.2**
Acquisitions as part of business combinations	82.8	18.0	100.8
Other acquisitions in the period	14.2	18.3	32.5
Disposals and retirements during the period	(23.7)	(2.4)	(26.2)
Discontinued operations (halted or sold)	(7.3)	(1.2)	(8.4)
Translation differences	0.2	0.9	1.1
Other movements	9.9	(14.2)	(4.3)
31/12/2006	**186.4**	**157.3**	**343.8**
Acquisitions as part of business combinations	9.3	35.0	44.3
Other acquisitions in the period	15.0	16.9	31.9
Disposals and retirements during the period	(11.2)	(1.8)	(13.0)
Translation differences	(0.3)	(0.7)	(1.0)
Other movements	16.1	(20.0)	(3.9)
31/12/2007	**215.3**	**186.8**	**402.1**
Amortisation and impairment losses			
01/01/2006	**(86.8)**	**(57.8)**	**(144.6)**
Cumulative amortisation recognised as part of business combinations	(68.6)	(7.6)	(76.1)
Amortisation for the period	(19.0)	(6.6)	(25.6)
Impairment losses		(2.7)	(2.7)
Reversals of impairment losses		0.2	0.2
Disposals and retirements during the period	22.9	1.6	24.5
Discontinued operations (halted or sold)	5.8	0.7	6.5
Translation differences	(0.2)	(0.1)	(0.3)
Other movements	2.0	0.7	2.7
31/12/2006	**(143.8)**	**(71.6)**	**(215.4)**
Cumulative amortisation recognised as part of business combinations	(7.4)	(13.8)	(21.1)
Amortisation for the period	(22.5)	(8.9)	(31.4)
Impairment losses		(0.1)	(0.1)
Reversals of impairment losses		0.2	0.2
Disposals and retirements during the period	6.0	2.4	8.4
Translation differences	0.2	0.2	0.4
Other movements	(2.0)	0.6	(1.4)
31/12/2007	**(169.5)**	**(91.0)**	**(260.4)**
Net			
01/01/2006	**23.5**	**80.2**	**103.7**
31/12/2006	**42.5**	**85.8**	**128.3**
31/12/2007	**45.8**	**95.8**	**141.6**

11. Impairment tests 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 goodwill at 31 December 2007.

The value in use of cash-generating units is determined on the basis of activity and country, by discounting the forecasted operating cash flows before tax (operating profit plus depreciation and amortisation plus non-current provisions less operating investments less change in operating WCR), at the rates below.

In the case of concessions, forecasted cash flows are determined across the contract terms by applying a variable discount rate, determined for each period depending on the debt to equity ratio. For the other cash-generating units, forecasted cash flows are 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, generally using a growth rate based 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.

11.1 Impairment tests on goodwill

Goodwill was tested for impairment using the following assumptions:

(in € millions)	Carrying amount of goodwill at 31/12/2007	Parameters of the model applied to cash flow forecasts: Growth rate (Years Y+3 to Y+5)	Growth rate (terminal value)	Pre-tax discount rate 31/12/2007	Pre-tax discount rate 31/12/2006	Impairment losses recognised in the period: 2007	2006
ASF Group	1,934.7	(*)	(*)	9.48%	9.00%	-	-
VINCI Park	343.3	(*)	(*)	8.91%	8.89%	-	-
Entrepose Contracting	201.5	2.4% à 3%	2%	9.48%	-	-	-
Solétanche Bachy	169.6	2.4% à 3.7%	2%	9.48%	-	-	-
Other goodwill	733.4	0% à 3%	0% à 3%	6.8% à 17.7%	8.9% à 15.5%	6.0	14.3
Total	**3,382.5**					**6.0**	**14.3**

(*) Cash flow projections are determined over the length of concessions contracts using an average revenue growth rate of 2.5% for ASF and of 3% for VINCI Park.

The tests performed at 31 December 2007 led to the recognition of impairment losses of €6 million compared with €14.3 million at 31 December 2006.

Sensitivity of the value in use of cash generating units to the assumptions made:

At 31 December 2007, the effect of an increase (or decrease) of 25 basis points in the post-tax discount rate would be a decrease (or increase) in enterprise value of €645 million for the ASF Group and of €99 million for VINCI Park, which would result in no impairment loss (or re-measurement) in the Group's consolidated financial statements.

For Entrepose Contracting and Solétanche Bachy, the sensitivity of the enterprise value to the assumptions made is shown in the following table.

(in € millions)	Solétanche Bachy		Entrepose Contracting	
	0.25%	(0.25%)	0.25%	(0.25%)
Discount rate for cash flows	(24.0)	24.0	(6.8)	7.3
Growth rate to infinity for cash flows	19.0	(19.0)	5.7	(5.2)

11.2 Impairment of other non-financial assets

At 31 December 2007, the Group has not recognised any impairment losses on other non-financial assets.
Impairment losses on other non-financial assets recognised in 2006 amounted to €31 million, including €23 million in respect of a property in Paris.

12. Concession intangible assets

12.1 Main features of concession contracts

The features of the main contracts for concessions operated by consolidated subsidiaries are as follows:

	Control and regulation of prices by concession grantor	Remuneration paid by	Grant or guarantee from concession grantor	Residual value	Concession end date or average duration	Consolidation method
Autoroutes						
Cofiroute						
Intercity toll motorway network in France 1,100km (of which approx. 18km under construction)	Pricing law as defined in the concession contract. Price increases subject to agreement by grantor.	Users	Nil	Infrastructure returned to grantor for no consideration at the end of the contract, unless purchased by the grantor on the basis of the economic value.	End of contract in 2030	Full consolidation
A86 France (2 toll tunnels under construction)	Pricing law as defined in the concession contract. Price increases subject to agreement by grantor.	Users	Nil	Infrastructure returned to grantor for no consideration at the end of the contract, unless purchased by the grantor on the basis of the economic value.	End of contract: 70 years after complete entry into service of asset.	Full consolidation
ASF Group						
ASF - France (2,713km of toll motorways, including 123km under construction)	Pricing law as defined in the concession contract. Price increases subject to agreement by grantor.	Users	Nil	Infrastructure returned to grantor for no consideration at the end of the contract, unless purchased by the grantor on the basis of the economic value.	End of contract in 2032	Full consolidation
Escota - France (459km of toll motorways)	Pricing law as defined in the concession contract. Price increases subject to agreement by grantor.	Users	Nil	Infrastructure returned to grantor for no consideration at the end of the contract, unless purchased by the grantor on the basis of the economic value.	End of contract in 2026	Full consolidation
Other concessions						
Arcour (A19) France Toll motorway 101km under construction	Pricing law as defined in the concession contract. Price increases subject to agreement by grantor.	Users	Investment grant	Infrastructure returned to grantor at end of concession for no consideration	End of contract in 2070	Full consolidation
Morgan VINCI Ltd Motorway, bypassing Newport (UK) (10km)	Payment depends on availability 67%, traffic 28%, safety 3%, maintenance 2% of the asset.	Grantor	Nil	Infrastructure returned to grantor at end of concession for no consideration	End of contract in 2042	Proportionate consolidation
A-Modell "A4 Horselberg" Motorway, 45km, under construction	Inflation-linked price increases based on the 2007 tolls level (excluding increases decided by the grantor).	Heavy vehicle road users, through the grantor	Nil	Infrastructure returned to grantor at end of concession for no consideration	End of contract in 2037	Proportionate consolidation

	Control and regulation of prices by concession grantor	Remuneration paid by	Grant or guarantee from concession grantor	Residual value	Concession end date or average duration	Consolidation method
Parking						
VINCI Park Approximately 359,000 parking spaces under concession in France, Rest of Europe, Canada; Hong Kong	Prices set in accordance with contracts.	Users	If applicable, grants for equipment or operating grants and/or revenue guarantees, paid by grantor	Nil	Approximately 30 years (average remaining period of concession contracts)	Full consolidation
Bridges						
Gefyra Toll bridge in the Gulf of Corinth, between Rion and Antirion, Greece	Pricing law as defined in the concession contract. Price increases linked to price index and subject to agreement by grantor.	Users	Grant for construction paid by grantor	Infrastructure returned to grantor at the end of the contract for no consideration.	End of contract in 2039	Full consolidation
Airports						
SCA (Cambodia) Airports of Phnom Penh, Siem Reap and Sihanoukville	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 at the end of the contract for no consideration.	End of contract in 2040	Proportionate consolidation
Stade de France						
Consortium Stade de France	No	Organiser of event and/or final customer.	Investment grant + compensation for absence of resident club + profit-sharing agreement with grantor	Infrastructure returned to grantor at the end of the contract for no consideration.	End of contract in 2025	Proportionate consolidation

In 2007, VINCI and Hochtief, via a 50-50 joint venture, signed the "A4 Horselberg" contract. This contract, of the A-Modell type, relates to the financing, design and construction and/or renovation of a 45-km section of motorway between Gotha and Eisenach in Thuringia, and its operation for 30 years.

12.2 Commitments made under concession contracts

Contractual investment and renewal obligations

Under their concession contracts, the Group's subsidiaries have undertaken to carry out investments in the infrastructure that they will operate as concession operators.

At 31 December 2007, the investments planned for the next five years relate to the ASF Group for €3 billion (including €0.8 billion for the Lyons-Balbigny section), Cofiroute for €809.3 million (comprising €365.6 million for the A86 and €443.7 million for the intercity network, including the new sections), and Arcour (A19) for €385 million.

With respect to ASF and ESCOTA, it should be noted that amendments have been signed in 2007 to the concession agreements and the contracts governing operations, setting out the investments to be made and the pricing rules applicable on the corresponding motorway networks for the period 2007-2011.

These investments by ASF, ESCOTA and Cofiroute are financed by drawings on their available credit facilities, by taking out new loans from the European Investment Bank (EIB) and through the bond market. Arcour's investments are being financed initially by capital injections from VINCI and by borrowing from VINCI and from financial institutions. The Group plans to use refinancing opportunities, in particular on the bond market, once the construction and the operational start-up phases have been completed.

Collateral security connected with the financing of concessions

The concession operating companies have provided collateral security to guarantee the financing of their investments operated under concessions, breaking down as follows:

(in € millions)	Start date	End date	Amount
VINCI Park	2006	2026	500(*)
Gefyra (Rion-Antirion bridge - Greece)	2001	2029	350
Morgan VINCI Ltd (Newport bypass - United Kingdom)	2002	2040	42
Other concession operating companies			68

(*) Shares in subsidiaries pledged to guarantee the €500 million finance borrowed at the end of June 2006.

Furthermore, ASF Holding, which owns 23% of ASF, has pledged its shareholding to guarantee a 7-year loan of €1.2 billion taken out with a syndicate of banks in 2006.

12.3 Breakdown of concession intangible assets by type of infrastructure

(in € millions)	Motorways(*)	Car parks	Other infrastructures	Total VINCI Concessions	Other concessions(**)	Total
Gross						
01/01/2006	**6,051.7**	**1,333.5**	**684.6**	**8,069.8**	**16.5**	**8,086.4**
Impact of consolidating ASF	18,731.2			18,731.2		18,731.2
Acquisitions as part of business combinations					1.6	1.6
Other acquisitions in the period	1,272.2	55.7	21.2	1,349.0	4.6	1,353.6
Disposals and retirements during the period	(47.6)	(20.1)	(2.6)	(70.3)		(70.3)
Translation differences	(25.0)	(1.3)	(9.8)	(36.0)		(36.0)
Other movements	(48.4)	0.1	(16.5)	(64.8)	(10.1)	(74.8)
	25,934.2	**1,367.9**	**676.9**	**27,979.0**	**12.7**	**27,991.7**
Grants received	(162.2)			(162.2)	2.6	(159.6)
31/12/2006	**25,772.0**	**1,367.9**	**676.9**	**27,816.8**	**15.3**	**27,832.1**
Internally constructed assets	405.9	0.1		406.0		406.0
Acquisitions as part of business combinations		5.3		5.3		5.3
Other acquisitions in the period	962.5	49.6	18.3	1,030.4		1,030.4
Disposals and retirements during the period	(54.0)	(25.7)	(0.1)	(79.8)		(79.8)
Translation differences	(4.1)	(3.7)	(8.1)	(15.9)		(15.9)
Other movements	8.8	12.7	(6.3)	15.1	(12.1)	3.0
	27,091.1	**1,406.1**	**680.7**	**29,177.9**	**3.2**	**29,181.1**
Grants received	(19.0)	(13.9)		(32.9)	5.9	(27.0)
31/12/2007	**27,072.1**	**1,392.2**	**680.7**	**29,145.0**	**9.1**	**29,154.1**
Amortisation and impairment losses						
01/01/2006	**(1,746.0)**	**(506.5)**	**(88.0)**	**(2,340.5)**	**(4.9)**	**(2,345.3)**
Amortisation for the period	(784.5)	(51.8)	(23.1)	(859.4)	(0.9)	(860.3)
Impairment losses	(4.8)	(2.3)		(7.1)		(7.1)
Reversals of impairment losses	0.5	0.3		0.8		0.8
Disposals and retirements during the period	44.8	15.5	1.8	62.1		62.1
Translation differences	3.8	0.6	2.4	6.8		6.8
Other movements	36.7	1.4	(28.2)	9.9	(0.4)	9.5
31/12/2006	**(2,449.6)**	**(542.8)**	**(135.1)**	**(3,127.4)**	**(6.2)**	**(3,133.6)**
Amortisation for the period	(952.1)	(55.7)	(21.4)	(1,029.3)	(0.2)	(1,029.5)
Impairment losses		(0.8)		(0.8)		(0.8)
Reversals of impairment losses	4.8	0.2		5.1		5.1
Disposals and retirements during the period	43.2	20.5		63.8		63.8
Translation differences	0.3	1.1	2.2	3.6		3.6
Other movements	(1.6)	(3.2)	1.6	(3.2)	1.1	(2.1)
31/12/2007	**(3,355.0)**	**(580.6)**	**(152.6)**	**(4,088.2)**	**(5.2)**	**(4,093.5)**
Net						
01/01/2006	**4,305.7**	**827.1**	**596.6**	**5,729.4**	**11.6**	**5,741.0**
31/12/2006	**23,322.4**	**825.1**	**541.8**	**24,689.4**	**9.1**	**24,698.5**
31/12/2007	**23,717.1**	**811.6**	**528.0**	**25,056.7**	**3.9**	**25,060.6**

(*) Including the A86.
(**) Mainly communication network concession contracts managed by VINCI Construction.

The investments made in new concession projects during the period amounted to €1,270 million compared with €1,205 million in 2006. They included the investments by Cofiroute, which amounted to €560 million (compared with €754 million in 2006) and by the ASF Group for €403 million (compared with €339 million in 2006).

Borrowing costs included in the cost of concession assets before their entry into service amounted to €132.7 million (of which €109.2 million related to Cofiroute and €16.1 million to the ASF Group).

Concession fixed assets in progress amounted to €3,227.8 million at 31 December 2007, of which €2,021.6 million related to Cofiroute, (including €1,624.4 million for the A86), €796.5 million related to the ASF Group and €358.2 million related to Arcour.

13. Property, plant and equipment

(in € millions)	Land	Buildings	Plant, equipment and fixtures	Total
Gross				
01/01/2006	**325.4**	**1,037.5**	**4,055.5**	**5,418.3**
Acquisitions as part of business combinations	82.4	11.3	92.8	186.5
Other acquisitions in the period	17.6	130.7	596.8	745.0
Disposals and retirements during the period	(29.1)	(59.7)	(314.5)	(403.3)
Discontinued operations (halted or sold)		(130.3)	(101.1)	(231.4)
Translation differences	(2.5)	1.5	(12.8)	(13.8)
Other movements	11.3	(107.0)	20.4	(75.2)
31/12/2006	**405.1**	**884.0**	**4,337.0**	**5,626.1**
Acquisitions as part of business combinations	18.9	91.1	650.0	760.0
Other acquisitions in the period	22.2	157.3	662.5	841.9
Disposals and retirements during the period	(14.4)	(45.9)	(366.8)	(427.1)
Translation differences	0.4	(1.1)	(20.0)	(20.8)
Other movements	(9.2)	(89.1)	14.1	(84.2)
31/12/2007	**422.9**	**996.2**	**5,276.8**	**6,695.9**
Depreciation and impairment losses				
01/01/2006	**(76.6)**	**(388.9)**	**(2,737.9)**	**(3,203.5)**
Cumulative depreciation recognised as part of business combinations	(2.2)	(5.5)	(63.6)	(71.2)
Other depreciation for the period	(8.5)	(35.5)	(434.5)	(478.4)
Impairment losses	(2.7)	(0.5)	(25.4)	(28.5)
Reversals of impairment losses	1.0	0.7	4.0	5.7
Disposals and retirements during the period	14.1	26.8	282.9	323.9
Discontinued operations (halted or sold)		27.5	64.7	92.2
Translation differences	0.7	(1.2)	8.3	7.8
Other movements	(3.0)	28.3	23.3	48.7
31/12/2006	**(77.0)**	**(348.1)**	**(2,878.1)**	**(3,303.5)**
Cumulative depreciation recognised as part of business combinations	(1.0)	(26.2)	(417.4)	(444.6)
Other depreciation for the period	(8.8)	(38.7)	(483.8)	(531.4)
Impairment losses	(2.3)	(0.9)	(4.8)	(8.0)
Reversals of impairment losses	1.7	1.2	3.2	6.1
Disposals and retirements during the period	3.9	21.8	311.7	337.3
Translation differences	(0.5)	0.1	11.4	11.1
Other movements	3.9	1.1	56.6	61.5
31/12/2007	**(80.2)**	**(389.8)**	**(3,401.3)**	**(3,871.4)**
Net				
01/01/2006	**248.8**	**648.5**	**1,317.6**	**2,214.8**
31/12/2006	**328.1**	**535.7**	**1,458.9**	**2,322.6**
31/12/2007	**342.8**	**606.3**	**1,875.5**	**2,824.5**

At 31 December 2007, property, plant and equipment included assets under construction for €117.7 million (compared with €94.6 million at 31 December 2006).

At 31 December 2007, assets acquired under finance leases amounted to €140.7 million, compared with €141.3 million at 31 December 2006. They are mainly related to property used in operations. The payments relating to these assets are shown in Note E.21.1 *Detail of long-term financial debt*.

14. Investment property

(in € millions)	31/12/2007	31/12/2006
Investment property	52.6	47.3

During the period, investment property generated rental income of €4.7 million and €2.8 million of direct operating expenses.

At 31 December 2007, the estimated fair value of investment property was €71.2 million, and the carrying amount was €52.6 million.

15. Investments in associates

15.1 Movements during the period

(in € millions)	31/12/2007	31/12/2006
Value of shares at start of the period	**102.8**	**1,595.5**
Change in method of accounting for investment in ASF Group		(1,515.9)
Share capital increases of associates	7.5	0.9
Share of profit / (loss) for the period	17.0	18.3
including Concessions, for	*3.9*	*10.0*
Dividends paid	(13.3)	(7.4)
Changes in consolidation scope and translation differences	77.1	8.1
Net change in fair value of financial instruments		0.2
Reclassifications	0.9	3.0
Value of shares at end of period	**191.9**	**102.8**
including Concessions, for	*59.0*	*58.2*

The changes in the period include in particular two acquisitions by Eurovia, namely a company formed with the Signature group in the field of horizontal road markings for €34.7 million (see Note B.3.3 *Other business combinations*) and the Bremanger Quarry in Norway for €16.2 million.

15.2 Financial information on investments in associates

Investments in associates at 31 December 2007 are mainly in concession operating companies in which the Group exercises significant influence.

The main financial data relating to investments in associates of the concession business line at 31 December 2007 was as follows (on a 100% basis):

						New contracts in the period			
(in € millions)	**Severn River Crossing**	**Trans Jamaïcan Highway**	**SMTPC**	**Lusoponte**	**SCDI**	Apion Kleos Concession	Apion Kleos Operation	RhônExpress	Agean Motorway
% held	35.00%	34.00%	33.29%	30.85%	18.80%	36.00%	36.00%	25.20%	13.75%
Financial data (on a 100% basis)									
Revenue	*111.2*	*23.2*	*32.9*	*62.8*	*20.5*				
Attributable to Group	*38.9*	*7.9*	*11.0*	*19.4*	*3.9*				
Operating expenses	(111.2)	(10.5)	(13.6)	(12.9)	(9.7)				
Operating profit		12.7	19.3	49.9	10.8				
Net profit for the period		(3.3)	9.9	12.1	(3.8)	0.1			
Equity at 31/12/2007	0.1	1.4	44.9	23.2	(19.7)	5.1	1.0	0.1	5.0
Equity attributable to Group		**0.5**	**14.9**	**7.1**	**(3.7)**	**1.8**	**0.4**	**0.0**	**0.7**
including share of net consolidated profit / (loss) attributable to Group for		(1.1)	3.3	3.7	(0.7)				
Goodwill, net		**6.4**	**16.0**	**11.2**					
Value of investments in associates		**6.9**	**30.9**	**18.3**	**(3.7)**	**1.8**	**0.4**	**0.0**	**0.7**
Carrying amount of shares in parent company accounts	6.5	6.2	38.1	20.2	0.2	1.8	0.4	0.0	0.7
Original cost of shares		6.2	27.1	20.2	0.2	1.8	0.4	0.0	0.7
Fair value of shareholdings (stock market value at 31 December 2007)			65.5						
Other balance sheet information									
Total Assets / Equity and liabilities		205.4	144.1	839.3	207.2	8.2	1.0	10.3	5.0
Net debt at 31/12/2007	(593.9)	(188.2)	(67.0)	(335.1)	(185.6)	4.0	1.0	(7.9)	5.0
Net financial debt at 31/12/2007 (VINCI share)	(207.9)	(64.0)	(22.3)	(103.4)	(34.9)	1.4	0.4	(2.0)	0.7
Shareholder advances and interest-bearing loans (VINCI share)	7.3			3.5					

On 24 July 2007, the Apion Kleos consortium, headed by VINCI (36 %) associated with Hochtief and the Greek companies Elliniki Technodommiki-Aktor, J&P-Avax and Athena, signed a concession contract relating to the construction and operation of the 365 km Athens-Tsakona motorway, for 30 years.

On 28 June 2007, the Agean Motorways consortium, in which VINCI is one of the partners, signed a contract to renovate and operate the 230 km Maliakos-Kleidi motorway, for 30 years.

16. Other non-current financial assets

(in € millions)	31/12/2007	31/12/2006
Available-for-sale financial assets	393.5	191.8
Loans and receivables at amortised cost	96.8	88.4
Fair value of derivative financial instruments (non-current assets) (*)	72.0	68.0
Other non-current financial assets	**562.3**	**348.2**

(*) See Note E.22 Management of financial risks.

Available-for-sale financial assets at 31 December 2007 amounted to €393.5 million, compared with €191.8 million at 31 December 2006. These relate to listed shareholdings for €243.2 million and unlisted shareholdings for €150.2 million, in subsidiaries that do not meet VINCI's minimum financial criteria for consolidation.

Loans and receivables at amortised cost amounted to €96.8 million at 31 December 2007 compared with €88.4 million at 31 December 2006. They included in particular, other loans and receivables for €90.2 million (including receivables related to shareholdings and guarantee deposits) and financial receivables connected with Public Private Partnerships managed by Group subsidiaries for €6.4 million. These receivables relate in particular to VINCI Energies contracts for public lighting and a VINCI Construction France contract for renovation and provision of related services for INSEP, which started in 2007.

Available-for-sale assets and loans and receivables at amortised cost break down as follows:

	Available-for-sale financial assets		Loans and receivables at amortised cost		
(in € millions)	Shares in subsidiaries and associates at fair value	Investments in unlisted subsidiaries and associates	Collateralised loans and receivables	Other loans and receivables	Total
Gross					
01/01/2006	**36.7**	**281.3**	**23.5**	**97.6**	**439.1**
Acquisitions as part of business combinations		3.8		1.9	5.7
Other acquisitions in the period	3.9	56.5	1.3	16.7	78.4
Disposals and retirements during the period	(4.5)	(22.4)	(2.0)	(14.8)	(43.6)
Translation differences			(0.4)	(3.7)	(4.0)
Other movements	(0.3)	1.6	(17.2)	4.0	(11.8)
31/12/2006	**35.8**	**320.9**	**5.3**	**101.8**	**463.7**
Acquisitions as part of business combinations	0.2	15.2		5.1	20.5
Other acquisitions in the period	227.3	61.0		27.3	315.5
Net change in fair value	3.6			0.4	4.0
Disposals and retirements during the period	(0.7)	(20.0)	(3.6)	(18.5)	(42.7)
Translation differences	(0.7)	(0.6)		(2.3)	(3.6)
Other movements	(3.8)	(67.5)	(1.6)	(5.3)	(78.3)
31/12/2007	**261.7**	**308.9**	**0.1**	**108.5**	**679.1**
Impairment losses					
01/01/2006	**(19.0)**	**(156.8)**		**(23.0)**	**(198.7)**
Allowances for impairment losses		(4.7)		(0.2)	(4.9)
Disposals and retirements during the period		15.8		2.6	18.5
Other movements	0.0	(0.3)		1.8	1.5
31/12/2006	**(18.9)**	**(146.0)**		**(18.7)**	**(183.6)**
Allowances for impairment losses	(0.5)	(5.6)		(0.3)	(6.4)
Disposals and retirements during the period	0.3	3.8		3.3	7.4
Translation differences	0.1				0.1
Other movements	0.5	(10.9)		4.0	(6.4)
31/12/2007	**(18.5)**	**(158.6)**		**(11.8)**	**(188.9)**
Net					
01/01/2006	**17.7**	**124.5**	**23.5**	**74.8**	**240.4**
31/12/2006	**16.9**	**174.9**	**5.3**	**83.1**	**280.1**
31/12/2007	**243.2**	**150.2**	**0.1**	**96.7**	**490.3**

The change in the period relates mainly to the acquisition of shares in ADP.

Loans and receivables measured at amortised cost break down by maturity date as follows:

(in € millions)	31/12/2007	Between 1 and 5 years	After 5 years
Loans and collateralised receivables	0.1		0.1
Other loans and receivables (including PPP / Concessions financial receivables)	96.7	65.8	30.9
Loans and receivables at amortised cost	**96.8**	**65.8**	**31.0**

The part at less than one year of other non-current financial assets is included under other current financial assets for €64.2 million.
The fair value of current derivative financial instruments (assets) forms an integral part of net financial debt (see Note E.21 *Net financial debt*).

17. Construction contracts

17.1 Financial information on construction contracts

Costs 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".

(in € millions)	31/12/2007	31/12/2006
Balance sheet data		
Advances and payments on account received	(641.1)	(464.2)
Construction contracts in progress - assets	917.2	956.7
Construction contracts in progress - liabilities	(1,709.3)	(1,252.2)
Construction contracts in progress, net	**(792.1)**	**(295.5)**
Total income and expenses to date recognised on contracts in progress		
Costs incurred plus profits recognised, less losses recognised to date	29,435.9	23,596.7
Less invoices issued	(30,228.0)	(23,892.2)
Construction contracts in progress, net	**(792.1)**	**(295.5)**

17.2 Commitments given and received in connection with construction contracts

The Group gives and receives guarantees (personal surety) in connection with its subsidiaries' construction contracts, which break down by type as follows:

	31/12/2007		31/12/2006	
(in € millions)	Given	Received	Given	Received
Performance guarantees	2,381.0	367.9	1,862.9	364.2
Performance bonds	926.9	70.3	507.8	101.3
Retentions	2,121.5	398.9	1,710.7	331.1
Deferred payments to subcontractors	1,101.3	122.0	780.1	162.6
Bid bonds	192.5	25.6	54.4	3.0
Deferred payments to suppliers	56.9	79.4	43.2	53.4
Total	**6,780.1**	**1,064.1**	**4,959.1**	**1,015.6**

The 36.7% increase in commitments given should be seen in the light of the substantial increase in the activity of the Construction business line (up 29%), and of the Roads and Energy business lines in 2007.

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 material 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 on the basis of progress of work. In connection with their civil engineering and construction activity, Group companies benefit from guarantees given by financial institutions on instruction of their co-contractors or sub-contractors or by their parent company.

Lastly, VINCI also grants warranties covering several years in its normal course of business. These warranties, when set up, lead to provisions estimated on a statistical basis having regard to past experience or on an individual basis in the case of any major problems identified. These commitments are therefore not included in the above table.

18. Equity

Capital management policy

In connection with its capital management policy, since September 2006, VINCI has carried out share buyback programmes of which the principal objective has been to offset the dilutive effect of issues of new shares resulting from:
- subscriptions by the Group's employees' Castor unit fund to new issues reserved for them; and
- the exercise of share subscription options by option holders.

The employees' savings scheme policy implemented through the formation of the Castor fund aims to make it easier for all employees to become VINCI shareholders. The Group estimates that 85,264 employees were VINCI shareholders at 31 December 2007, through the unit funds invested in VINCI shares. This is more than half of the total workforce (93% in France). The employees form the largest group of shareholders, together holding 8.2% of the outstanding VINCI shares.

It should also be noted that the VINCI parent company's equity is not subject to any external constraints in the form of financial covenants.

Most of the shares acquired on the stock market in 2007 (see Note E.18.3 *Treasury shares*) have been kept and allocated to financing external growth transactions that could arise in future.

18.1 Shares

At 31 December 2007, the share capital was represented by 485,976,788 ordinary shares of €2.5 nominal (following approval by the Shareholders' Ordinary and Extraordinary General Meeting of 10 May 2007 of the two-for-one share split).

The changes in the number of shares during the period were as follows:

	31/12/2007	31/12/2006(*)
Number of shares at start of period	**470,622,930**	**393,272,548**
Increase in share capital (March/April 2006)	-	72,172,808
Increases in share capital (Group Savings Scheme and share-options)	19,153,858	19,127,574
Cancellation of shares	(3,800,000)	(13,950,000)
Number of shares at end of period	**485,976,788**	**470,622,930**
Number of shares issued and fully paid	485,976,788	470,622,930
Number of shares issued and not fully paid		-
Nominal value of one share (in euros)	2.5	2.5
Treasury shares held directly by VINCI	17,838,019	4,171,178
including shares allocated to cover share purchase option plans for	*251,978*	*2,469,916*
Treasury shares held through a liquidity contract	300,000	400,000

(*) Restated following the two-for-one VINCI share split on 17 May 2007.

The changes in capital in 2007 break down as follows:

	Increases (reductions) of share capital (in euros)	Share premiums arising on contributions or mergers (in euros)	Number of shares issued or cancelled (*)	Number of shares representing the share capital (*)	Share capital (in euros)
Situation at 1 January 2006				**393,272,548**	**983,181,370**
Capital reduction	(34,875,000)	(445,071,106)	(13,950,000)	379,322,548	948,306,370
Group Savings Scheme	23,938,315	236,775,085	9,575,326	388,897,874	972,244,685
Exercise of share subscription options	23,880,620	111,025,993	9,552,248	398,450,122	996,125,305
Increase in share capital	180,432,020	2,325,239,176	72,172,808	470,622,930	1,176,557,325
Situation at 31 December 2006				**470,622,930**	**1,176,557,325**
Capital reduction	(9,500,000)	(113,364,800)	(3,800,000)	466,822,930	1,167,057,325
Group Savings Scheme	21,693,128	310,020,256	8,677,251	475,500,181	1,188,750,453
Exercise of share subscription options	26,191,518	134,657,853	10,476,607	485,976,788	1,214,941,970
Situation at 31 December 2007				**485,976,788**	**1,214,941,970**

(*) Restated following the two-for-one VINCI share split on 17 May 2007.

18.2 Issue of undated deeply subordinated bonds

On 13 February 2006, VINCI issued undated deeply subordinated bonds for €500 million.

Issued at a price of 98.831%, this issue offers a fixed coupon of 6.25%, payable annually until November 2015, which is only due if VINCI pays a dividend to its shareholders or buys back its own shares. After that date, the interest rate becomes variable and payable quarterly at the Euribor three-month rate plus 3.75%. VINCI may redeem the bonds at par in November 2015 and subsequently at each interest payment date.

These undated deeply subordinated bonds have been accounted for as equity in the Group's consolidated financial statements.

A coupon of €31 million was paid in 2007 and has been accounted for at its present value, net of tax, as a reduction of equity.

18.3 Treasury shares

Changes in treasury shares, other than under a liquidity contract, were as follows:

	31/12/2007	31/12/2006(*)
Number of shares at start of period	**4,171,178**	**13,670,032**
Purchases of shares	21,830,660	5,948,600
Disposal of shares on exercise of share purchase options	(874,538)	(1,497,454)
Cancellations of shares	(3,800,000)	(13,950,000)
External growth	(862,081)	
Group Savings Scheme	(2,627,200)	
Number of shares at end of period	**17,838,019**	**4,171,178**

(*) After the two-for-one share split.

During 2007, VINCI purchased 21,830,660 of its own shares for a total amount of €1,175.2 million, at an average price of €53.83 per share. During this same period 3,800,000 shares were cancelled, by a reduction of the share capital, for a total amount of €122.9 million. 874,538 shares were sold in 2007 in connection with the exercise of share purchase options (for €10.6 million).

Furthermore, an approved intermediary, under a liquidity contract that it manages, purchased 7,280,527 VINCI shares on the stock market in 2007 and sold 7,380,527 shares. At 31 December 2007, 300,000 shares were held in connection with this contract, bringing the total number of treasury shares recognised as a deduction from consolidated equity to 18,138,019 (for €956.1 million).

Lastly, VINCI hedged its share purchase option, share subscription option and free share plans by purchasing call options on VINCI shares on the market. At 31 December 2007, VINCI held 10,313,264 call options booked as a deduction from equity for €146.1 million.

18.4 Distributable reserves

Changes in the distributable reserves of VINCI S.A. have been as follows:

(in € millions)	31/12/2007	31/12/2006
Free of corporate income tax liabilities	12,873.7	8,691.4
After payment of the exceptional levy		
After deduction of supplementary tax		-
After payment of withholding tax (précompte)		-
After payment of the exceptional 25% levy		
Distributable reserves	**12,873.7**	**8,691.4**

The statutory reserve of VINCI S.A. stood at €117.7 million at 31 December 2007.

18.5 Items recognised directly in equity

The following tables give details of these movements by type of financial instrument:

(in € millions)	31/12/2007	31/12/2006
Available-for-sale financial assets		
Reserve at beginning of period	3.7	3.9
Changes in fair value in the period	3.6	(0.1)
Fair value items recognised in profit or loss		
Changes in fair value recognised in profit or loss on disposal		
Change in consolidation scope and miscellaneous	(0.3)	
Reserve at end of the period	**7.0**	**3.7**
Cash flow hedges		
Reserve at beginning of period	8.9	(3.9)
Changes in fair value in the period	51.6	10.8
Fair value items recognised in profit or loss	0.6	0.5
Change in consolidation scope and miscellaneous	0.3	1.5
Reserve at end of the period	**61.5**	**8.9**
Total items recognised directly in equity		
Gross reserve	68.5	12.7
Associated tax effect	(21.6)	(3.1)
Reserve net of tax	**46.9**	**9.5**

Changes in the fair value of available-for-sale financial assets are shown in Note E.16 *Other non-current financial assets*.
The changes in fair value relating to cash flow hedging transactions recorded in equity relate in particular to the hedging of future loan issues by concession operating companies (acquiring deferred start interest rate swaps, see Note A.3.28.2 *Fair value of derivative financial instruments, assets and liabilities* and E.22.1.3 *Description of cash flow hedges*) and to the hedging transactions connected with the acquisition of shares in ADP.

The tax associated with the items recognised directly in equity (mainly share-based payments, financial instruments and items related to treasury shares) has a positive impact of €90.9 million.

18.6 Dividends

The dividends paid in respect of 2007 and 2006 break down as follows:

	2007	2006
Interim dividend		
(paid in December of the same year)		
Amount (in € millions)(*)(I)	220.7	200.6
Per share(**)	0.47	0.43
Final dividend paid		
(paid in May of the next year)		
Amount (in € millions)(*)(II)	493.3(***)	413.9
Per share(**)	1.05	0.90
Total net dividend per share		
Amount (in € millions)(*)(I) + (II)	714.0	614.5
Per share(**)	1.52	1.33

(*) Including dividends in connection with the undated deeply subordinated bond.
(**) Restated following the two-for-one VINCI share split on 17 May 2007.
(***) Estimate on the basis of the number of shares giving an entitlement to dividends at the date of the meeting of the Board of Directors (27/2/2008), which was 469,771,835.

In respect of 2007, an interim dividend of €0.47 per share was paid on 20 December 2007.
The Shareholders Ordinary General Meeting will be asked to approve the amount of the dividend paid in respect of 2007 (See Note F. 29 *Appropriation of earnings for 2007*).

18.7 Minority interest

In accordance with the change of method described in Note A.1.2 *Change of method: transactions between shareholders, acquisitions and disposals of non-controlling interests after acquisition of control*, the acquisition or disposal of non-controlling interests in companies already controlled by the Group is now considered as an equity transaction between shareholders and the impact of such transactions is booked in equity.
In consequence, the acquisition of the non-controlling interests in Cofiroute (18%) and Entrepose Contracting (9.6% under the Public Tender Offer at the end of September 2007) has led to reductions of equity in 2007 of €526.7 million and €28.4 million respectively.

At 31 December 2007, minority interest in Cofiroute amounted to €275.4 million (compared with €515.9 million at 31 December 2006), representing 16.67% of the share capital, minority interest in CFE amounted to €167.2 million (compared with €138.6 million at 31 December 2006) representing 53.16% of the share capital, and minority interest in Entrepose Contracting amounted to €7.4 million.

19. Share-based payment

19.1 Share subscription and purchase options

The data presented in the tables below takes account of the following equity transactions:
- the two-for-one VINCI share splits (in 2007 and 2005);
- the share capital increase made in 2006

No new share option plans have been set up in 2007.

The number and weighted average exercise prices of share subscription or purchase options outstanding at 31 December 2007 were as follows:

	31/12/2007		31/12/2006	
	Options	*Average price (in euros)*	*Options*	*Average price (in euros)*
Options in circulation at start of the period	**37,266,684**	**21.32**	**42,237,906**	**16.21**
Adjustment to number of options following capital increases (March - April 2006)			290,578	-
Options granted during the period	0	-	9,452,224	38.97
Options exercised	(11,351,145)	-	(11,049,702)	-
Options cancelled	(103,418)	-	(3,664,322)	-
Options in circulation at end of period	**25,812,121**	**24.09**	**37,266,684**	**21.32**
of which exercisable options	*16,909,313*		*23,586,574*	-

Options exercised in 2007 and remaining to be exercised at 31 December 2007

Share subscription and share purchase option plans	Exercise price (in euros)	Number of options exercised in 2007	Number of options remaining to be exercised at 31/12/2007
VINCI 1998	6.27	12,374	8
VINCI 1999 No.1	9.30	34,680	47,532
VINCI 1999 No.2	10.36	116,310	226,614
GTM 1999	8.07	215,828	0
VINCI 2000 No.1	12.25	40,000	127,784
VINCI 2000 No.2	13.96	481,190	1,128,400
GTM 2000	8.73	192,913	248,337
VINCI 2001	13.96	93,675	24,333
VINCI 2002 No.1	15.59	3,359,307	2,261,211
VINCI 2002 No.2	12.96	3,103,068	1,952,554
VINCI 2003	15.04	1,534,569	2,395,589
VINCI 2004	20.18	447,578	4,703,490
VINCI 2005	24.20	654,753	3,283,141
VINCI 2006 No.1	35.58	183,762	1,071,950
VINCI 2006 No.2	40.32	6,600	3,368,239
Total subscription plans	**22.43(*)**	**10,476,607**	**20,839,182**
VINCI 1999 No.2	10.69	240,772	451,096
VINCI 2000	11.77	487,232	1,122,358
VINCI 2001	13.96	93,675	24,333
VINCI 2002	15.59	46,259	6,913
VINCI 2006 No.2	40.32	6,600	3,368,239
Total purchase plans	**31.02(*)**	**874,538**	**4,972,939**
Total	**24.09**	**11,351,145**	**25,812,121**

(*) Calculated on the basis of the number of options remaining to be exercised at 31 December 2007.

Information on the share option plans granted during the period 2003 to 2006

Plan	16/05/2006	09/01/2006	01/03/2005	07/09/2004	11/09/2003
Price of the underlying share at grant date	39.78	34.93	28.30	22.18	15.34
Exercise price	40.32	35.58	24.20	20.18	15.04
Lifetime of the options (in years) from grant date	6	7	7	10	10
Number of options granted	6,767,264	2,684,970	5,187,474	6,476,688	5,725,364
Options cancelled		(1,429,258)	(1,216,910)	(789,494)	(204,180)
Number of options after cancellation	6,767,264	1,255,712	3,970,564	5,687,194	5,521,184

Information on the fair value of share option plans granted during the period 2003 to 2006

The fair values of the options have been calculated at their respective grant dates by an external actuary using a binomial valuation model of the "Monte Carlo" type.

The period of validity of the options included in the model is the contractual period of validity adjusted to take account of behavioural assumptions (employee turnover, early exercise) based on past observations.

The main assumptions used to determine the fair values of the options in question, in accordance with IFRS 2, were:

Plan	16/05/2006	09/01/2006	01/03/2005	07/09/2004	11/09/2003
Volatility(*)	24.19%	23.60%	23.55%	25.23%	27.12%
Expected return on share	6.50%	5.70%	6.30%	6.66%	6.84%
Risk-free interest rate(**)	3.68%	2.99%	3.17%	4.06%	4.23%
Dividend growth rate hoped-for(***)	2.75%	2.92%	3.52%	3.33%	4.58%
Fair value of the option (in €)	**7.74**	**5.66**	**5.93**	**4.90**	**2.75**

(*) Volatility estimated using a multi-criteria approach based on the mean reversion model applied to a four-year series of daily implied volatilities of the VINCI share.
(**) Rate at 5 years of French government bonds.
(***) Average return expected by financial analysts over the three years following the grant date adjusted by a theoretical annual growth rate beyond that period.

Under the option plans for which rights are still vesting, an expense of €26 million has been recognised in 2007 (plans dated September 2004, March 2005, January and May 2006) compared with €32.5 million in 2006 (plans dated September 2003, September 2004, March 2005, January and May 2006).

19.2 Free shares

On 12 December 2006, the VINCI Board of Directors granted – with effect from 2 January 2007– 1,100,000 existing shares for no consideration (2,200,000 shares after the two-for-one share split of the VINCI share), to some employees and company officers.

The plan provides that the shares are only definitively allocated at the end of a vesting period of two years, which the Board can extend to three years. Furthermore, final allocation of the free shares is conditional on changes in a performance index, which is determined on the basis of changes in the VINCI share price compared with a basket of 12 comparable securities, and of changes in financial criteria connected with VINCI's consolidated results, as follows:

Performance criteria	Weight in the performance index
Variation in the VINCI share price compared with basket of 12 comparable securities	50.0%
Change in net earnings per share	12.5%
Change in cash flows from operations before tax and financing costs(*)	12.5%
Change in operating profit(*)	12.5%
Change in ROCE(*)	12.5%

(*) Restated for minority interests.

The performance index has to show an average annual increase during the reference period of 10% or more for all the free shares granted to be definitively acquired by the beneficiaries.
If the change in the performance index is less than 10% annually on average, the number of free shares finally granted is reduced in proportion.

Free share plan features and trends

	31/12/2007
Grant date	02/01/2007
Number of beneficiaries	1,429
Vesting date of the shares granted	02/01/2009 or 02/01/2010
Date of end of period of unavailability of shares granted	02/01/2011 or 02/01/2012
Number of shares granted subject to performance conditions	**2,200,000**
Share options exercised	0
Shares cancelled	(7,400)
Number of shares outstanding at end of period	**2,192,600**

Fair value of the free share plan

The fair value of the free shares granted has been estimated by an external actuary at the grant date using a binomial valuation model, of the "Monte Carlo" type.
In accordance with IFRS 2, the model includes in the fair value the marginal impact of the stock market performance criteria. The impact of the performance due to the volatility of the financial performance criteria is determined on the basis of an expected value estimated by VINCI at the grant date (+9%).
In consequence, the number of free shares measured at fair value in the calculation of the IFRS 2 expense is adjusted at each balance sheet day for the impact of the change since the grant date of the shares in the likelihood of the financial criteria being met.

On the basis of the assumptions set out below, the fair value of the plan amounts to €64.2 million of which €32.1 million was recognised as an expense in 2007.

The main assumptions used for this assessment are:

	31/12/2007
Price of VINCI share at the date of plan announcement (in euros)	49.5
Fair value of free share at grant date (in euros)	24.5
Fair value of share price at grant date (in %)	49.61%
Original maturity (in years) - vesting period	2 or 3 years
Volatility	21.79%
Risk-free interest rate	3.757%

On 11 December 2007, the Board of Directors of VINCI granted – with effect from 2 January 2008 – 2,165,700 existing shares for no consideration to some eligible employees and company officers. As this plan was communicated to the beneficiaries in January 2008, no expense has been recognised in this respect in 2007.

19.3 Group Savings Schemes

VINCI's Board of Directors defines the conditions for subscribing to the Group Savings Scheme in accordance with the authorisations granted to it by the Shareholders General Meeting.

For France, VINCI issues new shares reserved for employees three times a year with a subscription price that includes a discount of a maximum of 10% against the stock market price. Subscribers benefit from a contribution paid by their employer, of a maximum of €3,500 per person per year. The benefits granted in this way to employees of the Group 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.

	2007		
Tranche	1st four-month period 2008	3rd four-month period 2007	2nd four-month period 2007
Return on the VINCI share hoped for	7.50%	7.00%	7.00%
Dividend per share			
Dividend payable (interim)	*0.47*		
Dividend payable (final)		*0.90*	*0.90*
Subscription price	45.10	53.41	48.33
Share price at date of Board of Directors' Meeting	53.58	60.10	57.55
Implied volatility of VINCI share	22.05%	21.77%	21.80%
Estimated number of shares subscribed to	1,148,786	277,082	636,130
Estimated number of shares issued (subscriptions plus employer's contribution)	1,665,740	387,916	922,390

	2006		
Tranche	1st four-month period 2008	3rd four-month period 2007	2nd four-month period 2007
Return on the VINCI share hoped for	6.50%	6.50%	5.70%
Dividend per share			
Dividend payable (interim)	*0.43*		
Dividend payable (final)		*0.65*	*0.65*
Subscription price	37.20	32.26	30.38
Share price at date of Board of Directors' Meeting	42.60	39.78	38.05(*)
Implied volatility of VINCI share	22.93%	22.79%	22.87%
Estimated number of shares subscribed to	1,327,524	459,674	1,411,040
Estimated number of shares issued (subscriptions plus employer's contribution)	1,792,158	597,576	1,700,686(*)

(*) In the second four-month period of 2006, 583,480 shares were issued for employees of the ASF Group, with a share price at the measurement date fixed at €40.2.

The estimated number of shares subscribed to at the end of the subscription period is obtained by an analytical formula, based on linear regression methods, applied to historical observations of the 2002, 2003, 2004, 2005, 2006 and 2007 plans, taking account of the cost of restrictions on the availability of units in the savings fund.

The opportunity cost of the frozen shares subscribed to is estimated from the point of view of a third party holding a diversified portfolio and prepared to acquire the frozen shares in return for a discount corresponding to the return demanded by the purchaser on own funds allocated to hedge against market risk over the period in which the shares are frozen (5 years). The market risk is assessed on an annual basis applying a value-at-risk approach.

On 27 March 2007, the Board of Directors of VINCI decided to launch an Employee Share Purchase plan with a leverage effect. This plan is characterised by the following features

	Leveraged plan
Date of setting the performance multiple and the guaranteed return	19 March 2007
Date of setting the subscription price	Board Meeting 27 March 2007
Reference price	57.70
Guaranteed return	5%
Performance multiple (in addition to the guaranteed return)	8
Date of announcement to the employees	11 May 2007 (opening stock market price = €59.2)
Subscription period	11 June 2007 to 6 July 2007
Starting date	30 July 2007
Expiry date	2 April 2012
Closing share price at date of vesting	53.70
Number of shares subscribed to	2 627,200

This leveraged plan enabled subscribers to acquire 15 times as many VINCI shares as their initial investment, which could not exceed €750 per person. Subscribers' personal investment also attracted a gross employer's contribution of 150%, with a maximum of €1,125 per subscriber.

The benefit paid to employees, measured in accordance with IFRS 2, corresponds to the employer's contribution associated with the number of shares effectively subscribed to. VINCI has recognised an expense in this connection of €11.9 million in 2007.

For the Group as a whole, the aggregate expense recognised at 31 December 2007 in respect of employee savings schemes amounted to €59.1 million, compared with €54 million at 31 December 2006.

20. Non-current provisions

(in € millions)	Notes	31/12/2007	31/12/2006
Provisions for retirement benefit obligations	20.1	578.4	564.6
Other non-current provisions	20.2	488.8	450.4
Total		**1,067.2**	**1,015.0**

20.1 Provisions for retirement benefit obligations

At 31 December 2007, provisions for retirement benefit obligations amounted to €632.2 million in total (including €578.4 million at more than one year) compared with €619.1 million at 31 December 2006 (including €564.6 million at more than one year). These provisions comprise provisions for lump-sums on retirement and provisions for obligations for supplementary retirement benefits. The part at less than one year was €53.8 million at 31 December 2007 and €54.4 million at 31 December 2006, and is reported under other current payables.

VINCI's retirement benefit obligations 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 paid on voluntary retirement (in accordance with the social security regulations currently in force), and supplementary defined benefit retirement plans, such as those of Auxad (formerly Compagnie Générale d'Electricité) and RTG (formerly St Gobain) or other in-house plans of which the beneficiaries are today mainly retired, and an obligation in respect of VINCI's Chairman.
  - for the German subsidiaries, there are three internal plans within the Group, including one so-called "direct promises" plan. The other two plans, the "Fürsorge" plan for former employees of G+H Montage and the Eurovia GmbH subsidiaries' plan, were closed in 2001 and 1999 respectively.
- plans imposing obligations that are pre-financed through contracts with insurance companies. This mainly relates to obligations covered by the two contracts with Cardif of which certain Group executives are beneficiaries.
- obligations borne through external pension funds; for the most part these relate to the UK subsidiaries (VINCI PLC, Freyssinet UK, Ringway, VINCI Energies UK, VINCI Park UK) and the CFE Group in Belgium.

The retirement benefit obligations covered by provisions recognised in the balance sheet mainly relate to France, Germany and Belgium. For these three countries, the provisions are calculated on the basis of the following assumptions:

Plan	31/12/2007	31/12/2006	31/12/2005	31/12/2004
Discount rate	5.25%	4.75%	4.50%	4.75%
Inflation rate	1.90%	2%	2%	2%
Rate of salary increases	2% - 4.20%	2% - 4.20%	2% - 3%	2% - 3%
Rate of pension increases	1.50% - 2.50%	1.50% - 2.50%	1.50% - 2.50%	1.50% - 2.50%
Probable average remaining working life of employees	10-15 years	10-15 years	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 United Kingdom, the provisions have been calculated using the following assumptions:

Plan	31/12/2007	31/12/2006
Discount rate	5.80%	5%
Inflation rate	3.20%	2.50%
Rate of salary increases	3% - 4.15%	3% - 3.50%
Rate of pension increases	3.05% - 5%	2.50% - 5%
Probable average remaining working life of employees	5-17 years	3-16 years

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.

Plan assets are valued at their fair value at 31 December 2007. The book value at 31 December 2007 is used for assets invested with insurance companies.

The breakdown is as follows:

	31/12/2007					
	United Kingdom	Switzerland	Belgium	France	Other countries	Weighted average
Breakdown of financial assets						
Shares	53%	32%	2%	15%	10%	44%
Property	2%	17%	0%	3%	1%	4%
Bonds	40%	48%	98%	62%	89%	46%
Monetary securities	5%	3%	0%	19%	0%	5%
Total	100%	100%	100%	100%	100%	100%
Average rate of return adopted	**6.72%**	**5.00%**	**3.97%**	**4.61%**	**5.41%**	**6.18%**
Plan assets	**74%**	**14%**	**7%**	**5%**	**1%**	**100%**

	31/12/2006			
	United Kingdom	France	Belgium	Weighted average
Breakdown of financial assets				
Shares	59%	36%	3%	52%
Property	4%	2%	0%	4%
Bonds	35%	56%	97%	42%
Monetary securities	2%	5%	0%	2%
Total	100%	100%	100%	100%
Average rate of return adopted	**6.35%**	**4.50%**	**4.02%**	**5.95%**

On the basis of these assumptions, the retirement benefit obligations, the part provided for, and the retirement benefit expenses recognised break down as follows:

Reconciliation of obligations and provisions in the balance sheet

	31/12/2007			31/12/2006		
(in € millions)	France	Foreign	Total	France	Foreign	Total
Present value of retirement benefit obligations	(392.2)	(897.4)	(1,289.5)	(360.7)	(759.1)	(1,119.9)
Fair value of plan assets	55.6	603.7	659.3	63.8	399.6	463.4
Surplus (or deficit)	**(336.6)**	**(293.7)**	**(630.3)**	**(296.9)**	**(359.5)**	**(656.6)**
Provisions recognised in balance sheet	**(299.3)**	**(332.9)**	**(632.2)**	**(249.5)**	**(369.5)**	**(619.0)**
Assets recognised in balance sheet	-	0.9	0.9	-	-	-
Items not recognised in balance sheet						
Actuarial gains and losses	6.3	(29.4)	(23.1)	6.4	(9.9)	(3.4)
Past service cost	30.9	0.0	30.9	41.0	(0.1)	40.8
Assets not recognised in balance sheet	-	(8.9)	(8.9)	-	-	-

Changes in the period

(in € millions)	31/12/2007	31/12/2006	31/12/2005	31/12/2004
Present value of retirement benefit obligations				
Balance at the beginning of the period	**1,119.9**	**1,099.8**	**1,028.0**	**914.5**
including obligations covered by plan assets for	***524.7***	***439.7***	***470.1***	***458.3***
Current service cost	35.1	31.8	42.4	35.0
Cost for the period of discounting	58.0	50.7	48.3	43.9
Benefits paid during the period	(61.8)	(68.4)	(48.4)	(35.7)
Actuarial gains and losses	(42.8)	5.6	24.5	15.2
Past service cost	(9.5)	4.2	6.8	46.0
Business combinations	255.8	42.8	-	-
Settlement of rights	(13.8)	(39.4)	(15.7)	-
Plan curtailments	1.3	(7.6)	(3.1)	7.0
Effect of exchange rate fluctuations	(41.1)	7.3	9.5	(1.8)
Changes in consolidation scope and miscellaneous	(11.5)	(7.0)	7.5	3.9
Balance at the end of the period	**1,289.5**	**1,119.9**	**1,099.8**	**1,028.0**
including obligations covered by plan assets for	***694.2***	***524.7***	***439.7***	***470.1***
Plan assets				
Balance at the beginning of the period	**463.4**	**389.6**	**336.2**	**314.4**
Expected return on plan assets	33.0	24.9	21.3	19.8
Actuarial gains and losses	(10.4)	5.1	31.7	6.9
Contributions paid to funds	35.2	55.0	23.1	10.7
Benefits paid during the period	(25.2)	(17.4)	(14.6)	(12.4)
Business combinations	223.7	34.5	-	-
Settlement of rights	(13.8)	(39.4)	(15.7)	-
Plan curtailments	2.9	0.0	(3.1)	(2.4)
Effect of exchange rate fluctuations	(41.2)	6.8	7.2	(1.4)
Changes in consolidation scope and miscellaneous	(8.5)	4.3	3.5	0.5
Balance at the end of the period	**659.3**	**463.4**	**389.6**	**336.2**
Items not recognised in balance sheet				
Balance at the beginning of the period	**37.4**	**42.9**	**45.0**	**(9.3)**
New elements	(32.4)	0.4	(1.5)	58.1
Effect of changes in assumptions	*(46.6)*	*(7.2)*	-	-
Effect of experience gains and losses	*14.2*	*7.7*	-	-
Amortisation for the period	4.1	(7.1)	(2.4)	(2.4)
Exchange rate and other changes		1.2	1.8	(0.4)
Plan curtailments	(1.3)	(0.0)		(1.1)
Balance at the end of the period	**7.8**	**37.4**	**42.9**	**45.0**
including actuarial gains and losses for	*(23.1)*	*(3.4)*	*(2.9)*	*3.0*
including past service cost for	*30.9*	*40.8*	*45.8*	*42.0*
Actuarial gains and losses as percentage of obligations	*0.6%*	*3.3%*	*3.9%*	*4.4%*

VINCI estimates the payments to be made in 2008 in respect of retirement benefit obligations at €88.4 million, including €53.1 million relating to benefits paid to retired employees and €35.3 million to contributions payable to fund managing bodies.

The 2008 Social Security Finance Act makes lump-sums paid when employees are made to retire before the age of 65 subject to a supplementary social tax of 25% in 2008 and 50% as from 2009. Moreover, this Act abolishes the favourable tax and social security regime applicable to negotiated lump-sums paid on retirement before the age of 65 and paid between 2010 and 2014 by enterprises covered by an agreement or business sector agreement under the provisions of the Fillon Act. As a result of this new Act, the Group has adjusted the assumptions used but this has not led to a material impact on the corresponding obligations.
Lastly, past service cost recognised in the period relates mainly to the change in France in the collective bargaining agreement for office, technical and supervisory staff in the civil engineering and construction sector that entered into force on 1 July 2007. This past service cost is amortised over the remaining working life of the employees involved, which is 17 years on average.

Expenses recognised in respect of defined benefit plans

(in € millions)	2007	2006	2005	2004
Rights acquired by employees during the period	(35.1)	(31.8)	(42.4)	(35.0)
Discounting of acquired rights to present value	(58.0)	(50.7)	(48.3)	(43.9)
Expected return on plan assets	33.0	24.9	21.3	19.8
Amortisation of actuarial gains and losses	6.5	(3.1)	0.2	
Amortisation of past service cost – rights not vested	(2.4)	(4.0)	(2.6)	(2.4)
Past service cost – rights vested	(0.6)	(4.2)	-	-
Impact of discontinued operations (IFRS 5)	-	-	-	(0.3)
Other	(1.1)	6.9	2.3	(4.3)
Total	**(57.8)**	**(62.0)**	**(69.5)**	**(66.1)**

Expenses recognised in respect of defined contribution plans

In some countries, and more especially in France and Spain, the Group contributes to basic State pension schemes, for which the expense recognised is the amount of the contributions called by the State bodies. Basic State pension schemes are considered as being defined contribution plans. Depending on the country, the proportion of the contributions paid that relates to pensions may not be clearly identifiable.

The amount of retirement benefit contributions taken as an expense in the period in respect of defined contribution plans (excluding basic State schemes) was €309.4 million at 31 December 2007, compared with €257.4 million at 31 December 2006. This includes the contributions paid to the external multi-employer fund (CNPO) in respect of obligations relating to lump-sums paid on retirement to building workers.

20.2 Other non-current provisions

Changes in non-current provisions reported in the balance sheet were as follows in 2006 and 2007:

(in € millions)	Opening balances	Provisions expense	Provisions used	Other reversals not used	Changes in consolidation scope and miscellaneous	Change in the part at less than one year of non-current provisions	Translation difference	Closing balances
01/01/2006	**210.2**	**158.5**	**(122.8)**	**(31.7)**	**(16.1)**	**(6.3)**	**1.9**	**193.8**
Other employee benefits	50.5	6.7	(8.4)	(0.1)	162.7	(11.5)		200.0
Financial liabilities	41.2	13.1	(20.7)	(1.4)	5.2			37.3
Major repairs	48.5	76.4	(63.3)		84.6		(0.5)	145.8
Other liabilities	316.2	123.2	(84.2)	(22.1)	50.0		(0.2)	382.8
Discounting of non-current provisions	(5.3)	(4.2)	0.9		(4.7)			(13.3)
Reclassification of the part at less than one year of non-current provisions	(257.4)					(44.8)		(302.2)
31/12/2006	**193.8**	**215.1**	**(175.8)**	**(23.6)**	**297.8**	**(56.3)**	**(0.6)**	**450.4**
Other employee benefits	200.0	68.8	(10.2)	(0.4)	8.0	(1.3)	0.0	264.9
Financial liabilities	37.3	6.8	(15.0)	(2.2)	0.1		(0.0)	27.0
Major repairs	145.8	63.8	(62.4)	(0.0)			(0.0)	147.2
Other liabilities	382.8	106.6	(143.3)	(32.1)	7.1		(0.3)	320.8
Discounting of non-current provisions	(13.3)		2.7					(10.5)
Reclassification of the part at less than one year of non-current provisions	(302.2)				0.6	40.7	0.2	(260.6)
31/12/2007	**450.4**	**246.0**	**(228.1)**	**(34.7)**	**15.8**	**39.4**	**(0.0)**	**488.8**

Other employee benefits

At 31 December 2007, provisions of other employee benefits amounted to €283.6 million (including €264.9 million at more than one year) compared with €217.4 million at 31 December 2006 (including €200 million at more than one year). The part at less than one year was €18.7 million at 31 December 2007 and €17.4 million at 31 December 2006, and is reported under other current liabilities.
The provisions for other employee benefits are measured using the projected unit credit method and relate to obligations to pay long-service or jubilee bonuses and medical expenses cover in some subsidiaries, and provisions relating to the early retirement scheme agreements (*Cessation Anticipée d'Activité des Travailleurs Salariés (CATS)*), signed in 2007.

Agreements on early retirement for employees ("CATS" agreements)

In 2007, three VINCI companies (ASF, Cofiroute and ESCOTA) signed agreements on early retirement for employees (*Cessation Anticipée d'Activité des Travailleurs Salariés*). These arrangements enable employees who have worked in particularly arduous conditions to cease working before reaching the age that entitles them to a full pension, under a suspension of their contract of employment.
Each company-level agreement describes, among other matters, the conditions that employees must satisfy in order to benefit from these arrangements, and the benefits that will be paid to them during the so-called "pre-retirement" period. Benefits comprise in particular:
– lump-sums paid at the start and end of the pre-retirement period;
– an allowance paid during the pre-retirement period in lieu of pay;
– maintenance of social benefit cover during the pre-retirement period.

The signature of a "CATS" agreement with the State entitles employers to:

– exemption from certain social benefit contributions;
– partial State participation in the financing of the pre-retirement allowance, when beneficiaries reach the age of 57.
The extent of this participation varies depending on the age of the beneficiary at the time of joining the scheme. Under the agreements signed by the VINCI entities, the State's participation represents 50% of the allowance.

The provisions were calculated using the following actuarial assumptions:

	31/12/2007
Discount rate	5.00%
Increase in the ceiling used in calculating social security contributions	2.75%
Increase in wages and salaries before pre-retirement	2.00% à 2.60%
Increase in wages and salaries during pre-retirement	1.80%
Increase in health and providence insurance contributions	2.00%
Increase in housing allowance	1.00%

At 31 December 2007, this provision amounted to €42.4 million (of which €6.4 million was at less than one year).
All the costs connected with the CATS agreements have been recognised in the period.

Long-service and jubilee bonuses and medical expense cover

The provisions were calculated using the following actuarial assumptions:

(in € millions)	31/12/2007	31/12/2006	31/12/2005	31/12/2004
Discount rate	5.25%	4.75%	4.50%	4.75%
Inflation rate	1.9%	2.0%	2.0%	2.0%
Rate of salary increases	2%- 4.2%	2%- 4.2%	2%- 3%	2%- 3%
Rate of change of medical expenses	6.0%	6.0%	-	-

At 31 December 2007, the provisions in respect of medical expense cover amounted to €178.6 million. They have been calculated on the basis of a 6% rate of growth in medical expenses. A change of 1% in this rate would entail a change of €32.2 million in the obligation.

Provisions for major repairs and other liabilities

Provisions for major repairs relate to 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 three years which is reviewed annually to take account of planned expenditure, and mainly relate to Cofiroute for €27.3 million (compared with €24.2 million in 2006) and the ASF Group for €47.1 million (compared with €49.1 million in 2006) (part at more than one year).

The provisions for other liabilities, not directly linked with the operating cycle, include the provisions for disputes and arbitration, described in Note G. *Disputes and arbitration*. They amount to €152.9 million at 31 December 2007 (part at more than one year) compared with €250.5 million at 31 December 2006.

21. Net financial debt

Net financial debt as defined by the Group breaks down as follows:

Accounting categories			31/12/2007					31/12/2006		
(in € millions)		Note ref.	Non-current	Ref.	Current[1]	Ref.	Total	Non-current	Current[1]	Total
Liabilities at amortised cost	Bonds	21.1	(5,159.8)	(1)	(491.8)	(3)	(5,651.6)	(3,591.3)	(399.0)	(3,990.3)
	Inflation-linked loans	21.1	(377.8)	(2)	(5.9)	(3)	(383.7)	(373.4)	(6.4)	(379.8)
	Other bank loans and other financial debt	21.1	(12,941.6)	(2)	(1,177.8)	(3)	(14,119.4)	(13,554.8)	(957.7)	(14,512.5)
	Finance lease debt restated	21.1	(145.3)	(2)	(49.8)	(3)	(195.1)	(104.3)	(28.4)	(132.7)
	Long-term financial debt		**(18,624.5)**		**(1,725.3)**		**(20,349.8)**	**(17,623.8)**	**(1,391.5)**	**(19,015.4)**
	Commercial paper	21.2.4			(145.0)	(3)	(145.0)		(1,377.9)	(1,378.0)
	Other current financial liabilities				(138.5)	(3)	(138.5)		(179.8)	(179.7)
	Bank overdrafts	21.2.2			(629.8)	(3)	(629.8)		(667.1)	(667.1)
	Financial current accounts, liabilities				(100.4)	(3)	(100.4)		(65.1)	(65.1)
	I - Gross financial debt		**(18,624.5)**		**(2,739.0)**		**(21,363.5)**	**(17,623.8)**	**(3,681.4)**	**(21,305.2)**
	including impact of fair value hedges for		*(7.0)*				*(7.0)*	*(53.1)*		*(53.1)*
	including effect of recognising ASF's debt at fair value in VINCI's consolidated financial statements[2] for		*(180.4)*		*(11.6)*		*(192.0)*	*(249.7)*	*(8.2)*	*(257.9)*
Loans and receivables	Loans and collateralised financial receivables		0.1	(6)	0.9	(8)	1.0	5.3	1.5	6.8
	Financial current accounts, assets				53.5	(4)	53.5		58.2	58.2
Assets at fair value through profit or loss (fair value option)	Cash management financial assets	21.2.2			611.5	(4)	611.5		1,165.0	1,165.0
	Cash equivalents	21.2.2			2,843.9	(5)	2,843.9		3,800.8	3,800.8
	Cash	21.2.2			1,379.9	(5)	1,379.9		1,354.0	1,354.0
	II - Financial assets		**0.1**		**4,889.7**		**4,889.8**	**5.3**	**6,321.4**	**6,384.8**
Derivatives	Derivative financial instruments - liabilities	22	(15.9)	(2)	(53.6)	(3)	(69.6)	(11.1)	(47.3)	(58.4)
	Derivative financial instruments - assets	22	72.1	(7)	167.9	(9)	240.0	68.1	114.3	182.4
	III - Derivative financial instruments		**56.2**		**114.2**		**170.4**	**57.0**	**67.0**	**124.0**
	Net financial debt (I + II + III)		**(18,568.2)**		**2,264.9**		**(16,303.3)**	**(17,561.5)**	**2,765.1**	**(14,796.4)**
	Net financial debt breaks down by business line as follows:									
	Concessions		(14,588.1)		(780.0)		(15,368.0)	(12,124.1)	(530.1)	(12,654.3)
	Other business lines		(575.3)		(3,134.9)		2,559.6	(311.0)	3,031.9	2,720.9
	Holding companies		(3,404.8)		(90.1)		(3,494.9)	(5,126.6)	263.6	(4,863.0)

(1) Current part including accrual.
(2) Following acquisition of control of ASF by VINCI on 9 March 2006.

At 31 December 2007, the Group's net financial debt was €16.3 billion (compared with €14.8 billion at 31 December 2006).

Reconciliation of net financial debt with balance sheet items:

	Ref.	31/12/2007	31/12/2006
Bonds (non current)	(1)	(5,159.8)	(3,591.3)
Other loans and borrowings	(2)	(13,480.7)	(14,043.7)
Current borrowings	(3)	(2,792.6)	(3,728.8)
Cash management financial assets	(4)	665.0	1,223.2
Cash and cash equivalents	(5)	4,223.8	5,154.8
Non-current financial assets			
Collateralised loans and receivables	(6)	0.1	5.3
Derivative non-current financial instruments (assets)	(7)	72.1	68.1
Current financial assets			
Collateralised loans and receivables	(8)	0.9	1.5
Derivative current financial instruments (assets)	(9)	167.9	114.3
Net financial debt		**(16,303.3)**	**(14,796.4)**

Derivative financial instruments (assets) are reported in the balance sheet, classified by maturity and according to their accounting category, under *other non-current financial assets* for the part at more than one year, and *other current financial assets* for the part at less than one year.

21.1 Detail of long-term financial debt

The breakdown of net long-term financial debt at 31 December 2007 by business line was as follows:

	31/12/2007				31/12/2006			
(in € millions)	Concessions	Other business lines	Holding companies	Total	Concessions	Other business lines	Holding companies	Total
Bonds	(4,631.3)	(1.0)	(1,019.3)	(5,651.6)	(2,964.8)	(1.6)	(1,023.8)	(3,990.2)
Inflation-linked loans	(383.7)	0.0	0.0	(383.7)	(379.8)	0.0	0.0	(379.8)
Other bank loans and other financial debt	(10,830.8)	(350.8)	(2,937.8)	(14,119.4)	(9,890.9)	(409.9)	(4,211.7)	(14,512.5)
Finance lease debt restated	(11.4)	(181.4)	(2.3)	(195.1)	(15.4)	(110.4)	(7.0)	(132.7)
Long-term financial debt	**(15,857.2)**	**(533.1)**	**(3,959.4)**	**(20,349.8)**	**(13,250.9)**	**(521.9)**	**(5,242.5)**	**(19,015.3)**

Concessions

	31/12/2007						31/12/2006	
(in € millions)	Currency	Nominal interest rate	Maturity	Face value	Carrying amount	Including accrual	Face value	Carrying amount
Bonds				**4,499.9**	**4,631.3**	**111.7**	**2,829.1**	**2,964.8**
Cofiroute				**2,874.9**	**2,957.8**	**67.4**	**2,829.1**	**2,964.8**
Bonds, July 1996	EUR	6.8%	July 2007				304.8	314.2
Bonds, November 1997	EUR	5.9%	November 2008	350.6	354.9	2.5	350.6	356.8
Bonds, November 1999	EUR	6.0%	November 2009	300.0	304.3	2.6	300.0	308.1
Bonds October 2001 & Supplement August 2005	EUR	5.875%	October 2016	500.0	518.6	6.7	500.0	544.6
Bond - April 2003	EUR	5.25%	April 2018	600.0	650.1	21.1	600.0	652.1
Bond May 2006 & Supplement July 2007	EUR	5.0%	May 2021	1,100.0	1,102.7	33.4	750.0	762.5
Other loans	EUR	7.5%	up to April 2013	24.3	27.1	1.2	23.7	26.4
ASF & Escota				**1,625.0**	**1,673.5**	**44.3**		
ASF Bond issue 2007	EUR	5.625%	July 2022	1,575.0	1,623.4	44.1		
ASF Private placement 2007	EUR	E3M + 0.75%	September 2027	50.0	50.1	0.2		
Inflation-linked loans				**377.8**	**383.7**	**5.9**	**373.4**	**379.8**
ASF & Escota				**377.8**	**383.7**	**5.9**	**373.4**	**379.8**
ASF - CNA 2001	EUR	3.9% + inflation	July 2016	377.8	383.7	5.9	373.4	379.8
Other bank loans and other financial debt				**10,382.0**	**10,830.9**	**211.2**	**9,346.6**	**9,890.9**
Cofiroute				**858.3**	**867.5**	**9.0**	**649.5**	**657.1**
EIB - March 2002	EUR	BEI	March 2013 to 2027	75.0	75.2	0.2	75.0	75.1
EIB - December 2002	EUR	E3M	Dec. 2013 to 2027	50.0	50.0	0.0	50.0	50.0
EIB - March 2003	EUR	4.9%	March 2018	75.0	78.1	2.9	75.0	81.4
EIB - December 2004	EUR	BEI	December 2019	200.0	200.5	0.5	200.0	200.3
EIB - December 2005	EUR	4.0%	Dec. 2012 to 2025	190.0	190.7	0.7	190.0	190.6
EIB - December 2006	EUR	4.3%	Dec. 2013 to 2029	50.0	50.1	0.1	50.0	50.1
EIB June 2007	EUR	4.4%	June 2014 to 2029	210.0	214.7	4.7		
Other loans	EUR		up to June 2014	8.3	8.3		9.5	9.5
ASF & Escota				**8,258.1**	**8,716.0**	**199.1**	**7,369.6**	**7,926.8**
CNA loans				***5,458.4***	***5,692.3***	***165.2***	***5,879.1***	***6,142.6***
ASF and Escota - CNA 1995	EUR	8.0%	March 2007				122.0	129.7
ASF and Escota - CNA 1996	EUR	6.3%	October 2007				146.4	148.5
ASF - CNA 1997	EUR	5.6%	December 2007				152.5	152.6
ASF - CNA 1998	CHF	5.4%	July 2008	301.1	295.8	8.2	301.1	304.6
Escota - CNA 1993	EUR	8.0%	March 2008	15.2	16.3	1.0	15.2	16.2
ASF and Escota - CNA 1996/1997	EUR	6.0%	November 2008	298.8	303.3	2.4	298.8	302.6
ASF and Escota - CNA 1995	EUR	7.4%	November 2008	168.8	169.8	1.3	168.8	169.5
ASF and Escota - CNA 1994/1997	EUR	6.0%	January 2009	137.2	145.1	7.7	137.2	145.2
ASF and Escota - CNA 1996	EUR	6.8%	July 2009	176.8	182.1	5.5	176.8	182.0
ASF - CNA 1995	EUR	7.5%	September 2009	152.4	155.3	2.9	152.5	155.2

(in € millions)	Currency	Nominal interest rate	Maturity	31/12/2007 Face value	31/12/2007 Carrying amount	31/12/2007 Including accrual	31/12/2006 Face value	31/12/2006 Carrying amount
ASF and Escota - CNA 1996	EUR	6.7%	February 2010	153.8	162.9	9.3	153.8	162.8
ASF and Escota - CNA 1998	EUR	4.5%	April 2010	502.4	513.0	15.5	502.4	511.1
ASF and Escota - CNA 1995	EUR	7.5%	June 2010	66.5	68.7	2.6	66.5	68.6
ASF and Escota - CNA 1997/2001	EUR	5.9%	June 2011	498.5	529.6	16.8	498.5	537.2
ASF and Escota - CNA 1996	EUR	6.7%	September 2011	68.6	69.8	1.4	68.6	69.8
ASF and Escota - CNA 1997/2000	EUR	5.8%	October 2012	405.9	410.9	4.7	405.9	411.0
ASF and Escota - CNA 1998/2001	EUR	5.9%	March 2013	397.7	432.5	18.0	397.7	435.3
ASF - CNA 1999/2002	EUR	4.4%	May 2014	450.0	445.3	12.2	450.0	443.2
ASF - CNA 2000/2001	EUR	6.0%	October 2015	382.5	420.1	4.2	382.5	422.6
ASF and Escota - CNA 2002	EUR	5.3%	January 2017	532.0	554.4	25.7	532.0	554.2
ASF - CNA 2004/2005	EUR	4.5%	March 2018	750.0	817.4	25.7	750.0	820.7
CNA/EIB loans				***1,184.2***	***1,215.7***	***28.1***	***1,214.7***	***1,246.6***
ASF - CNA/EIB 1997	EUR	5.8%	November 2007				30.5	30.6
ASF - CNA/EIB 1998	EUR	4.6%	December 2010	95.3	95.5	0.3	95.3	95.5
ASF - CNA/EIB 2001	EUR	5.1%	October 2011	70.0	70.7	0.7	70.0	70.7
Escota - CNA/EIB 2002	EUR	6.2%	April 2013 to 2015	142.7	149.3	6.6	142.7	149.3
Escota - CNA/EIB 1998	EUR	4.8%	December 2013	8.5	8.6	0.0	8.5	8.6
ASF - CNA/EIB 1999	EUR	5.6%	December 2014	160.0	162.6	0.5	160.0	162.8
Escota - CNA/EIB 2000	EUR	6.0%	December 2014	20.0	20.1	0.1	20.0	20.1
ASF - CNA/EIB 2002	EUR	6.2%	April 2015 to 2017	412.6	431.4	18.7	412.6	431.4
ASF - CNA/EIB 2000	EUR	6.1%	December 2015	70.0	71.6	0.3	70.0	71.8
ASF - CNA/EIB 2000	EUR	E3M	December 2015	53.0	53.1	0.1	53.0	53.1
ASF - CNA/EIB 2001	EUR	5.1%	November 2016	75.0	75.4	0.4	75.0	75.4
ASF - CNA/EIB 2001	EUR	5.1%	November 2016	77.0	77.4	0.4	77.0	77.4
EIB loans				***250.0***	***253.6***	***3.6***	***250.0***	***253.5***
ASF - EIB 2005	EUR	3.6%	May 2012 to 2025	150.0	153.4	3.4	150.0	153.2
ASF - EIB 2005	EUR	3.8%	Dec. 2012 to 2025	100.0	100.2	0.2	100.0	100.2
Other loans				***14.7***	***14.7***		***25.8***	***26.0***
Escota Other loans	EUR		up to 2010	14.7	14.7		25.8	26.0
Credit facilities				***1,350.8***	***1,347.7***	***2.2***		***0.0***
ASF Revolving credit	EUR	E1M/E3M + 0.125%	July 2012	495.0	496.3	1.3		
ASF Revolving credit	EUR	E1M/E3M + 0.225%	December 2013	100.0	96.5	0.4		
ASF Term Loan	EUR	E1M + 0.225%	December 2013	755.8	754.8	0.5		
Effect of recognising ASF's debt at fair value in VINCI's consolidated financial statements (2)	***EUR***				***192.0***			***257.9***
VINCI Park				**810.3**	**805.7**	**0.4**	**871.8**	**866.9**
Series 1 (2003) & 2 (2005)	EUR	E3M + 0.478%	up to Sept. 2025	232.2	232.1	0.2	253.8	253.9
Loan June 2006	EUR	E3M + 0.65%	up to June 2026	462.0	459.4	0.1	482.5	479.8
Other loans			until 2031	116.1	114.2	0.1	135.5	133.2
OTHER CONCESSIONS				**455.3**	**441.7**	**2.6**	**455.7**	**440.0**
Newport 2002	GBP	7.26%	up to Sept. 2040	41.5	41.4	0.8	45.9	45.8
Via Solution Thuringen 2007	EUR	E6M	up to Dec. 2035	14.3	14.3			
Stade de France 1998	EUR	5.28%	up to July 2013	40.1	40.0	1.0	45.7	45.4
Gefyra - EIB 2001	EUR	BEI	up to June 2029	350.0	335.7	0.8	350.0	334.6
SCA Pochentong 2000 and 2004	USD	Libor + 4.50%	up to March 2015	9.4	10.3	0.1	14.1	14.2
Finance lease debt restated				**11.4**	**11.4**		**15.4**	**15.4**
VINCI Park		5.31%	up to 2023	11.4	11.4		15.4	15.4
Long-term financial debt				**15,271.2**	**15,857.3**	**328.8**	**12,564.5**	**13,250.9**

Other business lines

				31/12/2007			31/12/2006	
(in € millions)	Currency	Nominal interest rate	Maturity	Face value	Carrying amount	Including accrual	Face value	Carrying amount
Bonds				1.0	1.0		1.6	1.6
VINCI Energies	*EUR*	*4.0%*	*June 2010*	*0.8*	*0.8*		*1.4*	*1.4*
CFE	*EUR*	*6.0%*	*December 2010*	*0.1*	*0.1*		*0.1*	*0.1*
Other bank loans and other financial debt				351.5	350.7	0.7	410.2	410.0
VINCI Energies	*EUR*	*4.0%*	*up to 2018*	*39.1*	*39.1*	*0.2*	*37.0*	*37.0*
Eurovia		*4.6%*	*up to 2017*	*69.2*	*68.3*	*0.0*	*81.2*	*81.0*
CFE		*3.8%*	*up to 2020*	*161.3*	*161.3*		*141.2*	*141.2*
Soletanche		*5.5%*	*up to 2018*	*45.2*	*45.2*			
Other construction subsidiaries				*36.8*	*36.8*	*0.5*	*150.8*	*150.8*
Finance lease debt restated				181.4	181.4	0.0	110.3	110.3
VINCI Energies	*EUR*	*T4M*	*up to 2013*	*38.7*	*38.7*	*0.0*	*33.0*	*33.0*
Eurovia		*4.1%*	*up to 2017*	*43.7*	*43.7*		*24.8*	*24.8*
CFE		*3.1%*	*up to 2015*	*28.7*	*28.7*		*22.1*	*22.1*
Soletanche		*6.1%*	*up to 2013*	*39.5*	*39.5*			
Other construction subsidiaries				*30.8*	*30.8*		*30.4*	*30.4*
Long-term financial debt				533.8	533.1	0.8	522.1	521.9

Holding companies

				31/12/2007			31/12/2006	
(in € millions)	Currency	Nominal interest rate	Maturity	Face value	Carrying amount	Including accrual	Face value	Carrying amount
Bonds				1,000.0	1,019.3	26.2	1,000.0	1,023.9
VINCI SA				***1,000.0***	***1,019.3***	***26.2***	***1,000.0***	***1,023.9***
Bonds, July 2002	EUR	5.875%	July 2009	1,000.0	1,019.3	26.2	1,000.0	1,023.9
Other bank loans and other financial debt				2,940.0	2,937.8	3.9	4,200.0	4,211.7
VINCI SA				***1,750.0***	***1,750.8***	***3.8***	***3,000.0***	***3,014.0***
Acquisition loan ASF November 2005	EUR	Euribor 1 month + 0.225%	November 2012	1,750.0	1,750.8	3.8	3,000.0	3,014.0
ASF Holding				***1,190.0***	***1,187.0***	***0.2***	***1,200.0***	***1,197.7***
Syndicated loan December 2006	EUR	Euribor 1 month + 0.45%	up to December 2013	1,190.0	1,187.0	0.2	1,200.0	1,197.7
Finance lease debt restated				2.4	2.4		7.0	7.0
VINCI SA	***EUR***	***Euribor 6 months***	***up to sept. 2009***	***1.3***	***1.3***		***2.3***	***2.3***
G+H Montage	***EUR***	***Euribor 3 months***	***April 2014***	***1.1***	***1.1***		***4.7***	***4.7***
Long-term financial debt				3,942.4	3,959.5	30.1	5,207.0	5,242.5

21.2 Financing resources and liquidities

At 31 December 2007, the Group's available resources amounted to €10.7 billion, including €4.1 billion net cash managed and €6.6 billion of unused medium-term confirmed bank credit facilities and a term loan not drawn on.

21.2.1 Maturity of financial debt and associated interest payments

The Group's financial debt and associated interest payments, on the basis of the interest rates at 31 December 2007, break down as follows, by maturity date, at redemption value:

	31/12/2007					
(in € millions)	**Carrying amount**	**Capital and interest cash flows**	**Within 1 year**	**Between 1 and 2 years**	**Between 3 and 5 years**	**After 5 years**
Trade payables	**6,653.4**	**6,653.4**	**6,329.7**	**62.3**	**155.9**	**5.5**
Bonds						
Share capital	5,651.6	5,500.9	350.6	1,304.5	13.3	3,832.5
Interest payment cash flows		2,876.5	306.3	259.4	624.5	1,686.2
Inflation-linked loans						
Share capital	383.7	377.8				377.8
Interest payment cash flows		192.8	21.4	21.4	64.3	85.7
Other bank loans and other financial debt						
Share capital	14,119.4	13,673.5	967.4	630.9	4,597.6	7,477.7
Interest payment cash flows		4,462.3	694.0	633.9	1,631.1	1,503.4
Finance lease debt restated						
Share capital	195.1	195.2	47.7	40.1	76.3	31.0
Interest payment cash flows		35.7	10.5	7.8	12.1	5.3
Subtotal: long-term financial debt	**20,349.8**	**27,314.7**	**2,397.9**	**2,898.0**	**7,019.2**	**14,999.6**
Commercial paper	145.0	145.0	145.0			
Other current financial liabilities	138.5	138.5	138.5			
Bank overdrafts	629.8	629.8	629.8			
Financial current accounts, liabilities	100.4	100.4	100.4			
I - Financial debt	**21,363.5**	**28,328.4**	**3,411.7**	**2,898.0**	**7,019.2**	**14,999.6**
Loans and collateralised financial receivables	(1.0)					
Financial current accounts, assets	(53.5)					
Cash management financial assets	(611.5)					
Cash equivalents	(2,843.9)					
Cash	(1,379.9)					
II - Financial assets	**(4,889.8)**					
III - Derivative financial instruments	**(170.4)**	**(118.8)**	**(32.7)**	**(11.0)**	**(47.8)**	**(27.2)**
Net financial debt (I + II + III + IV)	**16,303.3**					

At 31 December 2007, the average maturity of the Group's long-term financial debt was 7.2 years (compared with 6.8 years at 31 December 2006). The average maturity was 8.1 years for Concessions, an increase of 0.5 years following the bond issues made in 2007, 4.2 years for the holding companies and 3.6 years for the Group's other business lines.

21.2.2 Net cash managed

Net cash managed, including in particular cash management financial assets and commercial paper issued, breaks down as follows:

	31/12/2007			
(in € millions)	**Concessions**	**Other business lines**[1]	**Holding companies**	**Total**
Cash equivalents	**562.0**	**781.2**	**1,500.8**	**2,843.9**
Marketable securities and mutual funds (UCITS)	*206.9*	*236.8*	*210.2*	*653.9*
Negotiable debt securities with an original maturity of less than 3 months	*355.1*	*544.4*	*1,290.5*	*2,190.0*
Cash	**103.6**	**1,150.1**	**126.2**	**1,379.9**
Bank overdrafts	**(9.6)**	**(606.2)**	**(13.9)**	**(629.8)**
Net cash	**655.9**	**1,325.1**	**1,613.0**	**3,594.0**
Cash management financial assets	**43.5**	**56.4**	**511.7**	**611.6**
Marketable securities and mutual funds (UCITS)	*41.6*	*51.4*	*59.6*	*152.6*
Negotiable debt securities and bonds with an original maturity of less than 3 months				
Negotiable debt securities with an original maturity of more than 3 months	*1.9*	*4.9*	*452.1*	*459.0*
Commercial paper issued			**(145.0)**	**(145.0)**
Net cash managed	**699.4**	**1,381.4**	**1,979.7**	**4,060.6**

(1) Surpluses not included in the cash pooling system.

(in € millions)	31/12/2006 Concessions	Other business lines[1]	Holding companies	Total
Cash equivalents	**940.5**	**437.6**	**2,422.7**	**3,800.8**
Marketable securities and mutual funds (UCITS)	*940.5*	*242.9*	*2,407.7*	*3,591.1*
Negotiable debt securities with an original maturity of less than 3 months		*194.7*	*15.0*	*209.7*
Cash	**157.9**	**883.4**	**312.7**	**1,354.0**
Bank overdrafts	**(7.3)**	**(496.8)**	**(163.1)**	**(667.2)**
Net cash	**1,091.1**	**824.2**	**2,572.3**	**4,487.7**
Cash management financial assets	**198.3**	**2.0**	**964.7**	**1,165.0**
Marketable securities and mutual funds (UCITS)	*196.6*	*0.4*	*553.9*	*750.9*
Negotiable debt securities and bonds with an original maturity of less than 3 months	*1.7*	*1.6*	*1.5*	*4.8*
Negotiable debt securities with an original maturity of more than 3 months			*409.3*	*409.3*
Commercial paper issued			**(1,377.9)**	**(1,377.9)**
Net cash managed	**1,289.4**	**826.2**	**2,159.1**	**4,274.8**

(1) Surpluses not included in the cash pooling system.

The investment vehicles used by the Group are UCITS, negotiable debt securities (certificates of deposit generally with a maturity of less than three months) and bonds. They are measured and recognised at their fair value.

These various financial assets (*cash management financial assets and cash equivalents*) are managed involving limited risk to capital and are monitored through a risk and performance monitoring system.

In particular they relate to the investment of cash surpluses of the companies heading business lines and VINCI's main fully-owned subsidiaries, which are transferred to the holding company through a cash pooling system. This centralised system enables both the management of financial resources to be optimised and trends in the cash position of the Group's main subsidiaries to be monitored. The investments made by subsidiaries with VINCI S.A. in this context amounted to €2 billion at 31 December 2007.

The investment of cash surpluses of other Group subsidiaries that are not transferred to the holding company is managed complying with VINCI's guidelines. At 31 December 2007, the amount managed in this way was €699.5 million for the concessions (including €472 million in Cofiroute and €67 million in ASF) and €1,381.5 million for the other business lines.

The holding company monitors the performance and the risks associated with these investments regularly, through a report detailing the yield of the various assets on the basis of their fair value and tracking the level of the associated risk.

21.2.3 Bank credit lines and term loans

At 31 December 2007, VINCI had a confirmed bank credit facility (Club Deal) of €2 billion, expiring in 2012 and confirmed bilateral medium-term credit facilities of €935 million. These lines were not used at 31 December 2007.

VINCI has also taken out a loan on 5 November 2005 for the acquisition of the shares in ASF that it did not already own at 31 December 2005. This 7-year acquisition loan, initially of €4.2 billion, was reduced to €3 billion in September 2006, and then to €1.75 billion in January 2007.
This floating-rate loan features a credit spread depending on a ratio, as defined in Note 21.2.5.

On 18 December 2006, ASF Holding took out a syndicated term loan of €1.2 billion for the acquisition of the 23% of ASF's shares previously held by VINCI Concessions. At 31 December 2007, the outstanding amount of this loan, initially of 7 years' duration, was €1.19 billion. It is subject to financial covenants as described in Note 21.2.5.

The ASF Group has a syndicated bank credit facility of €1 billion maturing in 2012, subject to various financial covenants, comparable to those applicable to the CNA loans, set up by a rider in February 2006 in the context of its privatisation. On 18 December 2006, ASF also took out a new 7-year loan with a bank syndicate for a total of €3.5 billion comprising €2 billion in the form of a revolving credit and €1.5 billion in the form of a term loan, reduced in 2007 to €756 million. This is subject to ratios equivalent to those applying to the CNA loans.
These facilities have contributed to the financing of the exceptional dividend paid by ASF in January 2007. At 31 December 2007, their use had been reduced to €1.35 billion.

Lastly, ASF signed a finance agreement with the EIB in December 2007 for €250 million. This finance is in the form of a credit facility usable between now and the end of 2009 that should be repaid at the latest in 2028.

Cofiroute has a confirmed unused bank credit facility of €1 billion, expiring in 2011. This facility is not subject to financial covenants and was not in use at 31 December 2007.

The amounts authorised and used, and the maturities of the credit lines are as follows:

(in € millions)	Used at 31/12/2007	Amounts authorised at 31/12/2007	Maturity: Within 1 year	Maturity: Between 1 and 5 years	Maturity: After 5 years
Syndicated loan		2,000		2,000	
Bilateral facilities		935		885	50
Acquisition loan	1,750	1,750		1,750	
VINCI	**1,750**	**4,685**		**4,635**	**50**
ASF Holding: acquisition loan	**1,190**	**1,190**	**20**	**130**	**1,040**
Syndicated loans	595	3,000		1,000	2,000
Term loan	756	756			756
EIB		250			250
ASF	**1,351**	**4,006**		**1,000**	**3,006**
Cofiroute: syndicated loan		**1,020**		**1,020**	
Total	**4,291**	**10,901**	**20**	**6,785**	**4,096**

21.2.4 Commercial paper

At 31 December 2007, VINCI had an authorised commercial paper programme of €1.5 billion. This programme is rated A2 by Standard & Poor's and P2 by Moody's. At 31 December 2007, €145 million had been drawn against €1,378 million at 31 December 2006.

Cofiroute also has an authorised commercial paper programme of €450 million, rated A2 by Standard & Poor's. This facility was not being used at 31 December 2007.

21.2.5 Financial covenants

Some financing agreements include early repayment clauses applicable in the event of non-compliance with the financial ratios below:

(in € millions)	Finance agreements	Authorised amounts	Amounts used	Ratios[1]	Values	Values at 31 Dec. 2007
VINCI	Acquisition loan	1,750.0	1,750.0	Net financial debt (excl. Concessions) to [Cash flow from operations before tax and financing costs (excl. Concessions) + dividend received (excl. exceptional dividend) of concession operating companies]	< 4.5	0.0
ASF Holding	Syndicated term loan	1,190.0	1,190.0	Consolidated net financial debt to consolidated cash flow from operations before tax and financing costs	< 10.5	8.5
				Dividends to (Net interest + nominal to repay)	> 1.15	1.8
ASF	CNA	7,270.4	7,270.4	Consolidated net financial debt to consolidated Ebitda	< 7	5.7
				Consolidated Ebitda to consolidated financing costs	> 2.2	3.5
	Syndicated term loan	755.8	755.8	Consolidated net financial debt to consolidated cash flows from operations before tax and financing costs Consolidated cash flows from operations before tax and financing costs to consolidated financing costs	equal to or less than 7 > 2.2	5.7 3.5
	Syndicated credit line	2,000.0	100.0			
	Syndicated credit line	1,000.0	495.0			
VINCI Park	Amortising loan	462.0	462.0	Net financial debt to cash flow from operations before tax and financing costs	< 7	4.4
				Cash flow from operations before tax and financing costs to financing costs	> 2.2	4.6
	Amortising loan (tranches 1 and 2)	232.2	232.2	Net financial debt to cash flow from operations before tax and financing costs	< 7	4.4
				Cash flow from operations before tax and financing costs to financing costs	> 3	4.6

(1) Ebitda = gross operating profit defined as the difference between operating income and operating expenses excluding depreciation, amortisation and provisions.

The above ratios were all met at 31 December 2007.

Some finance agreements, entered into by Group entities, provide that a change in control of the borrower may constitute a case for mandatory early redemption or trigger a demand for early repayment.

21.2.6 Credit ratings

At 31 December 2007, the Group's credit ratings were:

	Agency	Ratings		
		Long-term	Outlook	Short-term
VINCI SA	Standard & Poor's	BBB+	Negative	A2
	Moody's	Baa1	Stable	P2
	Fitch	BBB+	Stable	F2
ASF	Standard & Poor's	BBB+	Negative	A2
	Moody's	Baa1	Stable	P2
Cofiroute	Standard & Poor's	BBB+	Negative	A2

21.2.7 Debt without recourse or with limited recourse

Most of the Group's long-term debt is without recourse against the VINCI holding company. Debt without recourse amounted to a total of €15.2 billion at the end of December 2007, representing approximately 75% of the Group's long-term debt, and breaks down as follows:

(in € millions)	31/12/2007	31/12/2006
ASF Escota	***10,773.1***	***8,306.8***
Cofiroute	***3,825.3***	***3,622.0***
Gefyra (Rion-Antirion bridge - Greece)	335.7	334.6
Consortium Stade de France	40.0	45.4
Morgan VINCI Ltd (Newport bypass - Wales)	41.4	45.8
Via Solution Thuringen (A4 motorway - Germany)(1)	14.3	
Infrastructure concessions	***431.4***	***425.8***
Concessions	**15,029.8**	**12,354.6**
CFE (Belgian subsidiary of VINCI Construction)	190.1	163.5
Including DEEM (CFE's dredging subsidiary) for	182.3	146.8
Other business lines	**190.1**	**163.5**
Total long-term debt without recourse or with limited recourse	**15,219.9**	**12,518.1**
Derivative instruments	(89.6)	(108.3)
Collateralised receivables(2)		(1.2)
Cash, cash equivalents and cash management financial assets of corresponding companies	(757.4)	(531.9)
Total net debt without recourse or with limited recourse	**14,372.9**	**11,877.9**

(1) New 50%-owned activity.
(2) Collateralised receivables correspond to financial assets guaranteeing the obligations under certain loans.

All the companies shown in the above table are financed autonomously (with no guarantee from the parent company). They do not participate in the holding company cash pooling system. Their finance agreements do not include a cross default clause with VINCI.

22. Management of financial risks

The following disclosures present the Group's exposure to its financial risks, its objectives, its policy and its processes to measure and manage the risks.

Given the high level of its net financial debt and the size of the associated financial income and expense, VINCI has instituted a system to manage and monitor the various financial risks to which it is exposed, principally interest rate risk.

These financial risks are managed in accordance with the management policies laid down by the Group's Finance Department. In application of these rules, the responsibility for identifying, measuring and hedging the financial risks lies with the operational entity in question. On the other hand, derivative financial instruments are generally managed by the Group Finance Department on behalf of the subsidiaries in question.

Treasury committees meet regularly to analyse the main exposures and decide on management strategies for the entities that have the most material exposure to financial risks (ASF, Cofiroute, VINCI Park, VINCI). These companies use the same tools as the VINCI holding company to monitor financial instruments, which enables information to be centralised.

In order to manage its exposure to market risks, the Group uses derivative financial instruments which are recognised in the balance sheet at their fair value.

At the balance sheet date, the fair value of derivative financial instruments breaks down as follows:

		31/12/2007				
(in € millions)	ref.	Non-current asset	Current asset(*)	Non-current liability	Current liability(*)	Net
Interest-rate derivatives: fair value hedges	22.1.2	12.1	27.6	(9.3)	(1.6)	28.7
Interest-rate derivatives: cash flow hedges	22.1.3	59.2	11.7	(6.0)	(0.7)	64.2
Interest-rate derivatives: not designated as hedges	22.1.4		105.1		(30.1)	75.0
Interest rate derivatives		**71.2**	**144.4**	**(15.3)**	**(32.4)**	**167.9**
Currency derivatives: cash flow hedges	22.3.1		1.8	(0.6)	(0.9)	0.3
Currency derivatives: net investment hedges	22.3.1		0.8			0.8
Currency derivatives: not designated as hedges	22.3.1		6.8		(20.2)	(13.5)
Currency derivatives			**9.4**	**(0.6)**	**(21.1)**	**(12.3)**
Other derivatives		**0.9**	**14.1**	**(0.1)**		**14.9**
Total derivative financial instruments		**72.1**	**167.9**	**(15.9)**	**(53.6)**	**170.5**

(*) The current part includes accrued interest not matured, amounting to €38.9 million at 31 December 2007.

		31/12/2006				
(in € millions)	ref.	Non-current asset	Current asset(*)	Non-current liability	Current liability(*)	Net
Interest-rate derivatives: fair value hedges	22.1.2	54.4	12.2	(7.8)	3.0	61.8
Interest-rate derivatives: cash flow hedges	22.1.3	13.7	(0.1)	(3.2)	1.4	11.8
Interest-rate derivatives: not designated as hedges	22.1.4		101.4		(38.6)	62.8
Interest rate derivatives		**68.1**	**113.5**	**(11.0)**	**(34.2)**	**136.4**
Currency derivatives: net investment hedges	22.3.1		0.3	(0.2)	(0.2)	(0.1)
Currency derivatives: cash flow hedges	22.3.1					
Currency derivatives: not designated as hedges	22.3.1		0.5		(12.8)	(12.3)
Currency derivatives			**0.8**	**(0.2)**	**(13.0)**	**(12.4)**
Other derivatives						
Total derivative financial instruments		**68.1**	**114.3**	**(11.2)**	**(47.3)**	**124.0**

(*) The current part includes accrued interest not matured, amounting to €27.9 million at 31 December 2006.

22.1 Interest rate risk

Interest rate risk is managed within the Group, making a distinction between concessions, contracting activities and holding companies, as their respective financial profiles are not the same.

For the concessions, interest rate risk is managed with two timescales: the long term, aiming to ensure and optimise the concession's economic equilibrium, and the short term, with an objective of optimising the average cost of debt within the budget framework.
Over the long term, the objective is to maintain over time a breakdown between fixed and floating-rate that can change depending on the debt level, measured by the ratio of net debt to cash flows from operations before tax and financing costs.

As regards contracting activities and holding companies, their net debt is close to zero, and the contracting subsidiaries' cash surpluses, of which the management is mainly centralised under the cash pooling system, offset the holding companies' debt. For these activities, the objective is to limit the consolidated interest-rate risk by ensuring that the risks connected with financial assets and financial liabilities are well matched.

To hedge its interest rate risk, the Group uses derivative financial instruments in the form of options or swaps of which the start may be deferred. These hedging instruments have, as the maximum, the same nominal amounts and the same maturities as the hedged debts. These derivative financial instruments may be either designated as hedging transactions for accounting purposes or not.

The table below shows the breakdown of long-term debt between fixed rate, capped floating-rate, and inflation linked, and the part at floating-rate before and after taking account of derivative financial instruments:

	Breakdown between fixed and floating rate before hedging										
	Fixed			Inflation-linked			Floating			Total	
(in € millions)	Debt	Proportion	Rate	Debt	Proportion	Rate	Debt	Proportion	Rate	Debt(*)	Rate
Concessions	12,113.3	79%	5.50%	377.8	2%	5.21%	2,831.4	18%	5.02%	15,322.5	5.40%
Other business lines	213.9	40%	4.00%				319.6	60%	4.84%	533.5	4.50%
Holding companies	999.9	25%	5.69%				2,935.3	75%	5.03%	3,935.2	5.19%
31/12/2007	**13,327.1**	**67%**	**5.49%**	**377.8**	**2%**	**5.21%**	**6,086.2**	**31%**	**5.01%**	**19,791.1**	**5.34%**
31/12/2006	**12,002.1**	**65%**	**5.52%**	**399.6**	**2%**	**5.93%**	**5,966.7**	**33%**	**4.03%**	**18,368.4**	**5.04%**

	Breakdown between fixed and floating rate after hedging (economic hedge)										
	Fixed			Capped floating / inflation-linked			Floating			Total	
(in € millions)	Debt	Proportion	Rate	Debt	Proportion	Rate	Debt	Proportion	Rate	Debt(*)	Rate
Concessions	11,626.0	76%	5.35%	3,343.0	22%	4.67%	353.5	2%	5.62%	15,322.6	5.23%
Other business lines	271.3	51%	4.20%				262.2	49%	5.17%	533.5	4.67%
Holding companies	471.4	12%	4.60%	791.4	20%	4.82%	2,672.3	68%	5.51%	3,935.1	5.27%
31/12/2007	**12,368.7**	**62%**	**5.30%**	**4,134.4**	**21%**	**4.70%**	**3,288.1**	**17%**	**5.49%**	**19,791.1**	**5.21%**
31/12/2006	**10,382.5**	**57%**	**5.25%**	**2,438.2**	**13%**	**4.12%**	**5,547.7**	**30%**	**4.32%**	**18,368.4**	**4.82%**

(*) 2007: Long-term financial debt at amortised cost + accrued interest not matured + impact of fair value hedges + remeasurement of ASF's debt = 19,791.1+ 359.7+ 7+ 192 = €20,349.8 million.
2006: Long-term financial debt at amortised cost + accrued interest not matured + impact of fair value hedges + remeasurement of ASF's debt = 18,368.4 + 335.9 + 53.1+ 257.9 = €19,015.3 million.

22.1.1 Sensitivity to interest rate risk

VINCI's income statement is exposed to the risk of fluctuations in interest rates, given:
– the cash flows connected with floating-rate financial instruments after hedging, whether they are derivatives or not;
– fixed-rate financial instruments recognised in the balance sheet at fair value through profit or loss;
– derivative financial instruments that are not designated as hedges. These transactions mainly comprise net call option positions with a maturity of less than 5 years of which the maximum loss over the life of the transaction is equal to the premium paid.

On the other hand, fluctuations in the value of derivatives designated as hedges do not have a direct impact on profit or loss and are recognised in equity.

The analysis below has been made assuming that the amount of the financial debt and derivatives at 31 December 2007 remains constant over one year.

The consequence of a variation of 50 basis points in interest rates at the balance sheet date would have been an increase or decrease of equity and profit for the amounts shown below. For the purpose of this analysis, the other variables are assumed to remain constant.

	31/12/2007			
	Profit or loss		Equity	
(in € millions)	Impact of sensitivity calculation + 50 bp	Impact of sensitivity calculation – 50 bp	Impact of sensitivity calculation + 50 bp	Impact of sensitivity calculation – 50 bp
Floating rate debt after hedging (accounting basis)	(28.4)	28.4		
Derivatives not considered for accounting purposes as hedges	13.0	(9.7)		
Derivatives designated as hedges of highly probable cash flows			31.9	(34.0)
Derivatives designated as contractual cash flows	5.5	(4.9)	35.4	(14.2)

22.1.2 Description of fair value hedges

At the balance sheet date, details of the instruments designated as fair value hedges were as follows:

	31/12/2007							
(in € millions)	Within 1 year	Between 1 and 2 years	Between 3 and 5 years	After 5 years	Notional	Fair value, assets	Fair value, liabilities	Total
Fixed receiver / floating payer interest rate swap		1,275.0	2.5	1,017.2	2,294.8	39.7	(10.9)	28.7
Interest rate options (caps, floors and collars)								
Interest-rate derivatives: fair value hedge		**1,275.0**	**2.5**	**1,017.2**	**2,294.8**	**39.7**	**(10.9)**	**28.7**

(in € millions)	Within 1 year	Between 1 and 2 years	Between 3 and 5 years	After 5 years	Notional	Fair value, assets	Fair value, liabilities	Total
	31/12/2006							
Fixed receiver / floating payer interest rate swap			1,678.1	623.4	2,301.5	66.6	(4.8)	61.8
Interest rate options (caps, floors and collars)								
Interest-rate derivatives: fair value hedge			**1,678.1**	**623.4**	**2,301.5**	**66.6**	**(4.8)**	**61.8**

These transactions mainly relate to the fixed-rate bond issues by ASF, Cofiroute and VINCI.

22.1.3 Description of cash flow hedges

At the balance sheet date, details of the instruments designated as cash flow hedges were as follows:

(in € millions)	Within 1 year	Between 1 and 2 years	Between 3 and 5 years	After 5 years	Notional	Fair value, assets	Fair value, liabilities	Total
	31/12/2007							
Floating receiver / fixed payer interest rate swap				1,265.0	1,265.0	42.8	(2.0)	40.8
Interest rate options (caps, floors and collars)								
Interest-rate derivatives: hedging of highly probable forecast cash flows				**1,265.0**	**1,265.0**	**42.8**	**(2.0)**	**40.8**
Floating receiver / fixed payer interest rate swap	1,864.9	657.1	353.2	229.0	3,104.2	20.3	(3.5)	16.8
FRA	6,349.5				6,349.5	1.5	(0.0)	1.5
Interest rate options (caps, floors and collars)			324.4	153.2	477.7	6.2	(1.2)	5.0
Interest-rate derivatives: hedge of contractual cash flows	**8,214.4**	**657.1**	**677.6**	**382.2**	**9,931.3**	**28.1**	**(4.7)**	**23.3**
Total	**8,214.4**	**657.1**	**677.6**	**1,647.2**	**11,196.3**	**70.9**	**(6.7)**	**64.2**

(in € millions)	Within 1 year	Between 1 and 2 years	Between 3 and 5 years	After 5 years	Notional	Fair value, assets	Fair value, liabilities	Total
	31/12/2006							
Floating receiver / fixed payer interest rate swap			82.0	420.5	502.5	7.9		7.9
Interest rate options (caps, floors and collars)								
Interest-rate derivatives: hedging of highly probable forecast cash flows			**82.0**	**420.5**	**502.5**	**7.9**		**7.9**
Floating receiver / fixed payer interest rate swap	28.9	166.8	43.4	114.0	353.0	1.7	(0.9)	0.8
FRA								
Interest rate options (caps, floors and collars)	6.0		366.5	137.6	510.1	4.0	(0.9)	3.1
Interest-rate derivatives: hedge of contractual cash flows	**34.9**	**166.8**	**409.9**	**251.6**	**863.2**	**5.7**	**(1.8)**	**3.9**
Total	**34.9**	**166.8**	**491.9**	**672.1**	**1,365.7**	**13.6**	**(1.8)**	**11.8**

The Group's exposure to the risks of changes in future interest payment cash flows is generated by the cash flows of floating-rate debts existing at 31 December 2007 and by the interest charges relating to future issues.

Hedging of contractual cash flows

The Group has set up interest rate swaps which serve to render interest payments on floating-rate debt fixed. The contractual cash flows under swaps are paid symmetrically with the interest payment flows on hedged loans; the amount deferred in equity is recognised through profit or loss in the period when the interest payment is recognised in profit or loss.

Hedging of highly probable cash flows

At 31 December 2007, the portfolio of deferred start swaps was €1.2 billion, of which €865 million was in ASF with maturities until 2021 enabling part of the interest payments on highly probable future borrowing to be fixed.

The following table shows the periods when the Group expects the cash flows associated with the deferred start swaps in place on 31 December 2007 to occur:

	Position at 31/12/2007				
		Expected cash flows			
(in € millions)	Fair value	Within 1 year	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Deferred start floating / fixed swap	40.8	17.6	(1.8)	25.1	
Total interest rate derivatives designated for accounting purposes as cash flow hedges	**40.8**	**17.6**	**(1.8)**	**25.1**	

	Position at 31/12/2006				
		Expected cash flows			
(in € millions)	Fair value	Within 1 year	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Deferred start floating / fixed swap	7.9			7.9	
Total interest rate derivatives designated for accounting purposes as cash flow hedges	**7.9**			**7.9**	

The following table shows the periods when the Group expects the amounts recorded in equity as at 31 December 2007 for the existing or unwound instruments designated as cash flow hedges to have an impact on profit or loss:

	Position at 31/12/2007				
		Amount recycled in profit or loss			
(in € millions)	Amount recorded in equity	Within 1 year	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Interest rate derivatives designated for accounting purposes as hedges of contractual cash flows	20.8	13.4	1.6	3.8	2.1
Interest rate derivatives designated for accounting purposes as hedges of highly probable cash flows	71.6	2.7	3.9	17.3	47.6
Total interest rate derivatives designated for accounting purposes as cash flow hedges	**92.4**	**16.1**	**5.5**	**21.1**	**49.7**

22.1.4 Description of non-hedging transactions

At the balance sheet date, these transactions were as follows:

	31/12/2007							
(in € millions)	Within 1 year	Between 1 and 2 years	Between 3 and 5 years	After 5 years	Notional	Fair value, assets	Fair value, liabilities	Total
Interest rate swaps	264.3	22.7	374.0	1,610.9(*)	2,272.0	74.4	(25.9)	48.4
FRA	2,325.0				2,325.0	0.4	(0.4)	(0.1)
Interest rate options (caps, floors and collars)	1,764.4	624.9	1,650.4	866.0	4,905.8	30.4	(3.7)	26.6
Interest-rate derivatives: not designated for accounting purposes as hedges	**4,353.8**	**647.6**	**2,024.4**	**2,476.9**	**9,502.7**	**105.1**	**(30.1)**	**75.0**

(*) Notional corresponding to swaps reversed.

	31/12/2006							
(in € millions)	Within 1 year	Between 1 and 2 years	Between 3 and 5 years	After 5 years	Notional	Fair value, assets	Fair value, liabilities	Total
Interest rate swaps	903.0	(0.3)	344.6	1,600.0	2,847.3	87.8	(36.7)	51.1
FRA								
Interest rate options (caps, floors and collars)	1,209.7	460.9	1,376.2		3,046.8	13.7	(2.0)	11.7
Interest-rate derivatives: not designated for accounting purposes as hedges	**2,112.7**	**460.6**	**1,720.8**	**1,600.0**	**5,894.1**	**101.5**	**(38.7)**	**62.8**

These are mainly FRAs or short-maturity options. They enable the level of hedging to be adjusted taking account of the market situation. The Group has hedged its reference rates (fixings) relating to the next drawings of its floating-rate debt expected at the beginning of 2008.
Moreover, the swap transactions correspond mainly to the portfolio of mirror swaps (following swap reversal transactions) that generate no risk of fluctuation of fair value in profit or loss.

22.2 Equity risk

At 31 December 2007, VINCI owned 3.3% of ADP. This shareholding is classified under *available-for-sale financial assets*. The consequence of a 10% change in the ADP share price would be a change in equity of €14.5 million, after the tax effect.

At 31 December 2007, the Group held a portfolio of 18,138,019 treasury shares acquired at an average price of €52.81 and 10.3 million call options at an average exercise price of €38.05, on which a premium of €146.1 million was paid.

At 31 December 2007, VINCI held two swaps of which the underlyings were listed financial instruments. These swaps exclude any physical delivery of the underlying instruments and may be unwound at any time by the payment or receipt of an equalisation amount by VINCI. Under these swaps, VINCI pays or receives any changes in the price of the underlyings compared with the contractual reference prices, and VINCI receives, if applicable, the cash flows connected with the underlying assets and pays an interest charge.

As these are derivative financial instruments, changes in the value of these contracts are recognised through profit or loss. This amounted to an expense of €5.5 million in the period to 31 December 2007, for a notional of €280 million.

A 10% change in the value of the underlyings would lead to a change in fair value of approximately €8.7 million after tax.

22.3 Foreign exchange risk

22.3.1 Detail of currency derivatives

Transactions to hedge currency risk designed to cover commercial or financial transactions break down as follows:

	31/12/2007						
(in € millions)	Within 1 year	Between 1 and 2 years	Between 3 and 5 years	After 5 years	Notional	Fair value, assets	Fair value, liabilities
Cross currency swap	5.9				5.9	0.2	(0.3)
Forward foreign exchange transactions	63.5				63.5	1.6	(1.2)
Currency options							
Currency derivatives: cash flow hedges	**69.4**				**69.4**	**1.8**	**(1.5)**
Cross currency swap	30.4				30.4	0.7	
Forward foreign exchange transactions	36.7				36.7	0.2	
Currency options							
Currency derivatives: net investment hedges	**67.1**				**67.1**	**0.8**	
Cross currency swap	287.1	4.3	9.4		300.7	1.6	(19.7)
Forward foreign exchange transactions	118.6	0.7			119.3	5.0	(0.5)
Currency options	(6.2)		5.0		(1.2)	0.2	(0.0)
Currency derivatives: not designated for accounting purposes as hedges	**399.4**	**5.0**	**14.4**		**418.9**	**6.8**	**(20.2)**
Total foreign currency derivative instruments	**536.0**	**5.0**	**14.4**		**555.4**	**9.4**	**(21.7)**

	31/12/2006						
(in € millions)	Within 1 year	Between 1 and 2 years	Between 3 and 5 years	After 5 years	Notional	Fair value, assets	Fair value, liabilities
Cross currency swap							
Forward foreign exchange transactions							
Currency options							
Currency derivatives: cash flow hedges							
Cross currency swap							
Forward foreign exchange transactions	19.4				19.4	0.3	(0.4)
Currency options							
Currency derivatives: net investment hedges	**19.4**				**19.4**	**0.3**	**(0.4)**
Cross currency swap	1.0	295.6	5.7	11.4	313.7	0.4	(11.2)
Forward foreign exchange transactions	81.8				81.8	0.1	(1.6)
Currency options							
Currency derivatives: not designated for accounting purposes as hedges	**82.8**	**295.6**	**5.7**	**11.4**	**395.5**	**0.5**	**(12.8)**
Total foreign currency derivative instruments	**102.1**	**295.6**	**5.7**	**11.4**	**414.8**	**0.8**	**(13.2)**

22.3.2 Breakdown of long-term debt by currency

Debt breaks down as follows by currency:

(in € millions)	31/12/2007		31/12/2006	
Euro	19,824.1	97%	18,432.6	97%
Swiss franc	312.0	2%	318.7	2%
Chilean peso	16.1	0%	108.9	1%
Sterling	97.1	1%	76.2	0%
US dollar	32.2	0%	27.2	0%
Canadian dollar	23.5	0%	18.3	0%
Other currencies	44.8	0%	33.4	0%
Total long-term borrowings	**20,349.8**	**100%**	**19,015.3**	**100%**

Generally, the Group's activities in foreign countries are financed by loans in the local currency.

The debt in Swiss francs is in ASF and is repayable in February 2008. As a Swiss franc / euro swap was set up in respect of this loan at its inception, this debt is not exposed to foreign currency risk. The value of the cross currency swap at 31 December 2007 was a liability of €19.7 million.

22.3.3 Nature of the Group's risk exposure

Eighty-two percent of VINCI's activities in international 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.

Furthermore, VINCI may find itself exposed to currency risk whenever, in isolated cases, the parent company provides finance to certain foreign subsidiaries, and on cash flows intended to be paid to the parent company. This exposure is generally covered by cross currency swaps and forward exchange transactions.

VINCI's foreign currency risk management policy consists in hedging the transaction exposure (in particular on receivables and debt in its balance sheet) connected with subsidiaries' ordinary operations. However, VINCI dœs not systematically hedge the currency risk connected with its foreign investments (translation exposure).

22.3.4 Analysis of foreign exchange risk exposure

The foreign exchange risk exposure was as follows at 31 December 2007:

(in € millions)	31/12/2007						
Currency	**CHF**	**DKK**	**GBP**	**HKD**	**USD**	**Other currencies**	**Total**
Closing rate	1.655	7.458	0.733	11.48	1.472		
Exposure	(250.9)	20.1	(17.5)	8.3	(41.9)	7.6	(274.3)
Hedge	250.9	(20.1)	3.9	(8.3)	41.9	(7.6)	260.7
Net position			**(13.6)**				**(13.6)**

The main exposures to foreign exchange risk, principally related to debts and receivables denominated in foreign currency, are hedged and in consequence generate no risk to profit or loss. There remains an exposure to assets in sterling, which has not been designated as a hedge, generating a risk of approximately €1.5 million for a 10% change in the exchange rate.

22.4 Credit risk and counterparty risk

VINCI is exposed to credit risk in the event of default by customers. It is exposed to counterparty risk in respect of its investments of cash, subscription to negotiable debt securities, marketable securities, financial receivables and derivative financial instruments.

The Group has implemented procedures intended to prevent and limit the concentration of credit risk.

Financial instruments

This system allocates maximum risk amounts by counterparty, defined taking account of their credit ratings as published by Standard & Poor's, Moody's and Fitch IBCA. These limits are monitored and updated regularly.

Trade receivables

The Group has set up procedures to limit the risk exposure on its trade receivables. It should be noted that nearly 40% of consolidated revenue is generated with public sector or quasi-public sector customers. Moreover, VINCI considers that the concentration of counterparty risk connected with trade receivables is limited because of the large number of customers and the fact that they are widely scattered across France and abroad. In foreign countries, and in developing countries, the risk of non-payment is generally covered by an appropriate insurance policy (Coface, documentary credit, etc.). Trade receivables are broken down in Note E.24.2 *Trade receivables.*

23. Carrying amount and fair value by accounting category

The following table shows the carrying amount in the balance sheet of assets and liabilities by accounting category in accordance with IAS 39, and their fair value:

31/12/2007	Accounting categories								Fair value			
Balance sheet headings and classes of instrument	Financial instruments through profit or loss	Derivatives designated as hedges	Assets measured at fair value (fair value option)	Held-to-maturity assets	Available-for-sale financial assets	Loans and receiva-bles	Liabilities at amortised cost	**Total carrying amount for the class**	Listed prices	Internal model based on observable factors	Internal model not based on observable factors	**Fair value of the class**
Investments listed in subsidiaries and associates					243.2			243.2	243.2			243.2
Investments in unlisted subsidiaries and associates					150.2			150.2			150.2	150.2
Loans and collateralised financial receivables							1.0	1.0		1.0		1.0
Financial current accounts, assets						53.5		53.5		53.5		53.5
I - Non-current financial assets					**393.4**	**53.5**	**1.0**	**447.9**	**243.2**	**54.5**	**150.2**	**447.9**
II - Derivative financial instruments - assets	**126.8**	**113.2**						**240.0**		**240.0**		**240.0**
III - Trade receivables						**11,101.3**		**11,101.3**		**11,101.3**		**11,101.3**
Cash management financial assets			611.5					611.5	152.6	458.9		611.5
Cash equivalents			2,843.9					2,843.9	653.9	2,190.0		2,843.9
Cash			1,379.9					1,379.9		1,379.9		1,379.9
IV - Current financial assets			**4,835.3**					**4,835.3**	**806.5**	**4,028.8**		**4,835.3**
Total assets	**126.8**	**113.2**	**4,835.3**		**393.4**	**11,154.8**	**1.0**	**16,624.4**	**1,049.7**	**15,424.5**	**150.2**	**16,624.4**
Bonds							(5,651.6)	(5,651.6)	(5,539.5)			(5,539.5)
Inflation-linked loans							(383.7)	(383.7)		(393.8)		(393.8)
Other bank loans and other financial debt							(14,119.4)	(14,119.4)		(14,210.9)		(14,210.9)
Finance lease debt restated							(195.1)	(195.1)		(195.1)		(195.1)
V - Non-current financial debt							**(20,349.8)**	**(20,349.8)**	**(5,539.5)**	**(14,799.9)**		**(20,339.4)**
VI - Derivative financial instruments - liabilities	**(50.4)**	**(19.1)**						**(69.5)**	**(50.4)**	**(19.1)**		**(69.5)**
VII - Trade payables							**(6,553.4)**	**(6,553.4)**		**(6,553.4)**		**(6,553.4)**
Commercial paper							(145.0)	(145.0)		(145.0)		(145.0)
Other current financial liabilities							(138.5)	(138.5)		(138.5)		(138.5)
Financial current accounts, liabilities							(100.4)	(100.4)				
Bank overdrafts			(629.8)					(629.8)		(629.8)		(629.8)
VIII - Current financial liabilities			**(629.8)**				**(383.9)**	**(1,013.7)**		**(913.3)**		**(913.3)**
Total liabilities	**(50.4)**	**(19.1)**	**(629.8)**				**(27,287.1)**	**(27,986.4)**	**(5,589.9)**	**(22,285.7)**		**(27,875.6)**
Total	**76.4**	**94.0**	**4,205.5**		**393.4**	**11,154.8**	**(27,286.1)**	**(11,362.0)**	**(4,540.2)**	**(6,861.2)**	**150.2**	**(11,251.2)**

The fair value is determined either:

(i) on the basis of listed prices on an active market. Whenever listed prices on an active market are available, these are used in priority in determining the market value. Marketable securities and some listed bond loans are measured in this way.

(ii) on the basis of internal measurement techniques using the usual mathematical calculation methods incorporating observable market data (forward rates, yield curves, etc).
Most derivative financial instruments (swaps, caps, floors, etc) are traded on markets and are measured on the basis of models commonly used by market participants to price such financial instruments.

Every quarter, the internally calculated values of derivative instruments are checked for consistency with the values sent to us by the counterparties.

24. Working capital requirement and current provisions

24.1 Change in working capital requirement

(in € millions)	31/12/2007	31/12/2006	Change between 2007 and 2006: Connected with operations	Receivables / payables related to non-current assets	Other changes(*)
Inventories and work in progress (net)	647.5	567.1	14.1		66.3
Trade and other operating receivables	11,101.3	9,503.1	507.9	16.1	1,074.3
Other current assets	288.4	241.0	11.0		36.4
Inventories and operating receivables (I)	**12,037.3**	**10,311.2**	**533.0**	**16.1**	**1,177.0**
Trade payables	(6,553.4)	(5,554.1)	(476.2)		(523.1)
Other current payables	(7,594.9)	(6,428.7)	(482.1)	(114.2)	(569.9)
Trade and other operating payables (II)	**(14,148.3)**	**(11,982.8)**	**(958.3)**	**(114.2)**	**(1,093.0)**
Working capital requirement (before current provisions) (I+II)	**(2,111.0)**	**(1,671.6)**	**(425.3)**	**(98.1)**	**84.0**
Current provisions	**(2,003.1)**	**(1,655.9)**	**(262.2)**		**(85.0)**
including part at less than one year of non-current provisions	*(260.6)*	*(302.2)*			*41.5*
Working capital requirement (after current provisions)	**(4,114.1)**	**(3,327.5)**	**(687.5)**	**(98.1)**	**(1.0)**

(*) Mainly changes in scope of consolidation 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 component parts of the working capital requirement by maturity are:

(in € millions)	31/12/2007	Maturity: Within 1 year	Between 1 and 5 years	After 5 years
Inventories and work in progress (net)	647.5	582.5	59.5	5.6
Trade and other operating receivables	11,101.3	10,693.2	392.1	16.1
Other current assets	288.4	279.9	6.9	1.7
Inventories and operating receivables (I)	**12,037.3**	**11,555.5**	**458.4**	**23.3**
Trade payables	(6,553.4)	(6,329.7)	(218.2)	(5.5)
Other current payables	(7,594.9)	(7,247.3)	(253.3)	(94.4)
Trade and other operating payables (II)	**(14,148.3)**	**(13,576.9)**	**(471.5)**	**(99.9)**
Working capital requirement (before current provisions) (I+II)	**(2,111.0)**	**(2,021.4)**	**(13.1)**	**(76.5)**

(in € millions)	31/12/2006	Maturity: Within 1 year	Between 1 and 5 years	After 5 years
Inventories and work in progress (net)	567.1	564.9	2.2	
Trade and other operating receivables	9,503.1	9,322.6	177.7	2.8
Other current assets	241.0	239.7	0.3	1.1
Inventories and operating receivables (I)	**10,311.2**	**10,127.1**	**180.1**	**3.9**
Trade payables	(5,554.1)	(5,411.6)	(135.6)	(7.0)
Other current payables	(6,428.7)	(6,303.7)	(80.9)	(44.1)
Trade and other operating payables (II)	**(11,982.8)**	**(11,715.3)**	**(216.4)**	**(51.1)**
Working capital requirement (before current provisions) (I+II)	**(1,671.6)**	**(1,588.2)**	**(36.3)**	**(47.1)**

24.2 Trade receivables

Trade receivables and allowances were as follows:

(in € millions)	31/12/2007	31/12/2006
Trade receivables	6,790.0	5,797.0
Provisions - trade receivables	(285.1)	(248.1)
Trade receivables, net	**6,504.9**	**5,548.9**

Trade receivables that are between 6 and 12 months past due amount to €151.1 million, €24.1 million of provisions have been taken in consequence. Trade receivables that are more than one year past due amount to €218.7 million, €118.3 million of provisions have been taken in consequence.

24.3 Breakdown of current provisions

Changes in current provisions reported in the balance sheet were as follows in 2006 and 2007:

(in € millions)	Opening balances	Provisions expense	Provisions used	Other reversals not used	Changes in consolidation scope and miscellaneous	Change in the part at less than one year of non-current	Translation difference	Closing balances
01/01/2006	**1,382.8**	**527.6**	**(433.4)**	**(60.0)**	**12.2**	**10.0**	**6.2**	**1,445.4**
After-sales service	278.9	87.8	(57.1)	(21.0)	6.9		1.1	296.5
Losses on completion and construction project	338.4	277.5	(195.9)	(21.8)	(5.8)		(0.5)	391.8
Litigation	297.6	87.1	(54.5)	(22.0)	(4.7)		(0.2)	303.3
Restructuring	41.8	39.5	(15.1)	(2.6)	(1.7)		0.0	62.0
Other current liabilities	253.3	148.7	(58.0)	(15.6)	(3.0)		0.5	325.9
Discounting of current provisions	(21.9)	(3.2)	0.1		(0.7)		(0.1)	(25.8)
Reclassification of the part at less than one year of non-current provisions	257.4					44.8		302.2
31/12/2006	**1,445.4**	**637.4**	**(380.5)**	**(83.0)**	**(9.1)**	**44.8**	**0.8**	**1,655.9**
After-sales service	296.5	99.9	(59.6)	(16.3)	0.7		(0.7)	320.5
Losses on completion and construction project	391.8	429.1	(247.8)	(20.2)	59.1		(4.9)	607.0
Litigation	303.3	88.2	(66.5)	(42.6)	49.5		(1.0)	330.9
Restructuring	62.0	27.3	(28.2)	(7.9)	(0.4)		(0.0)	52.8
Other current liabilities	325.9	229.2	(102.0)	(23.2)	25.1		(0.8)	454.3
Discounting of current provisions	(25.8)	7.3	(4.6)	(0.1)	0.1		(0.1)	(23.1)
Reclassification of the part at less than one year of non-current provisions	302.2				(0.6)	(40.7)	(0.2)	260.6
31/12/2007	**1,655.9**	**881.0**	**(508.6)**	**(110.2)**	**133.5**	**(40.7)**	**(7.8)**	**2,003.1**

Current provisions, which are directly linked to each business line's operating cycle, amounted to €2,003.1 million at 31 December 2007 (including the part at less than one year of non-current provisions) against €1,655.9 million at 31 December 2006. They mainly relate to provisions connected with construction contracts.

25. Other assets classified as held for sale and operations discontinued (halted or sold) or classified as held for sale

At 31 December 2007, the other available-for-sale assets relate to the assets of VINCI Park in Hong Kong that are being sold.
In November 2007, VINCI Park decided to dispose of all its service activities in Hong Kong and a part of its car park management business. The remaining shareholding should be sold in 2008 once authorisation has been obtained from the appropriate authorities. This transaction resulted in the recognition in 2007 of a disposal gain of €1.3 million.
Moreover, in accordance with IFRS 5, items in the income statement and cash flow statement relating to discontinued operations (the airport services sold in 2006) are shown separately for all the periods shown and break down as follows:

25.1 Income and expenses of discontinued operations

(in € millions)	**31/12/2006**
Revenue	**414.0**
Operating profit	**18.0**
Cost of net financial debt	**(8.8)**
Other financial income and expenses	0.3
Tax	(2.7)
Profit or loss of discontinued operations	**6.7**
Gain or loss on disposal of discontinued operations	**30.0**
Tax effect	12.7
Net gain or loss on disposal	**42.6**
Total profit or loss of discontinued operations	**49.4**

In accordance with IFRS 5, no depreciation charges have been taken against this operation's assets in 2006.

25.2 Impact of discontinued operations on the cash flow statement

(in € millions)	**31/12/2006**
Operating activities	27.5
Investing activities	(15.2)
Financing activities	(1.9)
Net cash flows on disposal	209.0
Total	**219.4**

26. Transactions with related parties

Transactions with related parties are:
– remuneration and similar benefits paid to members of the governing and management bodies;
– transactions with companies in which VINCI exercises significant influence or joint control.
These transactions are conducted on the basis of market prices.

26.1 Remuneration and similar benefits paid to members of the governing and management bodies

The remuneration of the Group's Company Officers is determined by the Board of Directors following proposals from the Remuneration Committee.

The table below shows the remuneration and similar benefits, on a full-year basis, granted by VINCI SA and the companies that it controls to persons who at the balance sheet date or during the period were or have been members of the Group's governing bodies and executive committee. The corresponding amounts have been recognised in expenses in 2007 and 2006 as follows:

	Members of governing bodies and the Executive Committee	
(in € thousands)	31/12/2007	**31/12/2006**
Remuneration	9,354.3	7,723.6
Employer's social charges	4,796.0	4,496.0
Post-employment benefits	1,105.3	5,019.3
Lump-sums payable at end of contract	1,536.6	2,000.0
Share-based payments(*)	7,306.4	9,297.7
Directors' fees	801.3	944.4

(*) This amount is determined in accordance with IFRS 2 Share-based Payment and as described in Note E.19 Share-based payment.

The variable portion relating to 2007 is an estimate, for which a provision has been taken in the period.

The aggregate amount of retirement benefit obligations (contractual lump sums payable on retirement and supplementary defined benefit schemes) in favour of members of the Group's governing bodies and executive committee, for which provisions are included in the financial statements at 31 December 2007, amount to €21,032 thousand.

26.2 Transactions between VINCI and proportionately consolidated companies (unconsolidated part)

(in € millions)	31/12/2007	31/12/2006
Revenue	2,911.5	2,781.0
Purchases	(667.7)	(618.7)
Subcontracting	(1,850.9)	(1,706.4)
Trade receivables	1,292.5	1,520.3
Trade payables	713.5	709.2

These transactions mainly relate to operations conducted with joint-venture partnerships (SEPs) in connection with the Group's construction activities.

26.3.Contribution to the consolidated balance sheet by proportionately consolidated companies

(in € millions)	31/12/2007	31/12/2006
Current assets	812.8	685.3
Non-current assets	1,461.0	1,372.5
Current liabilities	680.0	716.8
Non-current liabilities	1,406.4	1,487.8
Operating revenue	2,750.8	2,029.4
Operating expenses	(2,554.8)	(1,858.2)
Cost of net financial debt	(16.2)	(15.6)
Other financial income and expenses	(3.3)	0.2
Income tax	(35.6)	(25.8)

26.4 Other related parties

The information on equity-accounted companies is given in Note E.15.2. "*Financial information on investments in associates*".

VINCI recognised an expense of €530.4 thousand in 2007 in respect of catering services provided by Société Gastronomique de l'Etoile (€487.3 thousand in 2006).
Furthermore, the Company has normal business relationships with financial institutions of which the officers are Directors of VINCI, in particular UBS and Natexis.

27. Contractual obligations and other commitments made and received

Contractual obligations and other commitments made and received break down as follows:

27.1 Contractual obligations

(in € millions)	31/12/2007	31/12/2006
Operating leases	1,016.4	925.8
Purchase and capital expenditure obligations(*)	217.1	167.8

(*) Excluding capital investment obligations under concession contracts (see Note E12.2 Commitments made under concession contracts).

Operating lease commitments amounted to €1,016.4 million at 31 December 2007 (compared with €925.8 million at 31 December 2006); of this, €744.9 million was for property (compared with €754.8 million at 31 December 2006), €230.6 million for movable items (compared with €171.0 million at 31 December 2006) and €40.9 million for quarrying rights.

The purchase and capital expenditure obligations mentioned above relate mainly to VINCI Immobilier, and in particular to undertakings given in connection with the rehabilitation of land at Boulogne Billancourt.

The breakdown by maturity of contractual obligations is as follows:

		Payments due by period		
(in € millions)	**Total**	**Within 1 year**	**Between 1 and 5 years**	**After 5 years**
Operating leases	1,016.4	259.5	444.6	312.3
Purchase and capital expenditure obligations(*)	217.1	216.0	1.1	0.0

(*) Excluding investment obligations related to concession contracts.

27.2 Other commitments made and received

(in € millions)	31/12/2007	31/12/2006
Collateral securities	268.7	268.4
Joint and several guarantees covering unconsolidated partnerships(*)	55.3	54.6
Other commitments made (received)	16.6	12.3

(*) Group's share, total commitment was €117.8 million at 31 December 2007.

Collateral securities (mortgages and collateral for finance)

In addition to commitments in connection with the concession contracts, collateral security may be given. This mainly relates to CFE (property projects and financing of dredgers at DEEM, CFE's 50% subsidiary).

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 unincorporated joint venture partnerships (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 the Group's share of the liabilities of the partnerships in question less equity and financial debt (loans or current account advances) due to partners.

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 negligible.

The commitments made and received by the Group in connection with concession contracts, construction contracts and items connected with unrecognised retirement benefit obligations are shown in the following notes:
- Note E.12.2 *Commitments made under concession contracts*
- Note E.17.2 *Commitments given and received in connection with construction contracts*
- Note E.20.1 *Provisions for retirement benefit obligations.*

28. Employees and staff training rights

The number of employees at 31 December 2007 breaks down as follows:

	31/12/2007	31/12/2006
Engineers and managers	22,556	18,758
Office, technical and manual	136,072	119,766
	158,628	**138,524**

The Act of 4 May 2004 gives employees of French businesses the right to a minimum of 20 hours of training a year, which can be carried forward and accumulated over a period of six years. Expenditure under this individual right to training is considered as an expense for the period and dœs not give rise to the recognition of a provision, other than in exceptional cases. The Group's employees had acquired rights to 4 million hours of such training at 31 December 2007.

F. Post balance sheet events

29. Appropriation of earnings for 2007

The Board of Directors finalised, on 27 February 2008, the consolidated financial statements at 31 December 2007. These financial statements will only become definitive when approved by the Shareholders General Meeting. The Board will propose to the Shareholders Ordinary General Meeting a dividend of €1.52 per share in respect of the period, which, taking account of the interim dividend already paid in December 2007 (€0.47 per share) means that the final dividend will be €1.05 per share, corresponding to an amount of the order of €493 million. Shareholders will be able to opt for payment of the final dividend in new shares if they so wish.

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. The companies that are members of the VINCI group are sometimes involved in litigation arising from the normal course of business. The related risks are assessed by VINCI and the subsidiaries involved on the basis of their knowledge of the cases and provisions are taken in consequence. The main disputes in progress at the date of this document are as follows:

– 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 companies that are today VINCI subsidiaries. The incident is currently subject to a court-ordered expert appraisal to establish the reasons for the collapse and assess the damages suffered. A criminal investigation has also been launched following the collapse. The financial consequences of this incident relate on the one hand to the rebuilding costs, which are a matter for the prime contractor's insurers, and, on the other hand, to the financial losses incurred by the operators of the building as a result of the disorganisation resulting from the site being unavailable for use. The amount of these losses and the terms under which these consequences will be borne by the companies involved have yet to be determined. In view of the current situation, the Group 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 enterprises, of which several are VINCI Group subsidiaries, with a view to obtaining financial compensation for the prejudice it claims to have suffered between 1987 and 1990 during the award of tenders for the construction of the TGV Nord and TGV Rhône-Alpes lines and their interconnection. This claim followed the ruling against the companies involved by the competition authority in 1995, which the Paris Appeal Court had upheld overall. The Paris Administrative Court, after having in December 1998 ruled in respect of these two claims 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 in question, ordered an appraisal to establish the impact of such practices. The enterprises had appealed against this decision but the Council of State (the *Conseil d'Etat*), in a ruling issued on 19 December 2007, rejected their appeals. In 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 amounts claimed. The amount sought from consortiums in which VINCI companies have an interest, and which carried out approximately 20 of the contracts for work, amounts to €193 million, half of which corresponds to financial expenses. These claims should be subjected to detailed examination by the Paris Administrative Court. 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 with full knowledge of the facts 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.

– CBC, a subsidiary of VINCI, has been brought before the United States District Court of New York in July 2005 by the Mexican company Consorcio Prodipe SA de CV and Mr Mery Sanson de Wallincourt in connection with a dispute dating from 1992 relating to a tourist site property development in Baja California. The plaintiffs allege they have suffered damages amounting to a total of $350 million and are claiming three times that. The Group considers these claims to be groundless and dœs not expect these proceedings to have a material adverse 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 called to guarantee 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, the Group dœs not expect this dispute to have a material impact on its financial situation.

– In January 2007, Mr Antoine Zacharias, former chairman of VINCI, made an application to the Nanterre Commercial Court for a declaration that he is entitled to exercise all the options that were granted to him by the Company, despite the fact that he no longer holds any office within the VINCI Group. Further or in the alternative, Mr Zacharias claims payments of damages currently estimated at €81 million in respect of the loss of opportunity to acquire his share options together with compensation of €1 in respect of his moral loss. The Group dœs not expect this dispute to have a material effect on its financial situation.

– The Group has been informed that an appeal has been lodged with the French Council of State by associations in relation to the administrative decisions underpinning the award of the Balbigny – La Tour de Salvagny section of the A89 motorway to ASF, the provisions of the Act No. 2006-241 of 1 March 2006 notwithstanding. Even if the award is reconsidered, the Group does not expect these proceedings to have a material adverse impact on its financial situation.

H. Main consolidated companies at 31 December 2007

	At 31 December 2007			At 31 December 2006		
	Consolidation method		VINCI Group holding (%)	Consolidation method		VINCI Group holding (%)
1. Concessions						
Cofiroute	FC		83.33	FC		65.34
Cofiroute Participations	FC		83.33	FC		65.34
Cofiroute Corporation (USA)	FC		83.33	FC		65.34
Cofiroute UK	FC		83.33	FC		65.34
ASF Group	FC		100.00	FC		100.00
Autoroutes du Sud de la France	FC		100.00	FC		100.00
Escota	FC		98.97	FC		98.97
Transjamaican Highway Ltd	EM		34.00	EM		34.00
VINCI Park	FC		100.00	FC		100.00
VINCI Park France	FC		100.00	FC		100.00
VINCI Park Services	FC		100.00	FC		100.00
VINCI Park CGST	FC		100.00	FC		100.00
Sepadef (Société d'exploitation des parcs de la Défense)	FC		100.00	FC		100.00
VINCI Park Belgium	FC		100.00	FC		100.00
Gestipark (Canada)	FC		100.00	FC		91.28
VINCI Park España	FC		100.00	FC		100.00
VINCI Park Services Ltd (UK)	FC		100.00	FC		100.00
VINCI Park Luxembourg	FC		99.92	FC		99.92
VINCI Park Services Deutschland GmbH	FC		100.00	FC		100.00
VINCI Park Services Russie	FC		100.00			
Laz Parking (USA)	PC		50.00			
Zeson Management Ltd (Hong Kong)				FC		100.00
Other concessions						
Stade de France	PC	(1)	66.67	PC	(1)	66.67
SMTPC (Prado-Carénage tunnel)	EM		33.29	EM		33.29
Lusoponte (bridges over the River Tagus, Portugal)	EM		30.85	EM		30.85
Severn River Crossing (bridges over the River Severn - UK)	EM		35.00	EM		35.00
Strait Crossing Development Inc (Confederation Bridge, Canada)	EM		18.80	EM		18.80
Gefyra (Rion-Antirion bridge, Greece)	FC		54.00	FC		53.00
Morgan VINCI Ltd (Newport bypass, UK)	PC		50.00	PC		50.00
Arcour (A19 motorway)	FC		100.00	FC		100.00
Société Concessionnaire de l'Aéroport de Pochentong - SCA (Cambodia)	PC	(2)	70.00	PC	(2)	70.00
Lucitea Rouen	FC		100.00			
Via Solution Thüringen (Germany)	PC		50.00			
VINCI Concessions holding companies						
VINCI Concessions SA	FC		100.00	FC		100.00
VINCI Airports	FC		100.00	FC		100.00
ASF Holding	FC		100.00	FC		100.00

(1) See B.2 "Consolidation methods".
(2) Shareholders' pact specifies joint control arrangements between VINCI and Muhibbah, which holds 30% of the share capital.

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

	At 31 December 2007		At 31 December 2006	
	Consolidation method	VINCI Group holding (%)	Consolidation method	VINCI Group holding (%)
2. Energy				
VINCI Energies	FC	100.00	FC	100.00
Santerne	FC	100.00	FC	100.00
Entreprise Demouselle	FC	100.00	FC	100.00
Mangin Egly Entreprises	FC	100.00	FC	100.00
Imhoff	FC	100.00		
Ste nouvelle Cepeca Sud - Ouest	FC	100.00	FC	100.00
Santerne Toulouse	FC	100.00	FC	100.00
Tunzini Azur	FC	100.00	FC	100.00
Graniou Azur	FC	100.00	FC	100.00
Santerne Centre-Est	FC	100.00	FC	100.00
L'Entreprise Électrique	FC	100.00	FC	100.00
GT Le Mans	FC	100.00	FC	100.00
Lesens Centre-Val de Loire	FC	100.00	FC	100.00
Barillec	FC	100.00	FC	100.00
Ste Installations Electriques	FC	99.98	FC	99.98
Masselin Energie	FC	99.82	FC	99.82
Lesens Electricité	FC	99.96	FC	99.96
Saga Entreprise	FC	100.00	FC	100.00
Tunzini	FC	100.00	FC	100.00
Lefort Francheteau	FC	100.00	FC	100.00
SDEL Tertiaire	FC	100.00	FC	100.00
Phibor Entreprises	FC	100.00	FC	100.00
GTIE Télécoms	FC	100.00	FC	100.00
SDEL Vidéo Télécom	FC	100.00	FC	100.00
Graniou Ile de France	FC	100.00	FC	100.00
GTIE Infi	FC	100.00	FC	100.00
Tunzini Protection Incendie	FC	100.00	FC	100.00
Entreprise d'Electricité et d'Equipement	FC	100.00	FC	100.00
VINCI Energies España	FC	100.00	FC	100.00
Sotécnica (Portugal)	FC	80.00	FC	79.94
VINCI Energies UK	FC	100.00	FC	100.00
Emil Lundgren (Sweden)	FC	100.00	FC	100.00
VINCI Energies Netherland and its subsidiaries (Netherlands)	FC	100.00	FC	100.00
VINCI Energies Deutschland and its subsidiaries (Controlmatic, G+H Isolierung, Calanbau, NK Networks)	FC	100.00	FC	100.00
Atem (Poland)	FC	80.00	FC	80.00
Tiab (Romania)	FC	52.70		
ProCS (Slovakia)	FC	77.50		
Etavis AG and its subsidiaries (Switzerland)	FC	95.00		

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

	At 31 December 2007		At 31 December 2006	
	Consolidation method	VINCI Group holding (%)	Consolidation method	VINCI Group holding (%)
3. Roads				
Eurovia	FC	100.00	FC	100.00
EJL Nord	FC	100.00	FC	100.00
Eurovia Picardie	FC	100.00	FC	100.00
Eurovia Pas de Calais	FC	100.00	FC	100.00
Eurovia Ile de France	FC	100.00	FC	100.00
EJL Ile de France	FC	100.00	FC	100.00
Valentin	FC	100.00	FC	100.00
Eurovia Haute Normandie	FC	100.00	FC	100.00
Matériaux Routiers Franciliens	FC	100.00	FC	100.00
Carrières Roy	PC	50.00	PC	50.00
Eurovia Centre Loire	FC	100.00	FC	100.00
Eurovia Bretagne	FC	100.00	FC	100.00
Eurovia Atlantique	FC	100.00	FC	100.00
Eurovia Basse Normandie	FC	100.00	FC	100.00
Carrières de Luché	FC	100.00	FC	100.00
Carrières de Chailloué	FC	100.00	FC	100.00
Eurovia Poitou Charentes Limousin	FC	100.00	FC	100.00
Eurovia Aquitaine	FC	100.00	FC	100.00
Eurovia Midi Pyrénées	FC	100.00	FC	100.00
Carrières Kléber Moreau	FC	89.97	FC	89.97
Eurovia Méditerranée	FC	100.00	FC	100.00
Durance Granulats	FC	55.00	FC	55.00
Eurovia Dala	FC	100.00	FC	100.00
Eurovia Alpes	FC	100.00	FC	100.00
Eurovia Lorraine	FC	100.00	FC	100.00
Eurovia Alsace Franche Comté	FC	100.00	FC	100.00
Eurovia Béton	FC	100.00	FC	100.00
Euromark Holding Horizontal	FC	65.00		
Signature Vertical Holding	EM	35.00		
Eurovia Management	FC	100.00	FC	100.00
Eurovia Teerbau (Germany)	FC	100.00	FC	100.00
Eurovia VBU (Germany)	FC	100.00	FC	100.00
Eurovia Beton Gmbh (Germany)	FC	100.00	FC	100.00
Eurovia Industrie GmbH (Germany)	FC	100.00	FC	100.00
Eurovia Gestein Gmbh (Germany)	FC	100.00	FC	100.00
Ringway Infrastructure Services Ltd (UK)	FC	100.00	FC	99.77
T.E. Beach (UK)	FC	100.00	FC	100.00
Ringway Specialist Treatments Ltd (UK)	FC	100.00	FC	99.77
South West Highways (UK)	PC	50.00	PC	49.88
Le Crossing (UK)	FC	78.57	FC	70.76
SSZ (Czech Republic)	FC	100.00	FC	100.00
ODS - Dopravni Stavby Ostrava (Czech Republic)	FC	51.00	FC	51.00
Eurovia Cesty (Slovakia)	FC	97.57	FC	96.65
Hubbard Construction (USA)	FC	100.00	FC	100.00
Blythe Construction (USA)	FC	100.00	FC	100.00
Probisa Tecnologia y Construccion (Spain)	FC	99.79	FC	95.67
Construction DJL (Canada)	FC	95.80	FC	95.80
Bitumix (Chile)	FC	50.10	FC	50.10
Eurovia Polska Spolka Akcyjna (Poland)	FC	100.00	FC	100.00
Eurovia Belgium (Belgium)	FC	100.00	FC	100.00
Caraib Moter (Martinique)	FC	74.50	FC	74.50
Carrières Unies de Porphyre S.A. (CUP) (Belgium)	FC	95.20	FC	88.80

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

	At 31 December 2007		At 31 December 2006	
	Consolidation method	VINCI Group holding (%)	Consolidation method	VINCI Group holding (%)
4. Construction				
VINCI Construction France	FC	100.00	FC	100.00
GTM Génie Civil et Services	FC	100.00	FC	100.00
Sicra Ile de France	FC	100.00	FC	100.00
Bateg	FC	100.00	FC	100.00
Campenon Bernard Construction	FC	100.00	FC	100.00
Société d'ingénierie et de réalisation de construction	FC	100.00	FC	100.00
Energilec	FC	100.00	FC	100.00
GTM Bâtiment	FC	100.00	FC	100.00
Dumez Ile de France	FC	100.00	FC	100.00
Petit	FC	100.00	FC	100.00
Lainé Delau	FC	100.00	FC	100.00
Neximmo5	PC	49.90	PC	49.90
Sogea Nord-Ouest	FC	100.00	FC	100.00
Sogea Atlantique	FC	100.00	FC	100.00
Bourdarios	FC	100.00	FC	100.00
Sogea Caroni	FC	100.00	FC	100.00
Dumez EPS	FC	100.00	FC	100.00
Sogea Est BTP	FC	100.00	FC	100.00
Campenon Bernard Régions	FC	100.00		
Entreprise Pitance	FC	100.00	FC	100.00
Campenon Bernard Méditerranée			FC	100.00
Les Travaux du Midi	FC	100.00	FC	100.00
Campenon Bernard Sud-Est	FC	100.00		
Sogea Sud	FC	100.00	FC	100.00
Dumez Côte d'Azur	FC	100.00	FC	100.00
Chantiers Modernes Sud	FC	100.00	FC	100.00
Dumez Méditerranée	FC	100.00	FC	100.00
Chantiers Modernes BTP	FC	100.00	FC	100.00
Botte Fondations	FC	100.00	FC	100.00
Dodin	FC	100.00	FC	100.00
EMCC	FC	100.00	FC	100.00
VINCI Environnement	FC	100.00	FC	100.00
VINCI Networks	FC	100.00	FC	98.29
GTM Terrassement	FC	100.00	FC	100.00
Scao	PC	(3) 33.33	PC	(3) 33.33
Deschiron	FC	100.00	FC	100.00
VINCI Construction Filiales Internationales				
Sogea - Satom and its subsidiaries (various African countries)	FC	100.00	FC	100.00
SBTPC (Reunion)	FC	100.00	FC	100.00
Sogea Mayotte	FC	100.00	FC	100.00
Sogea Réunion	FC	100.00	FC	100.00
GTM Guadeloupe	FC	100.00	FC	100.00
Dumez-GTM Calédonie (New Caledonia)	FC	100.00	FC	100.00
Nofrayane (French Guyana)	FC	100.00	FC	100.00
First Czech Construction Company (Czech Republic)	FC	100.00	FC	100.00
Warbud (Poland)	FC	99.74	FC	99.74
Hidepitö (Hungary)	FC	97.35	FC	97.35
SMP CZ (Czech Republic)	FC	100.00	FC	100.00
Prumstav (Czech Republic)	FC	75.00		
SKE Support Services GmbH (Germany)	FC	100.00	FC	100.00

(3) Company controlled jointly and in equal shares by three shareholders: VINCI, Eiffage, Colas.

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

	At 31 December 2007		At 31 December 2006	
	Consolidation method	VINCI Group holding (%)	Consolidation method	VINCI Group holding (%)
4. Construction (continued)				
VINCI PLC (UK)	FC	100.00	FC	100.00
Crispin and Borst Ltd	FC	100.00	FC	100.00
VINCI Investment Ltd	FC	100.00	FC	100.00
Weaver PLC	FC	100.00		
Compagnie d'Entreprises CFE (Belgium)	FC	46.84	FC	46.84
BPC, Nizet Entreprises, Van Wellen, CLE, Engema, BPI, Abeb, Vanderhoydonckx CFE Polska, CFE Hungary, CFE Slovaquia, Cli Sa, Geka	FC	46.84	FC	46.84
Sogesmaint CBRE	FC	31.73	FC	33.68
CFE Nederland	FC	46.84	FC	46.84
Dredging Environmental and Marine Engineering (DEME)	PC	[4] 23.42	PC	[4] 23.42
VINCI Construction Grands Projets	FC	100.00	FC	100.00
Socaly	FC	[5] 100.00	FC	[5] 100.00
Constructora VCGP Chile SA	FC	100.00	FC	100.00
Socaso	FC	[6] 100.00	FC	[6] 100.00
Socatop	PC	[7] 66.67	PC	[7] 66.67
Qatari Diar VINCI Construction (Qatar)	PC	49.00		
Victoria Belinvest (Belgium)	FC	100.00	FC	100.00
Freyssinet	FC	100.00	FC	100.00
Freyssinet France	FC	100.00	FC	100.00
The Reinforced Earth Cy - RECO (USA)	FC	100.00	FC	100.00
Freyssinet SA (Spain)	PC	50.00	PC	50.00
Freyssinet Korea	FC	90.00	FC	90.00
Immer Property (Australia)	FC	91.67	FC	70.00
Freyssinet International et Cie	FC	100.00	FC	100.00
Ménard SNC	FC	100.00	FC	100.00
Nukem Ltd (UK)	FC	100.00		
Terre Armée Internationale	FC	100.00	FC	100.00
Solétanche Bachy	FC	100.00		
Solétanche Bachy France	FC	100.00		
CSM Bessac SAS (France)	FC	100.00		
Solétanche Bachy Pieux SAS (France)	FC	100.00		
Rodio Cimentaciones Especiales SA (Spain)	PC	50.00		
Kronsa Internacional SA (Spain)	PC	50.00		
Nicholson Construction Company Inc (USA)	FC	100.00		
Bachy Soletanche Ltd (UK)	FC	100.00		
Bachy Solétanche Group Ltd (Hong Kong)	FC	100.00		
Soletanche Stroy Zao (Russia)	FC	100.00		
Osnova Solsif Ltd (Ukraine)	FC	70.00		
Bachy Soletanche Singapour Pte Ltd	FC	100.00		
Entrepose Contracting	FC	77.29		
Spie Capag	FC	77.29		
Geocean	FC	[8] 81.6		
G+H Bautec (Germany)	FC	100.00	FC	100.00
5. Property				
VINCI Immobilier	FC	100.00	FC	100.00

(4) Controlled 50/50 by CFE and Ackermans & van Haaren.
(5) Including VINCI Construction France 48% and Eurovia 28%.
(6) Including Eurovia 33.3%.
(7) Joint-venture agreement specifies joint control arrangements between VINCI (66.67%), Eiffage (16.67%) and Colas (16.67%)..
(8) including 19% held by Solétanche.

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

Report of the Statutory Auditors on the Consolidated Financial Statements

Year ended 31 December 2007

To the Shareholders,

Following our appointment as Statutory Auditors by your Shareholders General Meeting, we have audited the accompanying consolidated financial statements of VINCI S.A. for the year ended 31 December 2007.
The consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements, based on our audit.

1. Opinion on the consolidated financial statements

We 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 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 expressed below.
In our opinion, the consolidated financial statements give a true and fair view of the financial position, the assets and liabilities of the Group as of 31 December 2007 and of the results of its operations for the year then ended, in accordance with the International Financial Reporting Standards as endorsed by the European Union.
Without qualifying our opinion expressed above, we draw your attention to Note A.1.2 to the consolidated financial statements which describes a change in accounting method relating to acquisitions and disposals of non-controlling interests in a company after control has been obtained.

2. Justification of our assessments

As required by article L.823-9 of the French Code of Commerce relating to the justification of our assessments, we bring to your attention the following matters:

- as presented in Note A.3.4 to consolidated the financial statements, headed "Construction contracts", the VINCI Group recognises income from long-term contracts using the percentage of completion method on the basis of the best available estimates of the final profit or loss of contracts. We have assessed the reasonableness of the assumptions used and the resulting evaluations;
- as presented in Note A.5, the Group does not apply interpretation IFRIC 12, which had not yet been endorsed by the European Union at 31 December 2007. Note A.3.12 to the consolidated financial statements describes the accounting treatment adopted for concession contracts. We have ascertained that the Notes to the consolidated financial statements provide appropriate information in this respect;
- as presented in Note A.3.1.7, the VINCI Group at least annually performs impairment tests on goodwill, and also assesses whether there is any indication that long-term assets may be impaired, in accordance with the methodology as described in Notes A.3.17 and E.11 to the consolidated financial statements. We have assessed whether the assumptions used are reasonable;
- as mentioned in the first part of this report, Note A.1.2 to the consolidated financial statements describes a change in accounting method relating to acquisitions and disposals of non-controlling interests in a company after control has been obtained. In accordance with IAS 8, the 2006 comparative information, presented in the consolidated financial statements, has been restated to take account of this change in method retrospectively. As a result, the 2006 comparative information is different from the published 2006 consolidated financial statements.
  In assessing the accounting policies adopted by your Company, we have examined the correct restatement of the 2006 comparative information in the consolidated financial statements and the related disclosure made in Note A.1.2 to the consolidated financial statements.
  These assessments were made as part of our audit of the consolidated financial statements taken as a whole and have therefore contributed to the formation of our opinion, expressed in the first part of this report.

3. Specific verification

We have also verified the information contained in the Group Directors' Report, in accordance with the professional standards applicable in France.
We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Paris La Défense and Neuilly sur Seine, 19 March 2008
The Statutory Auditors

KPMG Audit
A department of KPMG SA

Deloitte & Associés

Patrick-Hubert Petit   Philippe Bourhis   Jean-Paul Picard   Mansour Belhiba

This is a free translation into English of the statutory auditors' report issued in French and is provided solely for the convenience of English speaking users. The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the consolidated financial statements and includes an explanatory paragraph 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 captions or on information taken outside of the consolidated financial statements.
This report should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France.

Parent company financial statements

Income statement

(In € millions)	Notes	2007	2006
Operating income			
Revenue		24.8	26.9
Reversals of provisions, transfers of expenses		6.8	59.1
Other operating income		71.3	72.6
		102.9	**158.6**
Operating expenses			
Other purchases and external charges		(65.2)	(107.8)
Taxes and levies		(3.7)	(4.5)
Wages, salaries and social benefit charges		(30.8)	(65.1)
Depreciation and amortisation		(8.8)	(8.2)
Provision charges		(3.0)	(3.5)
Other operating expenses		(0.8)	(2.2)
		(112.3)	**(191.3)**
Share in profit or loss of joint ventures		**(0.3)**	**(0.1)**
Profit or loss from operations		**(9.7)**	**(32.8)**
Financial income			
Income from investments in subsidiaries and associates		4,745.9	1,382.6
Income from other marketable securities and fixed asset receivables		16.5	2.1
Other interest received and similar income		94.9	109.8
Net income from disposal of marketable securities and treasury shares		86.1	68.8
Foreign exchange gains		1.5	4.2
Reversals of provisions, transfers of expenses		39.9	6.9
		4,984.8	**1,574.4**
Financial expenses			
Expenses related to investments in subsidiaries and affiliated companies		(0.5)	(3.5)
Interest paid and similar expenses		(446.7)	(348.7)
Net expense on disposal of marketable securities and treasury shares		(25.0)	(0.7)
Foreign exchange losses		(2.1)	(5.4)
Amortisation, depreciation and provisions		(250.8)	(26.2)
		(725.1)	**(384.5)**
Net financial income / (expense)	12	**4,259.7**	**1,189.9**
Profit from ordinary activities		**4,250.0**	**1,157.1**
Exceptional income			
relating to operating transactions		0.2	4.5
relating to capital transactions		847.2	116.6
Reversals of provisions, transfers of expenses		203.2	73.4
		1,050.6	**194.5**
Exceptional expenses			
relating to operating transactions		(1.6)	(6.1)
relating to capital transactions		(1,004.4)	(72.5)
Amortisation, depreciation and provisions		(10.8)	(24.5)
		(1,016.8)	**(103.1)**
Net exceptional income / (expense)	13	**33.8**	**91,4**
Tax	14	**229.4**	**186.5**
Net profit for the period		**4,513.2**	**1,435.0**

Balance sheet

Assets

(In € millions)	Notes	2007	2006
Intangible assets	1	1.6	2.3
Property, plant and equipment	1	25.1	26.3
Treasury shares	2	969.8	125.0
Other non-current financial assets	2/7/8/11	16,994.8	15,734.1
Deferred expenses	3	12.6	17.9
Total non-current assets		**18,003.9**	**15,905.6**
Trade receivables and related accounts	8/11/15	9.6	17.5
Other receivables	8/11/15	187.0	422.9
Treasury shares		3.8	29.1
Other marketable securities	7/11	1,951.0	3,334.9
Cash management current accounts of related companies	7/15	332.8	151.8
Cash	7/11	15.5	167.8
Deferred expenses	8	5.0	14.4
Total current assets		**2,504.7**	**4,138.4**
Translation differences, assets		0.3	0.1
Total assets		**20,508.9**	**20,044.1**

Equity and liabilities

(In € millions)	Notes	2007	2006
Share capital		1,214.9	1,176.6
Premiums on share issues, mergers, asset contributions		4,910.2	4,578.9
Statutory reserve		117.7	98.3
Regulated reserves		0.0	0.0
Other reserves		45.8	45.8
Unappropriated profit or loss		3,624.5	2,821.1
Net profit for the year		4,513.2	1,435.0
Interim dividend(s)		(220.0)	(198.4)
Tax-regulated provisions		7.4	0.0
Equity	4	**14,213.7**	**9,957.3**
Other equity	5	**500.0**	**500.0**
Provisions	6	**172.4**	**165.0**
Financial debt	7/8/9/15	5,469.9	9,092.9
Other payables	8/9/15	142.2	321.0
Deferred income	8	10.7	7.1
Total liabilities		**5,622.8**	**9,421.0**
Translation differences, liabilities		0.0	0.8
Total equity and liabilities		**20,508.9**	**20,044.1**

Cash flow statement

(In € millions)	2007	2006
Operating activities		
Gross operating surplus	(2.8)	(44.2)
Financial and exceptional items	4,371.9	1,203.5
Taxes	148.3	211,4
Cash flow from operations	**4,517.4**	**1,370.7**
Net change in working capital requirement	77.2	(222.5)
Total (I)	**4,594.6**	**1,148.2**
Investing activities		
Investments in operating assets	(0.8)	(7.7)
Disposals of non-current assets	0.9	86.4
Net investments in operating assets	**0.2**	**78.7**
Acquisition of investments and securities	(1,283.4)	(9,091.7)
Disposals of shares in subsidiaries and affiliated companies	846.2	12.3
Net financial investments	**(437.2)**	**(9,079.4)**
Change in other non-current financial assets and treasury shares	(952.2)	(296.5)
Total (II)	**(1,389.2)**	**(9,297.2)**
Financing activities		
Increases in share capital	492.6	2,901,4
Increase in other equity		500.0
Dividends paid	(413.9)	(250.3)
Interim dividend(s)	(220.0)	(198.4)
Total (III)	**(141.3)**	**2,952.7**
Total cash flows for the period (I + II + III)	**3,064.0**	**(5,196.3)**
Net financial debt at 1 January	**(5,298.5)**	**(100.4)**
Conversion of the Oceane bonds	-	-
Impact of restructuring and reclassification	-	**(1.8)**
Net financial debt at 31 December	**(2,234.5)**	**(5,298.5)**

Notes to the financial statements

A. Key events

1. Cofiroute

In the first half of the year, VINCI acquired a further 18% shareholding in Cofiroute, taking its total stake to 83.33%. This was done by purchasing 17.06% in March 2007 from Eiffage, followed by 0.123% from BNPP and 0.82% from Société Générale, in April and May. In November, the acquired shares, representing a total investment of €801.6 million, including transaction expenses, were transferred to Cofiroute Holding, a subsidiary of VINCI Concessions.

2. ASF

In January 2007, ASF paid an exceptional dividend of €3,298 million, of which €2,540 million was paid to VINCI.

3. Entrepose Contracting

VINCI acquired 13.36% of the share capital of Entrepose Contracting on 4 June 2007, at a price of €65 per share (cum dividend), a total of €43.6 million.
In parallel, the following two transactions were completed:
- acquisition of blocks of shares held by employees and managers representing 20.3% of the share capital following approval of the transaction by the competition authorities. This approval was granted on 23 August 2007;
- filing by VINCI, on 20 June 2007, of a Public Purchase Tender for all the remaining shares in Entrepose Contracting (representing 59.17% of the share capital), at a price of €64.40 ex dividend per share. This Tender opened on 13 July 2007, closed on 20 August 2007 and enabled VINCI to acquire 27.35%.

On completion of these transactions and supplementary purchases, VINCI held 67.64% of the share capital of Entrepose Contracting.
VINCI later acquired, under an extension of the Public Purchase Tender, between 7 and 28 September, a further 9.6%, taking its shareholding to 77.24%, representing a total amount of €251.7 million.

4. VINCI Deutschland

VINCI transferred 94.5% of its shareholding in VINCI Deutschland to its subsidiary Gecom, for €42.5 million, in December 2007.

5. Transactions on treasury shares

During 2007, VINCI purchased 21,830,660 of its own shares for a total of €1,175.2 million, an average price of €53.83 per share (excluding purchases and sales of shares made under a liquidity contract). During the same period, 4,363,819 shares, (excluding purchases and sales of shares effected under a liquidity contract), were sold or exchanged, in particular in connection with the exercise of share purchase options, for €221 million, and 3,800,000 shares were cancelled through a reduction in share capital for €122.9 million.

At 31 December 2007, VINCI held directly or indirectly 18,138,019 treasury shares for a total of €956.1 million (representing 3.73% of share capital). 251,978 shares (€11.7 million) are allocated to cover share option plans, and 17,586,041 shares, held directly by VINCI (€928.8 million), are intended for cancellation, for covering free share plans, for use as consideration in external growth transactions or for disposal. Lastly, 300,000 shares are held indirectly in connection with a liquidity contract for a value of €15.6 million.
Furthermore, in the first half of 2007, VINCI has also carried out transactions to cover its commitments in respect of its own shares by means of call options. In total, 6.8 million call options were purchased for €129 million, in order to cover in particular part of the VINCI share purchase option plans and the free share plan, with effect from 2 January 2007 maturing on 2 January 2009. Overall, premiums paid on calls not exercised at 31 December 2007 amounted to €146.1 million, in respect of which provisions have been taken for €119.8 million.

6. Free share plans

On 11 December 2007, the Board of Directors of VINCI granted, with effect from 2 January 2008, 2,165,700 existing shares for no consideration to some employees and company officers.

B. Accounting rules and methods

The financial statements at 31 December 2007 have been prepared in accordance with the rules applicable in France:
- the Act of 30 April 1983 and its application decree of 29 November 1983; and
- the 1999 French General Accounting Plan, as described in Regulation 1999-03 of the *Comité de la réglementation comptable* (CRC) and amending regulations.

In a departure from the General Accounting Plan, VINCI has decided to present homogeneously, in its income statement, the results and related changes in provisions in the same sections in the income statement depending on whether they are operating, financial or exceptional or connected with the tax expense. On this basis, all transactions relating to shareholdings are reported under exceptional income and expenses, except for dividends received and transactions relating to treasury shares, which are reported under financial income and expenses. This choice is a change in accounting method. To ensure comparability of information, the presentation of the previous period's income statement has been adjusted in consequence as shown below:

(In € millions)	**2006 restated**	**2006 published**
Profit or loss from operations	**(32.8)**	**(32.8)**
Financial income		
Income from investments in subsidiaries and associates	1,382.6	1,382.6
Income from other marketable securities and fixed asset receivables	2.1	2.1
Other interest received and similar income	109.8	109.8
Net income from disposal of marketable securities and treasury shares	68.8	56.1
Foreign exchange gains	4.2	4.2
Reversals of provisions, transfers of expenses	6.9	74.6
	1,574.4	**1,629.4**
Financial expenses		
Expenses related to investments in subsidiaries and affiliated companies	(3.5)	(3.5)
Interest paid and similar expenses	(348.7)	(348.7)
Net expense on disposal of marketable securities and treasury shares	(0.7)	(0.3)
Foreign exchange losses	(5.4)	(5.4)
Amortisation, depreciation and provisions	(26.2)	(26.3)
	(384.5)	**(384.2)**
Net financial income / (expense)	**1,189.9**	**1,245.2**
Profit from ordinary activities	**1,157.1**	**1,212.4**
Exceptional income		
relating to operating transactions	4.5	4.6
relating to capital transactions	116.6	129.3
Reversals of provisions, transfers of expenses	73.4	36.7
	194.5	**170.6**
Exceptional expenses		
relating to operating transactions	(6.1)	(6.1)
relating to capital transactions	(72.5)	(73.0)
Amortisation, depreciation and provisions	(24.5)	(80.4)
	(103.1)	**(159.5)**
Net exceptional income / (expense)	**91,4**	**11.1**
Tax	**186.5**	**211,4**
Net profit for the period	**1,435.0**	**1,435.0**

1. Intangible assets

Other than in special cases, software recorded under "concessions, patents, licences" is amortised over two or three years on a straight-line basis.

2. Property, plant and equipment

Property, plant and equipment is recognised at its acquisition cost, including acquisition and installation costs. Depreciation charges are calculated on a straight-line basis over the estimated useful life of each class of asset:

Buildings	10 to 40 years
Other property, plant and equipment	3 to 10 years

The Company applies CNC Opinion 2004-06 on the definition, recognition and measurement of assets.

3. Investments in subsidiaries and affiliated companies

Investments in subsidiaries and affiliated companies are measured at their cost of acquisition. In accordance with CRC Regulation 2004-06 on the definition and recognition of assets, VINCI includes the associated acquisition expenses in the cost of shares. If this cost is greater than the value in use, a provision for impairment is taken equal to the difference, as an exceptional item.

Value in use is determined on the basis of the portion of the equity represented by the shares. This portion is adjusted if necessary to take account of the companies' growth and earnings prospects or interest for the Group.

Disposals of shareholdings are reported under exceptional income and expense.

4. Trade receivables and related accounts

Trade receivables are measured at their face value. An allowance is recognised if there is a possibility of non-recovery of these receivables.

5. Receivables and payables denominated in foreign currency (outside the eurozone)

Receivables and payables denominated in foreign currency are measured at the closing rate or at their hedged rate. Any gains or losses arising on this translation are recorded in the balance sheet as translation differences. Provisions are taken in respect of any unrealised losses unless specific rules are laid down in the accounting regulations.

6. Marketable securities

Marketable securities are recognised at their acquisition cost and an impairment loss is taken whenever the cost is durably higher than the latest cash-in-value at the period end.

7. Financial instruments

Loans (bonds, bank and intra-group borrowing) are recorded under liabilities at their face value. The associated issuance costs are recorded under deferred expenses, redemption premiums under assets and issuance premiums under deferred income. These three items are amortised over the length of the loan.
Loans and advances are recognised at face value. If justified in view of the risks relating to the borrowing entity, an impairment loss is recognised.

Forward financial instruments and derivative financial instruments are measured at the period end. A provision is taken in the event of an unrealised loss.

8. Treasury shares

Treasury shares that are allocated to cover share purchase option plans and free share plans are recorded under marketable securities and if necessary written down, depending on the exercise price of the corresponding options.
Non-allocated treasury shares are recorded under other financial fixed assets at their acquisition cost. An impairment allowance is recognised if the average stock market price of these shares during the last month of the period is lower than their unit cost.

The premiums paid on call options not exercised are recorded under marketable securities whenever these options cover the share purchase option plans or free share plans. An impairment allowance is recognised whenever an expense becomes probable.
The premiums paid on call options not exercised are recorded under other non-current financial assets whenever these options cover share subscription option plans. An impairment allowance is recognised whenever an expense becomes probable.

Disposals of treasury shares are recorded under financial income and expense.

9. Retirement benefit obligations

Provisions are recorded in the balance sheet in respect of the Company's obligations to pay supplementary pensions to certain employees, for the part relating to beneficiaries who are retired. An off-balance sheet commitment made is recorded for the part relating to beneficiaries who have not yet retired. Some supplementary retirement benefit obligations towards certain VINCI executives are covered by an outside insurance policy.
The amount of retirement benefit obligations relating to employees or company officers in service is included in off-balance sheet commitments made.

Retirement benefit obligations (lump-sums paid on retirement and supplementary retirement benefit plans) are measured using the prospective actuarial method (the projected unit credit method) on the basis of assessments made at each year end.

Actuarial differences that exceed 10% of commitments or of the market value of investments are amortised over the average residual working life of employees in service who are members of the plan.

10. Other provisions

Provisions for liabilities and charges are estimates as regards both their amount and the date at which that amount will be needed; they are taken to cover liabilities that have (by the end of the financial year) become either likely or certain to occur as a result of a past or present event.

With respect to the free share plan, a provision for a financial liability is taken for the amount of the probable cost to the Company of settling the obligation to deliver the shares to the beneficiaries.

11. Income tax

Under the group tax regime agreement between VINCI and those subsidiaries that are members of the tax group, tax savings connected with tax losses and long-term capital losses are recognised by the parent company as income for the period.

Provisions for tax taken and reversed are recorded here.

C. Notes to the balance sheet

1. Intangible assets and property, plant and equipment

Gross

(In € millions)	2006	Acquisitions	Disposals	Reclassifications and others	2007
Intangible assets (concessions, patents, licences)	**4.4**	**0.1**			**4.5**
Property, plant and equipment					-
Land	10.8		1.2		9.6
Buildings	31.1	0.1	0.4	(2.8)	28.0
Plant and machinery	-				-
Other property, plant and equipment					-
and assets under construction	18.7	0.5		2.8	22.0
Total property, plant and equipment	**60.6**	**0.6**	**1.6**	**-**	**59.6**

Property, plant and equipment relates to VINCI's property, mainly used for its own or its subsidiaries' operations. Some properties are leased to third parties.

Depreciation and impairment

(In € millions)	2006	Provisions taken	Reversals	Reclassifications and others	2007
Intangible assets (concessions, patents, licences)	**2.0**	**0.8**			**2.8**
Property, plant and equipment					
Land	0.1				0.1
Buildings	21.6	2.0	2.7	(0.6)	20.3
Plant and machinery	-				0.0
Other property, plant and equipment	12.5	1.7	0.6	0.6	14.2
Total property, plant and equipment	**34.2**	**3.7**	**3.3**	**-**	**34.6**

Leased assets

(In € millions)	Gross value of asset(*)	Depreciation charge During the period	Depreciation charge Cumulative	Net
Land	0.8			0.8
Buildings	8.8	0.2	3.2	5.6
Plant and equipment				
Other property, plant and equipment				
Non-current assets under construction				
Total	**9.6**	**0.2**	**3.2**	**6.4**

(*) At the date of signature of the contracts

Finance lease commitments

	Rental payments made		Rental payments remaining to pay				Residual
(In € millions)	During the period	Cumulative	Within 1 year	1 to 5 years	After 5 years	Total to pay	purchase price
Land							
Buildings	0.6	4.1	0.6	0.1		0.7	3.7
Plant and equipment							
Other property, plant and equipment							
Non-current assets under construction							
Total	**0.6**	**4.1**	**0.6**	**0.1**	**-**	**0.7**	**3.7**

The property held under a finance lease is an office building at Malakoff, rented to non-Group companies.

2. Financial assets

Gross

(In € millions)	2006	Acquisitions	Disposals	Reclassification	2007
Investments in subsidiaries and affiliated companies	15,919.6	1,057.6	1,003.1		15,974.1
Receivables connected with investments in subsidiaries and affiliated companies	93.9	1,264.5	477.9		880.5
Other fixed asset securities	15.2	225.8	0.1		240.9
Treasury shares	125.0	1,363.8	537.7	18.7	969.8
Other non-current financial assets	61.2	10.2	3.0		68.4
Total	**16,214.9**	**3,921.9**	**2,021.8**	**18.7**	**18,133.7**

The share portfolio amounted to €15,974.1 million at 31 December 2007, compared with €15,919.6 million at 31 December 2006.

The investments made during the period, for €1,057.6 million, relate in particular to the acquisition of a supplementary shareholding of 18% in Cofiroute (€801.6 million) and of 77.24% of Entrepose Contracting (€251.7 million) on completion of the Public Purchase Tender that ended in September 2007 (see *Key events*, page 262).
VINCI has also subscribed to the share capital increase of Arcour, for €2.3 million, and formed the companies Aegan Motorway, Apion Kleos Operation Company and Apion Kleos Concession Company, for a total amount of €2.8 million.

Disposals in the period (€1,003.1 million) related to the transfer of its shareholdings in Cofiroute to Cofiroute Holding, and in VINCI Deutschland to its subsidiary Gecom (see *Key events* page 262).

Loans to subsidiaries (receivables related to shareholdings) increased by €786.6 million during the period. New loans were made to Cofiroute Holding, for €400 million, to Freyssinet, for €150 million and to Arcour, for €210.2 million, bringing the total finance granted to this subsidiary to €268 million at 31 December 2007.

The change in other fixed asset securities is connected with the acquisition, for €225.8 million, of 3.3% of Aéroports de Paris (ADP).

Treasury shares comprises the VINCI shares held that are not allocated to covering share purchase option plans, for €928.8 million at 31 December 2007 (17,586,041 shares), and 300,000 shares held indirectly through a liquidity contract for €15.6 million (see *Key events* page 262). This item also includes the premiums paid on purchases of calls covering share subscription option plans.

Other non-current financial assets mainly comprises the balance of funds made available for the management of the liquidity contract.

Provisions

(In € millions)	2006	Provisions taken	Reversals	2007
Investments in subsidiaries and affiliated companies	331.0	3.3	187.8	146.5
Receivables connected with investments in subsidiaries and affiliated companies	7.2		2.1	5.1
Other fixed asset securities	14.8			14.8
Treasury shares	-			-
Other non-current financial assets	2.8			2.8
	355.8	**3.3**	**189.9**	**169.2**

The line item *provisions against investments in subsidiaries and affiliated companies* was mainly affected by a reversal of provisions against shares in VINCI Deutschland (€169.7 million) on their sale to Gecom, and by a reversal of the provision against the shares in GTM Fondations et Forages (€16.6 million) following the sale of its holding in Solétanche to VINCI Construction.

3. Deferred expenses

(In € millions)	2006	New deferrals	Amortisation	2007
	17.9		5.3	12.6

Deferred expenses at 31 December 2007 mainly comprised the balance of expenses on the loan to acquire ASF (€3 million) and expenses and redemption premiums on the €500 million undated deeply subordinated bonds (€7.6 million).

4. Equity

(In € millions)	Share capital	Share premium	Other reserves and regulated provisions	Profit or loss	Total
Equity at 31 December 2006	**1,176.6**	**4,578.9**	**2,766.8**	**1,435.0**	**9,957.3**
Appropriation of profit for 2006 and payment of dividend			1,021.2	(1,435.0)	(413.8)
Interim dividend			(220.0)		(220.0)
Increases in share capital	47.8	444.7			492.5
Reduction of share capital through cancellation of shares	(9.5)	(113.4)			(122.9)
Net profit for the year				4,513.2	4,513.2
Tax-regulated provisions			7.4		7.4
Equity at 31 December 2007	**1,214.9**	**4,910.2**	**3,575.4**	**4,513.2**	**14,213.7**

At 31 December 2007, VINCI's share capital was €1,214.9 million, made up of 485,976,788 shares of €2.5 nominal each, all conferring the same rights.

VINCI's equity amounted to €9,957.3 million at 31 December 2006 and €14,213.7 million at 31 December 2007, an increase of €4,256.4 million.

This change takes account not only of the profit for the period (€4,513.2 million) but also of the share capital increases on the occasion of subscriptions to the Group Savings Plans for €331.7 million and the exercise of subscription options for a total of €160.8 million. Conversely, a reduction of share capital was made in July 2007 for €122.9 million, relating to the cancellation of 3,800,000 shares.

Dividends paid in 2007 amounted to €634 million, including €414 million for the final dividend paid in respect of 2006 (€0.9 per share) and the interim dividend of €220 million in respect of 2007 (€0.47 per share).

VINCI has reserves (share premiums, merger and contribution premiums, reserves other than the statutory reserve) of an amount at least equal to the amount of all the treasury shares it owns directly or indirectly at 31 December 2007.

The movements in shares during the period break down as follows:

(In € millions)	Number of shares	Share capital	Share premiums and other reserves	Total
Employees' subscriptions to Group Savings Plans	8,677,251	21.7	310.0	**331 ,7**
Exercise of share subscription option plans	10,476,607	26.1	134.7	**160.8**
Cancellations of treasury shares	(3,800,000)	(9.5)	(113.4)	**(122.9)**
Total	**15,353,858**	**38.3**	**331.3**	**369.6**

5. Other equity

On 13 February 2006, VINCI issued undated deeply subordinated bonds for €500 million.

Issued at a price of 98.831%, this issue pays an optional fixed coupon of 6.25%, payable annually until November 2015, which is only due if VINCI pays a dividend to its shareholders or buys back its own shares. After November 2015, the interest rate becomes variable and payable quarterly at the Euribor three-month rate plus 3.75%. VINCI may redeem the bonds at par in November 2015 and subsequently at each interest payment date.

6. Provisions

			Reversals		
(In € millions)	2006	Provisions taken	Provisions used	No longer needed	2007
Retirement and other employee benefit obligations	22.3	1.9	1.7		22.5
Liabilities in respect of subsidiaries	10.9	0.1		1,4	9.6
Other liabilities	131.7	103.8	95.2		140.3
	164.9	**105.8**	**96.9**	**1,4**	**172.4**

The provisions for retirement benefit obligations and similar relate to beneficiaries who are retired and to specific contractual obligations towards certain company officers.

Retirement benefit obligations are calculated on the basis of the following assumptions:

	31/12/2007	31/12/2006
Discount rate	5.25 %	4.75 %
Inflation rate	1.9 %	2 %
Rate of salary increases	2% à 4.2 %	2 % à 4.2 %
Rate of pension increases	1.5% à 2.5 %	1.5 % à 2.5 %
Probable average remaining working life of employees	10 à 15 ans	10 à 15ans

At the end of 2007, the provisions for other liabilities relate in particular to VINCI's obligation to deliver VINCI shares under the free share plan decided by the Board of Directors on 12 December 2006, with effect from 2 January 2007. These shares will be allocated partially or totally, in 2009 or 2010, depending on the changes in a multi-criteria index. A provision of €101 million has been recognised, taking account of the likelihood, at 31 December 2007, of the shares being definitively granted.
The remaining provisions for other liabilities and charges mainly relate to disputes and cases of an exceptional nature and to balance sheet warranties relating to disposal of shareholdings in subsidiaries and affiliated companies in previous periods.

7. Net financial debt

(In € millions)	31/12/2007	31/12/2006
Bonds	1,000.0	1,000.0
Borrowings from financial institutions	1,750.0	3,000.0
Accrued interest on bonds	30.4	30.5
Long-term financial debt	**2,780.4**	**4,030.5**
Borrowing from financial institutions and bank overdrafts	18.9	183.4
Commercial paper	145.0	1,377.6
Cash management current accounts of related companies	2,525.5	3,501,4
Short-term financial debt	**2,689.4**	**5,062.4**
Total financial debt	**5,469.8**	**9,092.9**
Receivables connected to investments in subsidiaries and affiliated companies and loans(*)	**(875.7)**	**(90.1)**
Liquidity contract UCITS	(59.4)	(49.8)
Marketable securities	(1,951.9)	(3,334.9)
Cash management current accounts of related companies	(332.8)	(151.8)
Cash	(15.5)	(167.8)
Short-term cash	**(2,359.6)**	**(3,704.3)**
Net financial debt	**2,234.5**	**5,298.5**

(*) This includes loans made by VINCI to its subsidiaries.

VINCI's net financial debt at 31 December 2007 amounted to €2,234.5 million, compared with €5,298.5 million the year before, a decrease of €3,064 million.

The line item *bonds* relates to the €1 billion issue made in three tranches in July 2002 (€600 million), November 2002 (€250 million), and May 2003 (€150 million). This loan pays interest at 5.875% and matures on 22 July 2009.

The syndicated loan (€3 billion) afforded by a bank syndicate in connection with the financing of the acquisition of ASF in 2006 was partially repaid in 2007, for €1,250 million, reducing the amount outstanding at 31 December 2007 to €1,750 million.

The cash management current accounts of related companies, shown under assets and liabilities, represent the balance of movements of cash between the subsidiaries and the holding company under the Group's centralised cash management system.

Marketable securities mainly comprise certificates of deposit and UCITS with maturities of usually less than three months of which the carrying amount is close to the cash-in value. For information, this was €1,951.5 million at 31 December 2007. Marketable securities also includes the premiums paid on the purchase of call options covering the share purchase option plans and free share plans.

8. Market value of financial instruments

VINCI uses financial instruments in the form of derivatives to cover its exposure to market risks.

VINCI, whose fixed rate debt is preponderant, uses derivative interest-rate instruments, mainly swaps, to transform this debt into floating rate debt and therefore back the interest rate risk on its debt with its cash investments of which the return varies depending on short-term interest rates.

At 31 December 2007, the market value of these financial instruments broke down as follows:

(In € millions)	Market value	Notional
Interest rate instruments		
– Interest rate swaps	(5.9)	1,418.5
– Interest rate options (caps, floors and collars)	(1,4)	510.0
– FRA	1.3	6,825.0
Currency instruments		
– Forward purchases	(0.4)	(2.5)
– Forward sales	1.6	57.4
– Currency options	0.2	(6.2)
Other instruments	**14.1**	**280.2**

9. Receivables and payables

Receivables at 31 December 2007

(In € millions)	Gross	Of which, due within one year	Of which, due after 1 year
Receivables connected with investments in subsidiaries and affiliated companies	880.5	58.3	822.2
Loans and other financial fixed assets	1,038.2	0.6	1,037.6
Total non-current assets	**1,918.7**	**58.9**	**1,859.8**
Trade receivables and related accounts	10.0	10.0	
Other receivables	255.8	255.8	
Cash management current accounts of related companies	332.8	332.8	
Deferred expenses	4.9	3.4	1.5
Total current assets	**603.5**	**602.0**	**1.5**
Total	**2,522.2**	**660.9**	**1,861.3**

The detail of *Receivables connected with investments in subsidiaries and affiliated companies* and *Loans and other financial fixed assets* is given in Note 2, on page 266.

Provisions against receivables

Details of the changes in provisions against financial fixed assets are given in Note 2, page 267.

Provisions against current assets changed as follows during the period:

(In € millions)	2006	Provisions taken	Reversals	2007
Trade receivables	0.1	0.3		0.4
Other receivables	71.2		2.3	68.9
	71.3	**0.3**	**2.3**	**69.3**

Liabilities at 31 December 2007

(In € millions)	Gross	Of which Within 1 year	Of which After 1 and within 5 years	Of which After 5 years
Non-current financial debt				
Bonds	1,030.4	30.4	1,000.0	
Amounts owed to financial institutions	1,768.9	18.9		1,750.0
Other borrowings and financial debt	145.0	145.0		
Cash management current accounts of related companies	2,525.6	2,525.6		
	5,469.9	**2,719.9**	**1,000.0**	**1,750.0**
Other liabilities				
Trade payables and related accounts	12.2	12.2		
Tax, employment and social benefit liabilities	80.2	80.2		
Liabilities related to non-current assets and related accounts	0.8	0.8		
Other payables	48.9	48.9		
Deferred income	10.7	10.7		
	152.8	**152.8**	**-**	**-**
Total	**5,622.7**	**2,872.7**	**1,000.0**	**1,750.0**

Other borrowings and financial debt corresponds to the commercial paper outstanding at the period end.

Deferred income mainly corresponds to the deferment of the issue premiums on the second and third tranches of the 2002-2009 bond loan over the period of the loan.

10. Accrued expenses, by balance sheet item

(In € millions)	31/12/2007	31/12/2006
Non-current financial debt		
Accrued interest on bonds	30.4	30.5
Accrued interest on amounts owed to financial institutions	5.7	20.3
Other liabilities		
Trade payables and related accounts	6.9	8.2
Income tax	70.1	51.3
Other tax, employment and social benefit payables	5.1	4.8
Liabilities related to non-current assets and related accounts		0.1
Other payables	2.1	20.1

11. Accrued income, by balance sheet item

(In € millions)	31/12/2007	31/12/2006
Financial assets		
Receivables connected with investments in subsidiaries and affiliated companies	3.3	
Other non-current financial assets		0.9
Receivables		
Trade receivables and related accounts		0.5
Other	11.2	4.2
Marketable securities	**18.0**	**34.0**
Cash	**14.1**	**11.3**

D. Notes to the income statement and other information

12. Financial income / (expense)

(In € millions)	2007	2006
Net income from subsidiaries and affiliated companies	4,745.4	1,379.1
Net financial expenses	(272.1)	(168.7)
Foreign exchange gains and losses	(0.6)	(1.2)
Provisions and other	(213.0)	(19.3)
Financial income / (expense)	**4,259.7**	**1,189.9**

Net financial income was markedly up, increasing from €1,189.9 million in 2006 to €4,259.7 million in 2007. This change was mainly due to income from shareholdings received by VINCI, amounting to €4,745 million compared with €1,379 million in 2006, and including in particular the dividends paid by ASF (€2,908 million, including an exceptional dividend of €2,540 million paid on 25 January 2007).

Conversely, financial expenses increased from €169 million in 2006 to €272 million in 2007, due, on the one hand to the financing costs borne by VINCI in respect of the acquisition of shares and treasury shares (see *Key events* page 262 and, on the other hand to the increase in short-term interest rates.

Net provisions in 2007 include the impairment of premiums on call options, for €95.6 million, and the covering of the estimated cost of the allocation of free shares, for €101 million (see Note 6, page 268).

13. Exceptional income / (expense)

(In € millions)	2007	2006
Gain / (loss) on capital transactions		
- Disposals of property, plant and equipment, and intangible assets	(0.3)	65.2
- Disposal of securities	(156.9)	(21.2)
Income / (expense) relating to operations	(1,4)	(1.5)
Exceptional provisions	192.4	48.9
Exceptional income / (expense)	**33.8**	**91,4**

Net exceptional income in 2007 was €33.8 million.

This result is mainly due to the transfer of VINCI's shareholding in VINCI Deutschland to its subsidiary Gecom, which generated a net gain of €11 million including a reversal of the impairment allowances against the shares for €169.7 million, and to other reversals of provisions for liabilities and impairment allowances.
In 2006, exceptional income included in particular a gain of €64.6 million on the disposal of three buildings that VINCI owned at Nanterre.

14. Income tax

The line item *income tax* records income and expenses connected with the group tax regime of which VINCI is the lead company.

Net income amounted to €229.4 million in 2007, compared with €186.5 million in 2006.

In respect of 2007, tax income received by VINCI from subsidiaries that are members of the group tax regime amounted to €614 million and the tax expense due by the Group amounted to €406.7 million. The balance was due to various regularisations of previous period taxes in 2007, for €22.1 million.

Had there been no group tax regime, no income would have been recognised in 2007 or 2006.

15. Related companies

15.1 Balance sheet

Balance sheet items at 31 December 2007 break down as follows:

(In € millions)	Consolidated companies	Other Group companies
Assets		
Non-current assets		
Investments in subsidiaries and affiliated companies	15,923.3	11.1
Receivables connected with investments in subsidiaries and affiliated companies	875.1	0.4
Current assets		
Trade receivables and related accounts	8.2	0.1
Other receivables	137.6	35.7
Cash management current accounts of related companies	331.5	1.3
Equity and liabilities		
Other borrowings and financial debt	0.0	
Other liabilities related to investments in subsidiaries and affiliated companies		
Cash management current accounts of related companies	2,512.1	13.1
Trade and other operating payables		
Liabilities related to non-current assets and related accounts	0.0	0.7
Trade payables and related accounts	2.7	0.0
Other payables	42.5	0.2

15.2 Income statement

The transactions with related companies recorded in 2007 break down as follows:

(In € millions)	Consolidated companies	Other Group companies
Income		
Financial income		
Cash management current accounts	9.4	0.2
Loans to subsidiaries	15.6	
Dividends (including results of joint ventures)	4,742.9	0.2
Expenses		
Financial expenses		
Cash management current accounts	(121.2)	(0.4)

16. Off-balance sheet commitments

(In € millions)	31/12/2007	31/12/2006
Sureties and guarantees	376.3	490.3
Retirement benefit obligations	16.6	16.8
Joint and several guarantees in partnerships	25.1	28.9
Investment commitments		7.6
	418.0	**543.6**

Sureties and guarantees mainly relates to the guarantees given by VINCI on behalf of certain of its subsidiaries in favour of financial institutions or directly to their customers.

The holding company's retirement benefit obligations comprise lump sums payable on retirement and obligations for a supplementary retirement benefit in favour of certain employees or company offices in service. The obligations in this respect to VINCI executives amounted to €13.9 million at 31 December 2007.

17. Remuneration and employees

Remuneration of executives

Remuneration recognised in respect of members of corporate management bodies, for the share borne by VINCI in 2007, breaks down as follows:

(in € thousands)	Executive Committee	Directors who are not members of the Executive Committee
Remuneration	4,782.0	2,071.8
Directors' fees	33.0	578.0

Retirement benefit obligations towards members of corporate governing bodies, corresponding to the rights acquired as at 31 December 2007, break down as follows:

(in € thousands)	Executive Committee	Directors who are not members of the Executive Committee
Retirement benefit obligations	2,278.7	5,638.4

The members of the corporate governing bodies are also entitled to share subscription and purchase option plans and to free share plans.

Average number of employees

In 2007 the Company employed 219 people on average (including 178 engineers and managers), compared with 201 (including 163 engineers and managers) in 2006. In addition, an average of 7 employees were seconded to VINCI in 2007, as in 2006 (including 4 engineers and managers in 2007, compared with 6 engineers and managers in 2006).

Individual Right to Training

Expenditure under the Individual Right to Training (the DIF) is considered as an expense for the period and, other than in exceptional cases, no provisions are taken for this. 3,561 hours training were acquired in 2007 by VINCI employees under this entitlement. The total rights acquired at 31 December 2007 were 11,477 hours (8,892 hours at 31 December 2006). In 2007, 7,916 hours' training were not applied for.

Subsidiaries and affiliated companies at 31 December 2007

The information in the following table reflects only the individual financial statements of the subsidiaries.

(in € millions)	Share capital	Reserves and retained earnings before allocation of net profit	Share of capital held (%)	Carrying amount of shares held		Loans and advances made by VINCI	Sureties and guarantees given by VINCI	Revenue excl. tax in the last financial year	Net profit or loss in the last financial year	Dividends received by VINCI
				Gross	Net					
A - Detailed information by entity										
1 - Subsidiaries (at least 50% held by VINCI)										
a - French entities										
ASF	29,344	15,672	*77.01%*	9,086,632	9,086,632			2,233,706	452,238	2,908,390
Entrepose Contracting	5,025	46,064	*77.24%*	251,699	251,699			217,733	13,337	403
Eurovia	366,400	14,650	*100.00%*	1,034,160	1,034,160				180,945	140,377
Ornem	322	1,738	*99.98%*	14,221	2,059				(9)	
Snel	2,622	771	*99.98%*	2,742	2,742				539	
Socofreg	43,240	5,073	*100.00%*	113,672	47,640				28,129	27,835
VINCI Airports Services	35,000		*100.00%*	35,000	35,000				(79)	
VINCI Assurances	38		*99.44%*	38	38			8,286	2,050	
VINCI Concessions	3,275,481	1,246,119	*100.00%*	4,520,922	4,520,922	89,009			210,341	1,321,891
VINCI Construction	148,806	55,484	*86.64%*	363,265	363,265			6,465	263,611	182,914
VINCI Energies	99,511	96,215	*99.17%*	305,235	305,235			263,621	73,432	64,766
VINCI Immobilier	39,600	4,232	*100.00%*	111,398	111,398	57,666	4,000	106,494	28,739	18,000
VINCI Services Aéroportuaires	30,000	(9,980)	*100.00%*	35,000	18,505	102,682			(3,524)	
b - Foreign entities										
SCA Pochentong	14,944	42,417	*70.00%*	12,901	12,901		3,566	45,036	14,400	5,090
2 - Affiliated companies (10 to 50% owned by VINCI)										
a - French entities				7,868	760					
b - Foreign entities				8,923	7,134					
B - Information not broken down by entity										
1 - Subsidiaries not included under paragraph A (at least 50% owned by VINCI)										
a - French subsidiaries (in aggregate)				44,232	21,302					
b - Foreign subsidiaries (in aggregate)				2,019	0					
2 - Shareholdings not included under paragraph A (10 to 50% owned by VINCI)										
a - French companies (in aggregate)				7,868	760					
b - Foreign companies (in aggregate)				8,923	7,134					

Note: net sales and net income of foreign subsidiaries and affiliates are converted into euros at period-end exchange rates.

List of shareholdings in subsidiaries and affiliated companies at 31 December 2007

Companies	Number of shares	Net carrying amount (in € millions)
ASF	177,883,158	9,086.6
VINCI Concessions	292,453,694	4,520.9
Eurovia	22,899,995	1,034.2
VINCI Construction	16,115,806	363.3
VINCI Energies	6,168,073	305.2
Entrepose Contracting	3,881,500	251.7
VINCI Immobilier	2,475,000	111,4
Socofreg	5,405,000	47.6
VINCI Airports Services	2,187,499	35.0
VINCI Services Aéroportuaires	1,750,000	18.5
GTM Fondations et Forages	1,199,999	18.3
SCA Pochentong	1,540,000	12.9
Gecos	47,717	4.3
Arcour	228,125	3.6
Snel	689,892	2.7
VINCI Deutschland	55	2.5
Ornem	35,174	2.1
Apion Kleos Concessions Company	18,000	1.8
Quentin Michelet	99	1.0
Others (not detailed)		4.0
Total shareholdings in subsidiaries and associates (net of allowances)		**15,827.6**

Five-year financial summary

	2003	2004	2005	2006	2007
I - Share capital at the end of the year					
a - Share capital *(in thousands of euros)*	837,950.3	838,138.0	983,181,4	1,176,557.3	1,214,942.0
b - Number of ordinary shares in issue(1)	83,795,032	83,813,803	196,636,274	235,311,465	485,976,788
c - Maximum number of shares to be issued through conversion of bonds	11,308,334	11,308,334	0	0	0
II - Operations and net profit or loss for the year *(in thousands of euros)*					
a - Revenue excluding taxes	23,070.7	24,260.8	20,054.0	26,913.5	24,832.8
b - Net profit before tax, employee profit sharing, depreciation and provisions	1,867,030.3	416,056.1	567,887.0	1,207,424.3	4,309,269.6
c - Income tax(2)	(112,265.5)	(1,890.0)	6,450.5	(186,513.9)	(229,401,4)
d - Net profit after tax, employee profit sharing, depreciation and provisions	2,065,623.3	330,516.0	716,140.6	1,434,998.3	4,513,174.9
e - Earnings distributed for the period	189,074.0	289,385.3	382,947.7	618,279.6	714,001,4(3) (4)
III - Results stated per share *(in euros)*(5)					
a - Net profit after tax and employee profit sharing and before depreciation and provisions	23.6	5.1	3.0	6.0	9.3
b - Profit after tax, employee profit sharing, depreciation and provisions	24.7	3.9	3.6	6.1	9.3
c - Net dividend paid per share	2.4	3.50	2.00	2.7	1.52(4)
IV - Employees					
a - Average numbers employed during the period	141	162	172	201	219
b - Gross payroll cost for the year *(in thousands of euros)*	32,444.8	22,409.5	18,658.7	33,333.1	19,089.3
c - Social security costs and other social benefit expenses *(in thousands of euros)*	5,838.2	6,947.8	6,556.6	10,331.1	7,881.6

(1) There were no preferential shares in issue in the period under consideration; 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. This was repeated in May 2007, again doubling the number of shares.
(2) Taxes recovered from subsidiaries under tax consolidation arrangements, less VINCI's own tax charge.
(3) 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 17 February 2008.
(4) Proposal to the Shareholders Meeting on 15 May 2008.
(5) Calculated on the basis of shares outstanding at 31 December.

Report of the Statutory Auditors

Parent Company Financial Statements – Year ended 31 December 2007

To the Shareholders,
Following our appointment as statutory auditors by your Shareholders General Meeting, we hereby report to you for the year ended 31 December 2007 on:
– the audit of the accompanying financial statements of VINCI; and
– the justification of our assessments; and
– the specific verifications and information required by law.
The financial statements have been approved by 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 conducted our audit in accordance with the professional standards applicable in France. Those standards require that we plan and perform the audit 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 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 financial statements give a true and fair view of your Company's financial position, its assets and liabilities as of 31 December 2007 and the results of its operations for the year then ended, in accordance with the accounting rules and principles applicable in France.
Without qualifying the opinion expressed above, we draw your attention to Note B to the parent company financial statements that describes a change in presentation in the income statement of operating, financial and exceptional income and expenses, and of tax expenses and related changes in tax provisions.

2. Justification of our assessments

As required by Article L.823-9 of the French Code of Commerce relating to the justification of our assessments, we bring to your attention the following matters:
– as disclosed in Note B.3 to the financial statements presenting the accounting rules and methods relating to investments in subsidiaries and affiliates, your Company provides for impairment of investments in subsidiaries and affiliates whenever the cost of acquisition of the shares exceeds their value in use. We have assessed whether these estimates are reasonable;
– as mentioned in the first part if this report, Note B to the financial statements describes a change in presentation in the income statement of operating, financial and exceptional income and expenses, and of tax expenses and related changes in tax provisions. In assessing the accounting rules and principles adopted by your company, we have ascertained that the change was relevant and appropriately presented.
These assessments were made as part of our audit of the annual financial statements taken as a whole and have therefore contributed to the formation of our opinion, expressed in the first part of this report.

3. Specific verifications and information

We have also carried out, in accordance with professional standards applicable in France, the specific verifications required by law. We have no matters to report as to:
– the fair presentation and consistency 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 financial statements;
– the fair presentation of the information given in the report of the Board of Directors on the compensation and benefits paid to company officers and on the commitments made in their favour in case of commencement, modification or cessation of their duties or afterwards.
In accordance with French law, we ascertained that appropriate disclosure has 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.

Paris La Défense and Neuilly-sur-Seine, 19 March 2008
The Statutory Auditors

KPMG Audit
A Department of KPMG S.A.

Patrick-Hubert Petit   Philippe Bourhis

Deloitte & Associés

Jean-Paul Picard   Mansour Belhiba

This is a free translation into English of the statutory auditors' report issued in French and is provided solely for the convenience of English speaking users. The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the auditor's assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements.
This report should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France.

General information about the Company and its share capital

1. Information about the company

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 was set at 99 years and was extended by another 99 years on 21 December 1979. The date of expiry is thus 21 December 2078, unless the term of existence is extended once 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: 7010Z
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 purpose (Article 2 of the corporate statutes)

"The Company has as its purpose:
– Undertaking all forms of civil engineering: in particular, development of the 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 regions, departments and territories, as well as outside France, either alone, or in partnership, on a trading basis, or in any other form whatsœver, 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, 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 year's 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 allocates 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 allocations 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 Shareholders 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 (from Articles 17 and 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, registration of the shares with an authorised intermediary, who provides an attendance certificate, if necessary by electronic means.

These formalities must be completed no later than midnight (Paris time), on the third working day before the meeting. Shareholders wishing to attend the meeting but who have not received their admission card by midnight (Paris time) of the third working day before the meeting will be given an attendance certificate. However, the Board of Directors may shorten or remove this deadline, provided any such decision applies to all shareholders.

Individual shareholders may 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, if the Board of Directors so authorises at the time the meeting is convened. Shareholders attending in this manner 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 so authorises 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 (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 1%, 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 five stock market trading days of the date of crossing one of these thresholds, or, when a Shareholders Meeting has been convened, no later than midnight (Paris time) of the third working day preceding the meeting, 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 will 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 (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 its subsidiaries

2.1 Structure*

VINCI

- 100% **VINCI Concessions**
  - 100% ASF
    - 99% Escota
  - 83% Cofiroute
  - 100% VINCI Park
  - Other concessions(1)
- 100% **VINCI Energies**
  - French subsidiaries
  - 100% VINCI Energies Deutschland
  - 95% Etavis (Switzerland)
  - 100% VINCI Energies Netherlands
  - 80% Spark Iberica (Spain)
  - Other foreign subsidiaries
- 100% **Eurovia**
  - 100% French subsidiaries
  - 100% Eurovia GmbH (Germany)
  - 100% SSZ (Czech Republic)
  - 100% Ringway (United Kingdom)
  - 100% Hubbard / Blythe (USA)
  - Other foreign subsidiaries
- 100% **VINCI Construction**
  - 100% VINCI Construction France
  - 100% VINCI PLC (United Kingdom)
  - 47% CFE (Belgium)
  - 100% Sogea-Satom (Africa)
  - Subsidiaries in French overseas territories
  - Subsidiaries in Central & Eastern Europe
  - German subsidiaries
  - 100% VINCI Construction Grands Projets
  - 100% Freyssinet
  - 100% Solétanche Bachy
  - 77% Entrepose Contracting
- 100% VINCI Immobilier

*This simplified chart shows the main companies owned directly or indirectly by VINCI at 31 December 2007, and the percentage of capital held

(1) See list of concessions on page 41.

2.2 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 2,090 consolidated entities at 31 December 2007) which are grouped into four business lines of which the lead companies are VINCI Concessions, VINCI Energies, Eurovia and VINCI Construction. VINCI Immobilier, which is in charge of property development activities, comes directly under VINCI.

The holding company provides leadership and supervisory functions for the Group's operational entities, supplying services and assistance to its subsidiaries in the following areas:
- participation in the development and execution of subsidiaries' strategies, participation 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, financial and communication matters;
- provision of benefits associated with the Group's size and reputation, such as easier access to internationally recognised partners, optimisation of terms for financing, purchases and insurance, easier access to regulatory authorities, and public relations.

2.3 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:

Centralised cash management

Subsidiaries' cash surpluses are generally invested with the holding company through a cash pooling system. In turn, the holding company meets subsidiaries' financing needs. Under the cash pooling system, the holding company acts on the financial markets on its own behalf or on its subsidiaries' behalf, investing and borrowing funds as necessary. With some exceptions (the main one to date being ASF and its subsidiaries), this system applies to all French and German subsidiaries wholly owned directly or indirectly by VINCI.

VINCI may also make medium-term loans to some subsidiaries and receive funds from other subsidiaries for medium-term investment. At 31 December 2007, these transactions amounted to €868 million outstanding for medium-term loans and €350 million for fixed-term deposits.

Payment for the holding company's assistance to its subsidiaries

In exchange for the assistance provided to its subsidiaries, the holding company receives a fee depending on the scope of the services provided. For 2007, fees for assistance received by VINCI from its subsidiaries amounted to €68 million.

Regulated agreements

There are a number of statutorily regulated agreements between VINCI and its subsidiaries, which are subject to prior authorisation by the Board of Directors, Special Reports by the Statutory Auditors and approval by the Shareholders General Meeting.

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).

On 31 December 2007, VINCI's share capital amounted to €1,214,941,970 represented by 485,976,788 shares, each with a nominal value of €2.5, 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 euros)	Share premiums arising on issues, contributions or mergers (in euros)	Number of shares issued or cancelled (*)	Number of shares outstanding (*)	Share capital (in euros)
Position at 31 December 2002				**331,493,468**	**828,733,670**
Share capital reduction	(4,200,000)	(22,671,065)	(1,680,000)	329,813,468	824,533,670
Group Savings Scheme	9,068,480	32,271,850	3,627,392	333,440,860	833,602,150
Share subscription options exercised	4,348,170	7,436,443	1,739,268	335,180,128	837,950,320
Position at 31 December 2003				**335,180,128**	**837,950,320**
Share capital reduction	(55,335,000)	(402,166,161)	(22,134,000)	313,046,128	782,615,320
Group Savings Scheme	21,840,500	86,888,477	8,736,200	321,782,328	804,455,820
Share subscription options exercised	33,682,210	117,231,545	13,472,884	335,255,212	838,138,030
Position at 31 December 2004				**335,255,212**	**838,138,030**
Share capital reduction	(12,500,000)	(112,613,432)	(5,000,000)	330,255,212	825,638,030
Group Savings Scheme	22,221,105	136,222,479	8,888,442	339,143,654	847,859,135
Share subscription options exercised	22,452,345	89,460,904	8,980,938	348,124,592	870,311,480
Conversion of 2001-2007 OCEANE bonds	57,341,310	458,730,480	22,936,524	371,061,116	927,652,790
Conversion of 2002-2018 OCEANE bonds	55,528,580	444,228,640	22,211,432	393,272,548	983,181,370
Position at 31 December 2005				**393,272,548**	**983,181,370**
Share capital reduction	(34,875,000)	(445,071,106)	(13,950,000)	379,322,548	948,306,370
Group Savings Scheme	23,938,315	236,775,085	9,575,326	388,897,874	972,244,685
Share subscription options exercised	23,880,620	111,025,993	9,552,248	398,450,122	996,125,305
Share capital increase	180,432,020	2,325,239,176	72,172,808	470,622,930	1,176,557,325
Position at 31 December 2006				**470,622,930**	**1,176,557,325**
Share capital reduction	(9,500,000)	(113,364,800)	(3,800,000)	466,822,930	1,167,057,325
Group Savings Scheme	21,693,128	310,020,226	8,677,251	475,500,181	1,188,750,453
Share subscription options exercised	26,191,518	134,657,853	10,476,607	485,976,788	1,214,941,970
Position at 31 December 2007				**485,976,788**	**1,214,941,970**

(*) Adjusted for the two-for-one share splits in May 2005 and May 2007.

3.2 Authorisations granted to the Board of Directors to increase the share capital and 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	10/05/07 (Twenty-fourth resolution)	09/07/09	€5,000 million
Share buy-backs	10/05/07 (Eleventh resolution)	09/11/08	€3,500 million 10% of the share capital
Capital reductions by cancellation of treasury shares	10/05/07 (Fifteenth resolution)	09/11/08	10% of capital over a period of 24 months
Capital increases through capitalisation of reserves, profits and share premiums arising on issue	10/05/07 (Seventeenth resolution)	09/07/09	(1)
Issues, maintaining the shareholders' preferential subscription rights of all shares and securities giving a right to a portion of the share capital of the Company and/or its subsidiaries	10/05/07 (Sixteenth resolution)	09/07/09	€200 million (shares)(2) €5,000 million (debt securities)(3)
Issues of OCEANE bonds, removing shareholders' preferential subscription rights, of the Company and/or its subsidiaries	10/05/07 (Eighteenth resolution)	09/07/09	€100 million (shares)(2)(4) €3,000 million (debt securities)(3)(5)
Issue of debt securities other than OCEANE bonds giving a right to a portion of the share capital, removing the shareholders' preferential subscription rights	10/05/07 (Nineteenth resolution)	09/07/09	€100 million (shares)(2)(4) €3,000 million (debt securities)(3)(5)
Increase of the amount of an issue if it is over-subscribed	10/05/07 (Twentieth resolution)	09/07/09	15% of the initial issue(2)(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 in the form of shares or securities giving a right to a portion of the share capital	10/05/07 (Twenty-first resolution)	09/07/09	10% of the share capital
Capital increases reserved for employees of VINCI and its subsidiaries under group savings schemes	10/05/07 (Twenty-second resolution)	09/07/09	10% of the share capital(6) 2% of the share capital(7)
Capital increases reserved for financial institutions or companies created especially under group savings schemes for employees of certain VINCI subsidiaries outside France.	10/05/07 (Twenty-third resolution)	09/11/08	10% of the share capital(6) 2% of the share capital(7)
Issues of securities (bonds with warrants) giving a right to a portion of the share capital, reserved for credit institutions or investment service providers that have habitually participated in the financing of the VINCI Group since 1 January 2002, these warrants being offered for sale to certain categories of VINCI Group company officers and employees.	10/05/07 (Twenty-fifth resolution)	09/11/08	€20 million (shares)(2) €1 billion (debt securities)(3)
Allocation of existing shares for no consideration	16/05/06 (Fifteenth resolution)	15/07/09	0.9% of the share capital(8)

(1) Total amount of reserves, profits or shares premiums arising on issue that may be capitalised.
(2) The cumulative nominal amount of share capital increases that may be undertaken by virtue of the Sixteenth, Eighteenth, Nineteenth, Twentieth and Twenty-fifth resolutions adopted by the Shareholders Meeting of 10 May 2007 may not exceed €200 million.
(3) The cumulative amount of issues of debt securities that may be undertaken by virtue of the Sixteenth, Eighteenth, Nineteenth, Twentieth and Twenty-fifth resolutions adopted by the Shareholders Meeting of 10 May 2007 may not exceed €5,000 million.
(4) The cumulative nominal amount of share capital increases that may be undertaken by virtue of the Eighteenth and Nineteenth resolutions adopted by the Shareholders Meeting of 10 May 2007 may not exceed €100 million.
(5) The cumulative nominal amount of issues of debt securities that may be undertaken by virtue of the Eighteenth and Nineteenth resolutions adopted by the Shareholders Meeting of 10 May 2007 may not exceed €3,000 million.
(6) The unit funds that hold the Company's shares acquired through an increase in the share capital of VINCI, reserved for its employees and of which the subscription price was set with a discount against the stock market price, may in no case as a consequence of one of the increases in the Company's share capital carried out in accordance with Twenty-first and Twenty-second resolutions adopted by the Shareholders Meeting of 10 May 2007 hold more than 10% of the shares representing the Company's share capital at any time;
(7) The total number of shares that may be issued under these authorisations may not exceed 2% of the shares representing the share capital when the Board of Directors takes its decision;
(8) The total number of shares that may be granted for no consideration under this authorisation may not exceed 0.9% of the shares representing the share capital when the Board of Directors takes its decision.

The authorisations proposed to the Shareholders Meeting of 15 May 2008 are as follows:

	Date of Shareholders Meeting	Maturity	Maximum amount of issue (nominal value)
Share buy-backs	15/05/08 (Thirteenth resolution)	14/11/09	€3,000 million 10% of the share capital
Share capital reductions by cancellation of treasury shares	15/05/08 (Eighteenth resolution)	14/11/09	10% of the share capital over a period of 24 months
Issue of shares in the Company following the issue by one or more subsidiaries of securities giving a right to a portion of the Company's share capital	15/05/08 (Nineteenth resolution)	14/07/10	€100 million(1) €200 million(2)
Allocation of existing shares for no consideration	15/05/08 (Twentieth resolution)	14/07/11	1% of the share capital(3)

(1) The cumulative nominal amount of share capital increases that may be undertaken by virtue of the Eighteenth and Nineteenth resolutions adopted by the Shareholders Meeting of 10 May 2007 and the Eighteenth resolution adopted by the Shareholders Meeting of 15 May 2008 may not exceed €100 million.
(2) The cumulative nominal amount of share capital increases that may be undertaken by virtue of the Sixteenth, Eighteenth, Nineteenth, Twentieth and Twenty-fifth resolutions adopted by the Shareholders Meeting of 10 May 2007 and the Nineteenth resolution adopted by the Shareholders Meeting of 15 May 2008 may not exceed €200 million.
(3) The total number of shares that may be granted for no consideration under this authorisation may not exceed 1% of the shares representing the share capital when the Board of Directors takes its decision.

3.3 Potential share capital

The only existing financial instruments that could cause the creation of new shares are the share subscription options allocated to VINCI officers and employees (see paragraph 2.7.5 of *Corporate Governance* page 150, for details of these options).

The Group's policy aims to limit the dilutive effect of the exercising of share subscription options and of subscriptions to group savings schemes invested in VINCI shares by buying back and/or acquiring equity derivatives (calls). For details of the share buy-back programmes, see Parent Company Financial Statements, paragraph 18.3, page 221.

3.4 Breakdown of share capital and voting rights

Breakdown of share capital and voting rights at 31 December 2007

	Number of shares	% capital	Number of voting rights	% of voting rights	Number of shareholders
Employees (company mutual funds)	39,938,590	8.2%	39,938,590	8.5%	85,264
Treasury shares[1]	18,138,019	3.7%	-	-	-
Total not publicly held	**58,076,609**	**11.9%**	**39,938,590**	**8.5%**	**85,264**
Company officers	2,451,817	0.5%	2,451,817	0.5%	45
Other individual shareholders (France)	51,575,585	10.6%	51,575,585	11.0%	238,744
Other individual shareholders (rest of the world)	2,061,660	0.4%	2,061,660	0.5%	3,772
Total individual shareholders[2]	**56,089,062**	**11.5%**	**56,089,062**	**12.0%**	**242,561**
Institutional investors (France)	154,416,744	31.8%	154,416,744	33.0%	147
Institutional investors (rest of world)	193,194,373	39.8%	193,194,373	41.3%	378
Total institutional investors[2]	**347,611,117**	**71.6%**	**347,611,117**	**74.3%**	**525**
Financière Pinault[3]	**24,200,000**	**5.0%**	**24,200,000**	**5.2%**	**1**
Total	**485,976,788**	**100.0%**	**467,838,769**	**100.0%**	**328,351**

(1) Treasury shares held by VINCI SA.
(2) Estimates at 31 December 2007 on the basis of registered named shareholders, a schedule of identifiable bearer shares and a shareholding survey conducted with institutional investors.
(3) In a letter dated 8 June 2007, Financière Pinault declared that it had fallen below the threshold of 5% of the share capital and voting rights in VINCI , indirectly, through Artémis SA, Artémis 12 and Victoris, which it controls, on 4 June 2007, following the share capital increase of VINCI, and that it held 24,200,000 VINCI shares representing the same number of voting rights, or 4.98% of the VINCI share capital and voting rights.

Employee shareholders

Details of the Group savings scheme are given in the Social Responsibility section, pages 109-110.

Voting rights

The difference between the breakdown of shareholdings and voting rights is due to the absence of voting rights attached to treasury shares.

Crossing of shareholding thresholds

According to the declarations received by the Company of crossings of the legal threshold of 5% or of the threshold of 1% provided for in the corporate statutes, of the share capital or voting rights, the shareholders identified as holding more than 1% of the share capital or voting rights, other than those shown in the table above, are as follows:

- Crédit Agricole (3.15% of the share capital, declared on 24 August 2007);
- Predica (2.29% of the share capital, declared on 25 July 2007);
- Natixis (3.95% of the share capital, declared on 5 July 2007);
- Carlo Tassara International (2% of the share capital, declared on 28 June 2007);
- Financière Pinault (fell below the threshold passively to 4.98% of the share capital, declared on 8 June 2007), through its subsidiaries Artémis, Artémis 12 and Victoris;
- UBS (2.02% of the share capital, declared on 1 June 2007);
- Morgan Stanley (4.93% of the share capital, declared on 25 May 2007);
- Artisan Partners (1.08% of the share capital, declared on 21 March 2007);
- Causeway Capital Management LLC (1.51% of the share capital, declared on 9 March 2007).

Shareholder agreements

To the best of the Company's knowledge, with the exception of the concerted action of Financière Pinault with Artémis, Artémis 12 and Victoris, which it controls, declared on 8 June 2007, there are no shareholder agreements or groups of shareholders acting as partners.

Registered shareholders

At 31 December 2007, the Company had 21,396 shareholders whose registration is managed by the Company and 1,036 shareholders whose registration is managed by a financial institution. At that date, 1,658,586 shares whose registration is managed by the Company, and 275,486 shares whose registration is managed by a financial institution, were pledged.

Changes in the breakdown of share capital and voting rights during the last three years

	Position at 31 December 2007			Position at 31 December 2006			Position at 31 December 2005		
	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights
Employees (company mutual funds)	39,938,590	8.2%	8.5%	38,569,004	8.2%	8.3%	33,464,980	8.5%	8.8%
Treasury shares	18,138,019	3.7%	-	4,571,178	0.9%	-	13,670,032	3.5%	-
Financière Pinault	24,200,000	5.0%	5.2%	16,130,800	3.4%	3.4%	0	0.0%	0.0%
Company officers	2,451,817	0.5%	0.5%	3,034,066,	0.6%	0.7%	8,991,254	2.3%	2.4%
Other	401,248,362	82.6%	85.8%	408,317,882	86.9%	87.6%	337,146,282	85.7%	88.8%
Total	**485,976,788**	**100.0%**	**100.0%**	**470,622,930**	**100.0%**	**100.0%**	**393,272,548**	**100.0%**	**100.0%**

3.5 Shareholder agreements

In December 2006, in connection with the financing of the transfer by VINCI of its 22.99% shareholding in ASF to ASF Holding, VINCI entered into an agreement with its subsidiary ASF Holding, to which this shareholding was transferred, setting out the relations between the two companies within ASF.

Under the terms of this agreement, as majority shareholders of ASF, the parties undertake to act in such a way as to ensure that the decisions made by the competent governing bodies of ASF comply with:
- the principle of implementing and maintaining a policy of maximising the dividends distributed on the basis of ASF's distributable income and reserves, provided ASF meets its commitments to a syndicate of 23 banks in respect of the €3.5 billion financing signed on 18 December 2006, and, in particular, with the following financial ratios, calculated on the basis of ASF's consolidated financial statements: net debt to cash flow from operations before tax and financing costs ≤ 7 and cash flow from operations before tax and financing costs to net financial costs ≥ 2,2;
- the prior conditions for any disposal by ASF of shares it holds in ESCOTA, as defined in the credit line agreements signed on 18 December 2006 with a bank syndicate by ASF and ASF Holding of €3.5 billion and €1.2 billion respectively.

VINCI undertakes furthermore:
- that VINCI Concessions will return to ASF Holding the sums that ASF Holding may have made available under Group centralised cash management agreements, should ASF Holding be required to make early repayment of its syndicated loan of €1.2 billion;
- that it will maintain, directly or indirectly, a holding in ASF giving it access to a majority of the share capital and voting rights. This commitment will end when ASF Holding has increased its shareholding in ASF so as to hold the majority of both the share capital and voting rights directly.

This shareholder agreement will remain in force as long as any money remains due to the banks under ASF Holding's syndicated loan, it being understood that VINCI and /or ASF Holding may sell all or part of their holdings in ASF, provided any third party becoming the holder of at least a blocking minority signs this shareholder agreement beforehand.

VINCI has not entered into any agreements other than this agreement that could have a material affect on its share price. However, it should be stated that the formation of companies by VINCI with other parties may result in agreements being made. This is the case in particular for Cofiroute, Consortium Stade de France and companies created specifically for the needs of securing and managing infrastructure concessions. 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.

3.6 The VINCI share and the stock market

The VINCI share is traded on the regulated market of Euronext Paris (Compartment A) and is included in particular in the CAC 40, NextCAC 70, Euronext 100, FTSEurofirst 80, DJ Eurostoxx 50, DJ Eurostoxx Construction & Materials, NextPrime, Aspi Eurozone, Dow Jones Sustainability and Euronext FAS IAS indexes.

Changes in the share price and in trading volumes over the last 18 months were as follows (source: Euronext Paris):

		Average(*) in euros	High(**) (in euros)	Low(**) (in euros)	Transactions (in millions of shares)	Value of transactions (in millions of euros)
2006	June	38.29	40.92	35.05	101.2	3,874
	July	39.18	40.47	37.55	36.7	1,436
	August	40.97	42.50	39.05	45.4	1,862
	September	42.67	44.40	41.40	47.5	2,028
	October	44.16	45.10	43.30	39.9	1,764
	November	45.94	47.97	43.95	46.8	2,148
	December	48.93	50.25	47.05	58.4	2,856
2007	January	50.07	54.25	47.05	64.5	3,231
	February	53.97	55.35	50.47	46.6	2,512
	March	54.66	59.85	49.78	70.0	3,828
	April	58.59	60.33	56.74	51.6	3,023
	May	59.45	62.42	56.21	51.1	3,037
	June	55.78	60.82	52.50	69.0	3,852
	July	55.14	58.43	52.00	53.8	2,966
	August	50.18	53.15	45.65	73.3	3,676
	September	52.13	55.40	48.10	81.3	4,237
	October	54.16	57.16	51.31	59.0	3,195
	November	54.77	58.24	51.83	52.6	2,883
	December	53.12	56.65	47.05	50.8	2,696

(*) Average of the closing prices.
(**) Price during trading sessions.

Note: the price of the VINCI share and the volumes traded have been adjusted by Euronext to reflect the impact of the share capital increase in April 2006 and the two-for-one share split in May 2007. See also *Stock market and shareholder base*, pages 20 to 21.

Persons responsible for the registration document

1. Statement by 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 confirm that, to the best of our knowledge, the financial statements have been prepared in compliance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and all consolidated subsidiaries. We also confirm that the Report of the Board of Directors, which starts on page 161 of the present document, presents a true and fair view of business developments, the results and the financial position of the company and all consolidated subsidiaries, as well as a description of the principal risks and uncertainties that they face.

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 financial 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 258 and 276 of this document. These reports contain observations drawing readers' attention to the changes in method made."

Yves-Thibault de Silguy
Chairman of the Board of Directors

Xavier Huillard
Director and Chief Executive Officer

2. Statutory Auditors

Names of the Statutory Auditors

Statutory Auditors

KPMG SA
A member of KPMG International
Immeuble Le Palatin – 3 cours du Triangle
92939 Paris La Défense – France
(Patrick-Hubert Petit and Philippe Bourhis)
First appointed: 10 May 2007
Current appointment expires at the close of the Shareholders Meeting to approve the 2012 financial statements.

Deloitte & Associés
185 avenue Charles de Gaulle, 92200 Neuilly sur Seine, France
(Jean-Paul Picard and Mansour Belhiba)
First appointed: 30 May 2001
Current appointment expires at the close of the Shareholders Meeting to approve the 2012 financial statements.

Deputy Statutory Auditors

Philippe Mathis
Statutory Auditors
Immeuble Le Palatin – 3 cours du Triangle
92939 Paris La Défense – France

First appointed: 10 May 2007
Current appointment expires at the close of the Shareholders Meeting to approve the 2012 financial statements.

BEAS SARL
7–9 villa Houssay, 92200 Neuilly sur Seine, France
First appointed: 30 May 2001
Current appointment expires at the close of the Shareholders Meeting to approve the 2012 financial statements.

The 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 Audit).

3. Fees of the statutory auditors

(In € millions)	Deloitte & Associés network				KPMG network			
	2007	%	2006	%	2007	%	2006	%
Audit								
Statutory audit	6.0	71%	7.6	87%	7.1	85%	7.2	89%
Parent company	0.3	4%	0.3	3%	0.3	4%	0.3	4%
Fully consolidated subsidiaries	5.7	68%	7.3	84%	6.8	81%	6.9	85%
Ancillary assignments	2.1	25%	1.0	12%	1.1	13%	0.8	10%
Parent company	0.7	8%	0.8	9%	0.7	8%	0.6	7%
Fully consolidated subsidiaries	1.4	17%	0.2	2%	0.4	5%	0.2	3%
Audit subtotal	**8.1**	**96%**	**8.6**	**99%**	**8.2**	**98%**	**8.0**	**99%**
Other services								
Legal, tax and employment	0.3	4%	0.1	1%	0.2	2%	0.1	1%
Other	-	0%	-	-	-	0%	-	-
Other services sub-total	**0.3**	**4%**	**0.1**	**1%**	**0.2**	**2%**	**0.1**	**1%**
Total	**8.4**	**100%**	**8.7**	**100%**	**8.4**	**100%**	**8.1**	**100%**

4. Persons responsible for the financial information

Christian Labeyrie, Executive Vice-President, Chief Financial Officer and Member of the Executive Committee (+33 1 47 16 35 23).
Pierre Duprat, Corporate Communications Officer and Member of the Coordination and Strategy Committee (+33 1 47 16 44 06).

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 2005 IFRS consolidated financial statements, and the associated report of the Statutory Auditors, on pages 189-282 and 283 of the 2005 registration document filed with the AMF on 3 March 2006 under number D.06-0101 and the amendment dated 14 March 2006 filed with the AMF under number D.06-0101-R01;
– the 2006 IFRS consolidated financial statements, and the associated report of the Statutory Auditors, on pages 177-258 and 269 of the 2006 registration document filed with the AMF on 29 March 2007 under number D.07-0242.

6. Documents available for public consultation

All the documents defined in Article L.451-1-2 as amended of the Code Monétaire et Financier – the French Monetary and Financial Code – resulting from the transposition of the European "Transparency" Directive (Directive 2004/109/CE), are available on the Company's website (www.vinci.com).
The corporate statutes of VINCI may be consulted at the Company's 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 to be included in the annual report filed as a registration document.

AUTORITE
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 25 March 2008. 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.

Hervé Abbadie – Agence Idé – R. Alan Adams – Audio 3 – Alex Béraud – Patrick Bertolotti – Christophe Boulze – Xavier Boymond – Alistair Carew-Cox – Thierry Chomel – Augusto Da Silva/Graphix Images – Guillaume Daveau – Thomas Deschamps/Graphix Images – Cyrille Dupont – Thierry Duvivier/Trilogi'c – Ray Hardinge – Axel Heise – Cédric Helsly – Diane Hughes – Pascal Le Doaré – Erwann Le Gars – Vincent Leloup – Julien Lomessy –Michel Martini – Véronique Paul/Graphix Images – David Pinoli – François Poche/Atelier Culturel – RCP Design Global – Reichen et Robert & Associés – Karsten Schöne/Zeitenspiegel – Tim Shaw – Khourn Thongsin/SCA – Matt Todd – Francis Vigouroux – Sylva Villerot – Photo libraries of VINCI and subsidiaries. – Design and production: PUBLICORP. - 7907 - Translation: altc - Printing: Frazier (Imprim'Vert®) – Printed on Condat Silk paper sourced from sustainably managed forests.

Printing: Frazier (Imprim'Vert®) – Printed on paper sourced from sustainably managed forests.

FSC
Sources Mixtes
Groupe de produits issu de forêts bien gérées et de bois ou fibres recyclés.
www.fsc.org Cert no. FCBA-COC-000071

VINCI - 1 cours Ferdinand de Lesseps,
92851 Rueil Malmaison Cedex - France
Tel: +33 1 47 16 35 00 - Fax: +33 1 47 51 91 02
http://www.vinci.com