VINCI

French public limited company (Société Anonyme) with share capital of €920,499,545

Registered office: 1, Cours Ferdinand de Lesseps - 92851 Rueil Malmaison Cedex

Registration Number RCS Nanterre B 552 037 806

INTERIM FINANCIAL STATEMENTS
30 JUNE 2005

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Business review for the first half of 2005

During the first half of 2005, the Group's subsidiaries continued to benefit from the healthy climate in Europe's construction markets already seen in 2004. The favourable conditions were reflected in further above-forecast growth in business and higher operating margins. However, the positive trend in results for the first half of 2005 cannot be extrapolated to the full period, in view of the seasonality of construction-related business.

1. Revenue

VINCI's consolidated revenue amounted to €10.1 billion for the first half of 2005, an increase of 10.6% compared with the first half of 2004.

At constant consolidation scope and exchange rates, this represents an increase of 9.4%, after cancellation of the effects of changes in consolidation scope (the positive impact of external growth for €160 million, partially offset by divestments for €60 million).

After a strong performance in the first quarter, despite bad weather that especially affected road-works activities, revenue growth accelerated in the second quarter. This was particularly marked at VINCI Construction and Eurovia.

In France, revenue rose 13.8% over the second quarter to reach €6.4 billion for the whole six-month period, an increase of 12.3% compared with the first half of 2004 or 11.2% on a comparable basis. Although revenue from concessions remained largely unchanged, the other business lines posted high rates of growth.

Outside France, revenue rose by 7.8% (6.5% at constant consolidation scope and exchange rates) to almost €3.7 billion, driven by the Construction and Roads business lines. Business was strong in the United Kingdom and continued to expand rapidly in central European countries, with revenue rising 61% to over €600 million over the six-month period.

VINCI Concessions: €954 million (up 2.1% at actual consolidation scope and exchange rates and 2.5% on a comparable basis)

Cofiroute reported revenue of €414 million for the six-month period, an increase of 2.8%. Toll receipts were up 2.2% despite a 1.2% overall negative impact on traffic of unfavourable calendar conditions (the 2004 leap year and the cancellation of France's Whit Monday public holiday in 2005). If these effects are excluded, the increase in traffic on the network was almost 1%, with light vehicle traffic up 0.4% and heavy goods vehicle traffic up 1.9%.

Revenue generated by VINCI Park for the six-month period fell slightly by 0.4% to €243 million. New contracts and organic growth, particularly in France, offset the negative impact of the arrival at term of several concessions.

Revenue from the other infrastructure concessions increased by 29% to €76 million. This includes toll receipts from the Rion-Antirion bridge, which entered service in August 2004.

Revenue generated by airport services remained largely unchanged compared with the first half of 2004, with revenue falling 0.8% to €225 million on a constant consolidation scope and exchange rates basis. Strong performance by the European divisions softened the impact of the downturn experienced by the American subsidiaries.

VINCI Energies: €1,667 million (up 4.4% at actual consolidation scope and exchange rates and 3.9% on a comparable basis)

In France, VINCI Energies had a busy second quarter, particularly in the services and telecommunications infrastructure sectors. Revenue increased 17% at actual consolidation scope and exchange rates. Revenue generated by the French subsidiaries over the six-month period rose 8.5% to €1.2 billion.

Outside France, revenue fell 7.5% on a comparable basis to €433 million. This takes into account the effects of the restructuring of TMS, which involved the sale and closure of certain operations. However, business remained very strong in Spain and the outlook continued to be good in northern Europe.

Eurovia: €2,794 million (up 10.4% at actual consolidation scope and exchange rates and 8% on a comparable basis)

After a first quarter marked by bad weather, particularly in France, Eurovia performed well in the second quarter and reported a 15.1% increase in revenue.

In France, revenue for the six-month period was up 9.2% at constant consolidation scope and exchange rates, to €1.7 billion. Business benefited in particular from urban development projects (tramway construction).

Outside France, half-year revenue increased 6.3% at constant consolidation scope and exchange rates to €1.1 billion. Particularly noteworthy are the very strong performances from the United Kingdom, where revenue was up 17% to €316 million, and the Czech Republic, which reported a 24% increase to €232 million. The recent acquisitions of TE Beach in the United Kingdom and Trabit in Spain take the increase to 10.6% on an actual basis.

VINCI Construction: €4,564 million (up 15.4% at actual consolidation scope and exchange rates and 14.2% on a comparable basis)

In France, VINCI Construction's revenue rose almost 20% to €2.7 billion. This excellent performance reflects the strong positioning of the Group's companies in particularly buoyant local markets.

Outside France, revenue for the six-month period was €1.9 billion, an increase of 10.2% at constant consolidation scope and exchange rates. Momentum was especially strong in the United Kingdom and central Europe: revenue for the United Kingdom rose 26%, driven mainly by the building and multi-technical services business, and revenue for central Europe increased by 80%, in particular in Hungary, in the area of transport infrastructure construction.

Breakdown of revenue by business line

(in € millions)	1st half year 2005	1st half year 2004	*Change 2005/2004*	
			on an actual basis	*on a like-for-like basis* (1)
Concessions and services	954	934	*+2.1%*	*+2.5%*
Energy	1,667	1,596	*+4.4%*	*+3.9%*
Roads	2,794	2,531	*+10.4%*	*+8%*
Construction	4,564	3,956	*+15.4%*	*+14.2%*
Property and eliminations	72	69	-	-
Total	10,051	9,086	*+10.6%*	*+9.4%*

(1) at constant consolidation scope and exchange rates

2. Results [1]

These are the first VINCI financial statements to be presented under the IFRSs. For the purposes of comparison, the statements for the first half of 2004 have been restated in accordance with these rules.

2.1 Operating profit from ordinary activities

Operating profit from ordinary activities was up 21% to €629 million, compared with €520 million for the first half of 2004. This represents 6.3% of revenue, against 5.7% for the first half of 2004.

Analysis of operating profit from ordinary activities by business line

(in € millions)	*1st half year 2005*	*% Revenue*	*1st half year 2004*	*% Revenue*	*Change 1st half year 05 /1st half year 04*
Concessions and services	280	*29.4%*	268	*28.7%*	*+4.6%*
Energy	71	*4.2%*	45	*2.8%*	*+57.9%*
Roads	22	*0.8%*	26	*1.0%*	*-14.6%*
Construction	226	*5.0%*	165	*4.2%*	*+37.0%*
Property and holding companies	30		16		
Total	629	*6.3%*	520	*5.7%*	*+21.0%*

The analysis shows a total increase in operating profit from ordinary activities of €109 million, or 21%, compared with the first half of 2004. This improvement is the result of both growth in business and higher margins.

Concessions and services

The Concessions and services business line generated operating profit from ordinary activities of €280 million, or 29.4% of revenue, compared with €268 million, or 28.7% of revenue, for the first half of 2004. This growth in profit is mainly due to contributions from the Rion-Antirion bridge, which entered service in August 2004. Restructuring measures implemented in the United States enabled a slight improvement in operating profit from airport services. Finally, Cofiroute and VINCI Park generated roughly the same level of operating profit as in the first half of 2004.

Energy

VINCI Energies' operating profit from ordinary activities stood at €71 million. This was up 58% on the first half of 2004 and represented 4.2% of revenue, against 2.8% for the first half of 2004. This positive result was partly due to improvements in TMS's situation. If TMS is excluded, operating profit from ordinary activities increased by 24% (5.2% of revenue, against 4.5% for the first half of 2004). However, the results for the full year cannot be extrapolated from these results as operating profit from ordinary activities for the second half of 2004 was significantly higher than for the first half of 2004.

[1] <u>Accounting treatment of concession contracts</u>: pending completion of the work undertaken by IFRIC, VINCI has maintained, when preparing its financial statements for the first half of 2005, the accounting principles applied until now for concession contracts according to the French GAAP rules in force at 31 December 2004.

Roads

Eurovia's operating profit from ordinary activities stood at €22 million and represented 0.8% of revenue. In addition to the usual effects of seasonality on this business line, which render these figures unrepresentative, rises in oil prices are estimated to have pushed down half-year profits by around €10 million.

Construction

VINCI Construction saw its operating profit from ordinary activities rise 37% to €226 million, compared with €165 million for the first half of 2004. The business line benefited from the strong momentum in the construction sector, particularly in France and central Europe, and continued to improve its operating margins, which stood at 5% overall, against 4.2% in the first half of 2004.

2.2 Net profit

Net profit attributable to equity holders of the parent was €356 million, an increase of 19.4% compared with the first half of 2004. Net earnings per share stood at €2.16, a rise of 16% compared with the first half of 2004. These good results reflect improvements in the operating performance of the Group's various business lines. With net profit of €153 million, VINCI Construction remained the business line that made the biggest contribution to the Group's net profit, ahead of Concessions, which contributed €143 million. Overall, the construction-related activities accounted for 60% of the Group's net profit, thanks to an increase of 22% compared with the same period the previous year.

Analysis of net profit by business line

(in € millions)	*1st half year 2005*	*1st half year 2004*	**Change**
Concessions and services	143	124	*+14.9%*
Energy	41	21	*+96.6%*
Roads	13	12	*+7.6%*
Construction	153	116	*+31.6%*
Property and holding companies	6	25	
Total	356	298	*+19.4%*

Operating profit, which takes into account the impact of share-based payments (share options, Group savings schemes) and goodwill amortisation related mainly to concessions, stood at €602 million, an increase of 18% compared with the first half of 2004.

The cost of net financial debt for the first half of 2005 fell by almost €50 million to €117 million, despite an increase in the financial expenses incurred by the concessions. This improvement reflects the increase in cash surpluses from construction-related activities and higher returns from the holding company's investments. It also takes account of the impact of the favourable change in the market value of the financial instruments and the change made to the maturity date of the Oceane 2018 bond following the rise in the share price.

Other financial income and expenses amounted to €22 million, against €142 million for the first half of 2004. This negative change includes a reduction in dividends received, which in 2004 included €32 million of ASF dividends that are now recognised under share of profit / (loss) of associates. It also reflects the negative impact for €14 million of the disposal of TMS's Spanish subsidiary and the recognition in 2004 of €54 million of non-recurring financial income from an equity swap relating to around 4% of ASF's share capital.

The tax expense for the six-month period amounted to €172 million, down 11% compared with the first half of 2004. This corresponds to an effective tax rate of 30%, against 35% for the first half of 2004. The 2004 rate took account of exceptional tax expenses of €26 million.

Share of profit / (loss) of associates amounted to €33 million and included the impact of the equity-accounting of ASF for €27 million after goodwill amortisation. Minority interest of €59 million related mainly to the share not owned by VINCI in Cofiroute and the Belgian construction company CFE, which amounted to 34.7% and 54.6% respectively.

2.3 Cash flow[2]

Cash flows from operations before tax and financing costs and changes in WCR and current provisions amounted to €918 million, or 9.1% of revenue, for the first half of 2005. This was up 13% compared with the first half of 2004. Changes in working capital requirement, which are usually negative for the first half of the year due to lower cash receipts, were (€351 million). This was slightly more than the change reported for the first half of 2004, which amounted to (€306 million), mainly due to an inflow of cash receipts recorded by Eurovia in December 2004. After taking into account tax and interest payments, net cash flows from operating activities were €245 million, against €246 million for the first half of 2004.

Investments in operating assets (purchases of property, plant and equipment, and intangible assets, net of disposals) amounted to €269 million, against €192 million for the first half of 2004. This increase in investments related in particular to VINCI Construction's international subsidiaries, which are experiencing strong growth in business, and also Eurovia, which has resumed normal investing activities after having reduced them following its merger with Entreprise Jean Lefebvre.

Free cash flow for the first half of 2005 came out slightly negative (at a net outflow of €24 million), against an inflow of €54 million for the first half of 2004.

Purchases of concession fixed assets (net of grants received) rose by €87 million to €357 million. This was due to the effects of increased investment by Cofiroute, which booked purchases of €332 million for the first half of 2005, compared with €211 million for the same period in 2004.

Net financial investments amounted to €25 million for the first half of 2005, against €47 million for the first half of 2004 and comprised purchases for €86 million and proceeds from sales for €61 million.

After taking into account other cash flows used in or from investing activities, which include in particular €55 million of dividends received from ASF, net cash outflows before financing activities amounted to €323 million.

Increases and reductions in share capital amounted to a net outflow of €153 million, against €111 million for the first half of 2004. The final dividend in respect of 2004, paid to shareholders in May 2005, amounted to €212 million.

After taking account of cash flows related to repayments of, and proceeds from, borrowings, and changes in cash management assets, net cash flows from financing activities amounted to €345 million for the period. Overall, the change in net cash was €22 million for the first half of 2005. After restatement of cash flows related to repayments of, and proceeds from, borrowings, and other flows not affecting net financial debt, the change in net financial debt was €683 million for the first half of 2005.

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[2] In accordance with CESR's recommendations, the figures from the cash flow statement for the first half of 2004, restated according to the IFRSs, are presented here for information purposes.

2.4 Balance sheet

The Group's financial structure remains strong, with equity, including minority interest, up from €3.5 billion to €3.7 billion and gearing (debt/equity ratio) down to 84%, compared with 87% for the first half of 2004.

Net financial debt increased slightly to €3.1 billion for the first half of 2005, against €3 billion for the first half of 2004. Debt of the Concessions and services business line rose from €3.2 billion to €3.8 billion. This increase was primarily due to higher investing activity by Cofiroute. The other business lines reported a net surplus of €2 billion. The holding companies increased their debt by around €200 million following the increase in the VINCI Concessions holding in ASF.

2.5 Parent company financial statements

VINCI's parent company financial statements show revenue for the first half of 2005 of €10.7 million, against €14.4 million for the first half of 2004.

For the first half of 2005, parent company profit amounted to €223 million, against €143 million for the first half of 2004. This improvement takes into account, in particular, a rise in net financial income of €88 million, which includes dividend payments by the subsidiaries to the parent company.

Key figures

(in millions of euros)	2005 First half year	2004 First half year	2004 Full year
REVENUE	**10,051.1**	**9,085.6**	**19,520.2**
Of which revenue outside France	3,668.2	3,403.7	7,402.7
% of revenue	*36.5%*	*37.5%*	*37.9%*
Operating profit from ordinary activities	629.4	520.2	1,300.1
% of revenue	*6.3%*	*5.7%*	*6.7%*
NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**356.0**	**298.2**	**731.6**
Earnings per share (in euros)	2.16	1.86	4.56
Dividend per share, excluding tax credit (in euros)	-	-	3.50
Equity including minority interest	3,716.3	ND	3,614.6
Provisions (current and non-current)	1,508.2	ND	1,548.2
Net financial debt	(3,115.7)	ND	(2,433.1)
CASH FLOWS (USED IN) / FROM OPERATIONS before tax and financing costs and changes in WCR and current provisions	**918.4**	**ND**	**2,018.4**
Net investments in operating assets	(268.9)	ND	(476.3)
Investments in concession assets	(356.7)	ND	(568.3)
Net financial investments	(24.8)	ND	(241.0)

Consolidated IFRS income statement

(in millions of euros)	Notes	2005 First half year	2004 First half year	2004 Full year
REVENUE	*1-2-3*	**10,051.1**	**9,085.6**	**19,520.2**
Revenue from ancillary activities		156.3	149.8	255.0
Operating expenses	*4*	(9,577.9)	(8,715.2)	(18,475.2)
Operating profit from ordinary activities	*4*	**629.4**	**520.2**	**1,300.1**
Share-based payment expense (IFRS 2)	*4-18*	(26.0)	(7.0)	(36.3)
Restructuring costs	*4*			(10.1)
Goodwill impairment expense	*4-10*	(1.1)	(4.9)	(45.5)
OPERATING PROFIT	*4*	**602.4**	**508.3**	**1,208.2**
Cost of gross borrowings	*5*	(117.0)	(155.0)	(300.3)
Financial income from cash management investments	*5*	47.2	37.9	58.6
Cost of net financial debt	*5*	**(69.8)**	**(117.0)**	**(241.6)**
Other financial income and expenses	*6*	21.8	141.5	238.2
Income tax expense	*7*	(172.0)	(192.9)	(380.4)
Share of profit / (loss) of associates	*15*	32.7	2.2	14.0
Net profit for the period (including minority interest)		**415.0**	**342.1**	**838.3**
Minority interest	*18*	(59.0)	(44.0)	(106.7)
NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**356.0**	**298.2**	**731.6**
Earnings per share (in euros)	*8*	2.16	1.86	4.56
Diluted earnings per share (in euros)	*8*	1.81	1.65	4.05

Consolidated IFRS balance sheet

Assets

(in millions of euros)	**Notes**	**30 June 2005**	**31 December 2004**
Non-current assets			
Intangible assets	*9*	78.7	82.0
Goodwill	*10*	807.8	776.9
Concession fixed assets	*2-3-11*	5,339.5	5,024.1
Property, plant and equipment	*2-3-12*	2,065.1	2,006.7
Investment property	*14*	38.2	41.9
Investments in associates	*15*	1,533.2	1,558.5
Other non-current financial assets	*16*	351.3	288.0
Fair value of derivatives (assets)	*20*	468.0	349.1
Deferred tax assets		176.0	167.2
Total non-current assets		**10,857.9**	**10,294.4**
Current assets			
Inventories	*17*	549.2	542.8
Trade and other operating receivables	*17*	8,553.2	7,279.8
Other current assets	*17*	223.3	157.3
Current tax assets		109.2	81.1
Current financial assets		32.4	129.6
Financial cash management assets and marketable securities	*20*	2,975.1	3,687.4
Cash	*20*	934.2	830.4
Total current assets		**13,376.4**	**12,708.4**
TOTAL ASSETS		**24,234.3**	**23,002.7**

Equity and liabilities

(in millions of euros)	**Notes**	**30 June 2005**	**31 December 2004**
Equity			
Share capital	*18*	862.0	838.1
Share premium account	*18*	1,299.4	1,231.5
Own shares	*18*	(346.4)	(130.3)
Consolidated reserves	*18*	898.1	350.1
Translation reserves	*18*	23.5	(5.7)
Net profit for the period		356.0	731.6
Net income recognised directly in equity		(8.9)	0.6
Equity attributable to equity holders of the parent		**3,083.7**	**3,015.9**
Minority interest	*18*	632.6	598.6
Total equity		**3,716.3**	**3,614.6**
Non-current liabilities			
Retirement and other employee benefit obligations	*19*	690.7	677.6
Non-current provisions	*19*	133.4	165.4
Participating loans and bonds	*20*	4,702.4	4,619.9
Other loans and borrowing	*20*	1,549.9	1,520.8
Fair value of derivatives (liabilities)	*20*	105.8	80.2
Other non-current liabilities		45.4	14.4
Deferred tax liabilities		181.4	169.6
Total non-current liabilities		**7,409.0**	**7,247.8**
Current liabilities			
Current provisions	*19*	1,374.8	1,382.8
Trade payables	*17*	5,063.7	4,619.2
Other current payables	*17*	5,335.2	4,794.9
Current tax payables		153.0	219.0
Current borrowings	*20*	1,182.3	1,124.6
Total current liabilities		**13,109.0**	**12,140.4**
TOTAL EQUITY AND LIABILITIES		**24,234.3**	**23,002.7**

Consolidated IFRS cash flow statement

(in millions of euros)	Notes	30 June 2005	31 December 2004
Net profit for the period (including minority interest)		**415.0**	**838.3**
Depreciation and amortisation	4	331.6	630.1
Increase / (decrease) in provisions	4	8.0	71.7
Share-based payments (IFRS 2) and other restatements	18	2.8	36.3
Gain or loss on disposals		(20.9)	(36.1)
Change in fair value of foreign currency derivatives		8.2	(10.7)
Share of profit or loss of associates and dividends received from unconsolidated entities		(39.3)	(55.8)
Capitalised borrowing costs	11	(28.8)	(77.3)
Cost of net financial debt	6	69.8	241.6
Current and deferred tax expense	7	172.0	380.4
Cash flows (used in) / from operations before tax and financing costs and changes in WCR and current provisions		**918.4**	**2,018.4**
Changes in working capital requirement and current provisions	17	(350.6)	421.2
Income taxes paid		(248.3)	(384.8)
Net interest paid		(74.6)	(210.8)
Net cash flows (used in) / from operating activities	**I**	**244.9**	**1,844.1**
Purchases of property, plant and equipment, and intangible assets		(308.8)	(557.5)
Proceeds from sales of property, plant and equipment, and intangible assets		39.9	81.2
Purchases of concession fixed assets *(net of grants received)*		(356.7)	(568.3)
Purchases of shares in subsidiaries and associates (consolidated and unconsolidated)		(86.0)	(442.0)
Proceeds from sales of shares in subsidiaries and associates (consolidated and unconsolidated)		61.2	201.0
Net effect of changes in scope of consolidation		7.1	3.1
Dividends received from associates and unconsolidated entities		67.1	44.4
Other		7.7	(31.5)
Net cash flows (used in) / from investing activities	**II**	**(568.4)**	**(1,269.5)**
Increases in share capital	18	216.9	259.6
Reductions in share capital	18	(369.8)	(492.1)
Minority interest in share capital increases of subsidiaries		0.0	1.4
Sums collected during the period on exercise of share options		28.7	95.2
Dividends paid	18		
- to shareholders of VINCI SA		*(188.9)*	*(287.2)*
- to minority interests		*(22.7)*	*(55.5)*
Proceeds from new long-term borrowings	20	46.8	633.7
Repayments of borrowings	20	(118.3)	(420.8)
Change in cash management assets	20	752.3	(225.0)
Net cash flows (used in) / from financing activities	**III**	**345.2**	**(490.6)**
Change in net cash	**I + II + III**	**21.7**	**84.0**
Net cash at beginning of period		**449.9**	**363.5**
Effect of changes in foreign exchange rates		11.6	2.4
Net cash at end of period		**483.2**	**449.9**

Statement of changes in consolidated equity

(in millions of euros)	Capital and reserves attributable to equity holders of the parent									
	Share capital	**Premiums related to capital**	**Own shares**	**Consolidated reserves**	**Translation reserves**	**Net profit for the period**	**Net income recognised directly in equity**	**Total**	**Minority interest**	**Total**
Balance at 31 December 2004	**838.1**	**1,231.5**	**(130.3)**	**350.1**	**(5.7)**	**731.6**	**0.6**	**3,015.9**	**598.6**	**3,614.6**
Changes in share capital	23.9	67.9						**91.8**	0.0	**91.8**
Changes in own shares			(216.1)					**(216.1)**		**(216.1)**
Allocation of net income and dividend payments				542.8		(731.6)		**(188.9)**	(22.7)	**(211.5)**
Net profit for the period						356.0		**356.0**	59.0	**415.0**
Financial instruments: changes in fair value							(8.5)	**(8.5)**	(3.1)	**(11.6)**
Translation differences					30.2			**30.2**	1.8	**32.0**
Changes in equity of associates recognised directly in equity							0.5	**0.5**		**0.5**
Share-based payments (IFRS 2)				(26.0)				**(26.0)**		**(26.0)**
Changes in consolidation scope				0.9	(1.0)		0.1	**0.0**	(1.1)	**(1.1)**
Miscellaneous (*)				30.3			(1.6)	**28.7**		**28.7**
Balance at 30 June 2005	**862.0**	**1,299.4**	**(346.4)**	**898.1**	**23.5**	**356.0**	**(8.9)**	**3,083.7**	**632.6**	**3,716.3**

(*) including €23.1 million related to the neutralisation of the employer's contribution to the 1st tranche 2005 of subscriptions to the Group Savings Plan (see note 18.2)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

A. KEY EVENTS IN THE FIRST HALF OF 2005

Main changes in consolidation scope over the first half year

- In January 2005, Eurovia acquired the British company TE Beach for €25 million.
- In January 2005, VINCI Airport sold its 3.4% holding in Beijing airport (BCIA) for €40 million. The net capital gain on disposal recognised in the half-year financial statements amounted to €1.1 million.
- In June, VINCI Park completed the sale of its operations in Chile for a total of €3.8 million. The net capital gain recognised in the half-year financial statements amounted to €3.9 million.

Consolidation of ASF using the equity method

Since the appointment on 15 December 2004 of a director representing VINCI on the Board of Directors of ASF, VINCI reports its 22.99% holding in ASF using the equity method.

As ASF's consolidated net profit for the first half of 2005 was not known on the day when VINCI's half-year financial statements were prepared, an estimate has been made of ASF's contribution to the Group's results on the basis of the published information available. For the first half of 2005, ASF's net profit has thus been estimated at €173 million. The figures adopted by VINCI are close to the actual figures published by ASF on 15 September 2005 (€187 million net profit).

The net effect on VINCI's results for the first half of 2005 of adopting the equity method to account for ASF is €27 million. This is determined after taking account of an amortisation charge of €12 million of goodwill on first consolidation, provisionally allocated to the concession contracts and amortised on a straight-line basis over their remaining period of 28 years as from the date of first adoption of equity accounting.

In total, at 30 June 2005, the ASF shares accounted for using the equity method represented an asset of €1,460 million in VINCI's consolidated financial statements, which should be compared with a stock market value of €2,512 million.

Formation of VINCI Immobilier

Reorganisation of VINCI's property business led to the creation of the VINCI Immobilier business line, which combines the property development operations of the subsidiaries Sorif and Elige. The legal merger of the two entities took place on 31 August 2005, with effect as of 1 January 2005.

Share buy-back policy

During the first half of 2005, VINCI purchased 6,299,788 of its own shares at an average price of €58.7 per share. Taking account of the disposal of 1,232,338 shares following exercise of purchase options during the half year, and the cancellation of 2,500,000 shares, at 30 June 2005 VINCI held 7,286,156 of its own shares (representing 4.2% of the share capital at that date), of which 4,775,788 were available for cancellation, the remaining 2,510,368 shares being allocated to cover purchase options remaining to be exercised.

Change in the maturity date of Oceane 2002/2018 bonds

The maturity date of Oceane 2018 bonds, which was initially set at 2006 based on the market conditions prevailing at the time of issue, was changed to 2018.
The change in market conditions (an increase in VINCI's share price of over 40%) over the six-month period made it highly unlikely that bondholders would exercise the put options attached to the contracts.
This change in assumption resulted in the recognition for the first half of 2005 of pre-tax income of €25.6 million (€16.5 million after tax), taking the interest rate applied to the Oceane bond to 4.5%, against 6.1% initially.
Discussions are currently underway within the accounting regulation bodies as to the accounting treatment under IFRS of the investor put options on Oceane bonds. The discussions are likely to result in changes to the accounting treatment applicable.

B. SEASONALITY OF BUSINESS

For most of the Group's business lines, and particularly in the road-works business, the first half of the year is generally marked by lower business volumes than in the second half of the year, due to less favourable weather conditions.

The levels of revenue and profit generated for the first half of the year therefore cannot be extrapolated to the full year.

The seasonal nature of business is also reflected in a net use of cash over the first half of the year, due to the low level of cash receipts during this period and the pattern of free cash flows, most of which are generated during the second half of the year.

No correcting adjustments have been made to take account of the impact of seasonal factors on the financial statements for the first half year.

Group income and expenses from ordinary activities 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. They are neither accrued nor deferred in the interim financial statements.

Income and expenses invoiced on an annual basis (e.g. patent fees, licence fees) are accounted for pro-rata on an accruals basis.

Liabilities arising in the first half of the year, including those expected to be extinguished in the second half of the year, are provided for at the end of the period. In particular, in the case of loss-making contracts, known losses on completion are provided for in full at 30 June.

C. ACCOUNTING POLICIES AND VALUATION METHODS

1. General principles

In accordance with the AMF's General Regulation, listed companies have a choice, when publishing their interim financial reports in 2005, between adopting IAS 34 completely and producing consolidated interim financial statements prepared under French GAAP in accordance with CNC Recommendation 99-01 on interim financial statements but prepared on the basis of the IFRS recognition and measurement rules.

VINCI has chosen to produce its consolidated financial statements applying the recognition and measurement rules of the International Financial Reporting Standards adopted by the European Union and in accordance with the presentation and disclosure rules applicable in France. In consequence, the Notes do not include all the information required by the IFRSs, which will be provided in the financial statements for the period ended 31 December 2005.

The interim financial statements at 30 June 2005, and the comparative information for 2004 provided in this document have been prepared applying the IFRS standards and interpretations as they will be applicable for the preparation of the consolidated financial statements at 31 December 2005. The basis of the preparation of the financial information described in the following notes therefore results from:

- the IFRS standards and interpretations that will be compulsory at 31 December 2005 as known today (existing standards and interpretations adopted by the European Union),

- the elections made and the exemptions used, which are those that the Group will use to prepare its first IFRS consolidated financial statements in 2005. However, these elections are not final and could be changed between now and 31 December 2005.

Furthermore, certain technical questions and projects currently under discussion at both the IASB and the IFRIC, and which could be applicable when the 2005 consolidated financial statements are prepared, have not been taken into account at this stage.

In consequence, when VINCI publishes its annual IFRS financial statements at 31 December 2005, it may have to adjust its opening balance sheet and its comparative figures in order, in particular, to apply the rules relating to concessions (see § C.1.2 – Accounting for concession contracts) and any new interpretations of the standards that may be applicable.

1.1. First-time application of IFRS, methods applied

The 2004 IFRS Financial Information, provided for comparative purposes, has been prepared in accordance with the provisions of IFRS 1 *First-time Adoption of International Financial Reporting Standards* following the IFRSs applicable at 1 January 2004, as they will be adopted for the preparation of the consolidated financial statements at 31 December 2005. In particular, the 2004 IFRS data has been prepared taking account of IAS 39 *Financial Instruments: Recognition and Measurement* and IAS 32 *Financial Instruments: Disclosure and Presentation*. VINCI has opted for application of these two standards as from 1 January 2004 in order to ensure better comparability between the accounts for 2004 and 2005. Note that the provisions of IAS 39 that were rejected by the European Commission are not applicable within the Group.

1.1.1 General principle

The Group has applied the accounting policies in force at the balance sheet date of the first IFRS financial statements (31 December 2005) retrospectively to its opening balance sheet at 1 January 2004, as if these standards had always been applied.

1.1.2 Elections made by VINCI

IFRS 1 makes specific provisions for the retrospective restatement under IFRS of assets and liabilities in accordance with the IFRSs. VINCI has made the following elections:

Retirement obligations: the actuarial gains and losses existing at 1 January 2004 are recorded under provisions for retirement obligations with a corresponding reduction of equity. Actuarial gains and losses arising after 1 January 2004 are recognised prospectively.

Translation differences related to a foreign entity: translation differences existing at 1 January 2004 are no longer recognised as a separate component of equity and will not be reversed subsequently in profit or loss should the foreign entities in question cease to be consolidated.

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 plans granted since 7 November 2002 for which rights had not yet vested at 1 January 2005.

1.2. Accounting for concession contracts

Uncertainties remain regarding the treatment under IFRS of concession contracts, which is the subject of draft interpretations currently being studied by the IFRIC (see Note C 4.1).

Pending entry into force of these interpretations, planned for 2006 with the possibility of early adoption, VINCI has retained the accounting policies that it applied at 31 December 2004 under the French GAAP rules in force, for the preparation of its IFRS consolidated financial statements for 2004 and at 30 June 2005, with respect to:
– the method of depreciating the assets made available to the operator under the concession;
– provisions for asset renewal and major repairs;
– the depreciation of renewable assets made over to the concession grantor free of charge at the end of the contract.

Application of the interpretations currently being studied may significantly alter the data relating to 2004 and 2005 presented below. In consequence, it is possible that the opening balance sheet at 1 January 2004 from which the 2005 consolidated financial statements are prepared will be markedly different from the opening balance sheet used in this publication.

2. Consolidation methods

Consolidation scope

Companies over which the Group exercises majority control directly or indirectly are fully consolidated. Companies that are less than 50% owned but in which VINCI exercises control in substance – 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, in which VINCI holds 45.38% of the shares and governs the financial and operating policies.
Those over which the Group exercises significant influence are accounted for using the equity method.
Proportionate consolidation is used for jointly controlled entities, regardless of the percentage of ownership.
This relates in particular to Consortium Stade de France, of which VINCI holds 66.67%, which is therefore proportionately consolidated by virtue of an agreement providing for unanimous consent of the parties sharing the control for any decisions relating to financial and operational policy.
The consolidated financial statements include the financial statements of all companies with revenue greater than €2 million, and of subsidiaries whose revenue is below this figure but whose impact on VINCI's financial statements is material.
Joint venture partnerships created for specific construction projects and that manage revenue of over €45 million (on a 100% basis) are consolidated proportionately.
The other joint venture partnerships are consolidated by recording VINCI's share of revenue and expenses in the income statement, but the full current accounts of joint venturers in the balance sheet.

	30 June 2005			**31 December 2004**		
	Total	France	Foreign	**Total**	France	Foreign
Fully consolidated	**1,364**	916	448	**1,347**	913	434
Proportionate consolidation	**281**	132	149	**291**	139	152
Equity accounted	**36**	16	20	**38**	18	20
	1,681	**1,064**	**617**	**1,676**	**1,070**	**606**

Use of estimates

In accordance with the IFRS conceptual framework, the preparation of the financial statements requires estimates to be used and assumptions to be made that affect the amounts shown in these financial statements, in particular as regards the following items:

- provisions
- budgets to completion of projects
- valuations adopted for impairment tests.

Translation of the financial statements of foreign companies and establishments (IAS 21)

In most cases, the functional currency of foreign subsidiaries and establishments is their local currency.
The financial statements of foreign entities presented in a currency other than that used in preparing the Group's consolidated financial statements are translated using the closing rate method. Balance sheet items are translated at the exchange rate at the balance sheet date and income statement items are translated at the average rate for the period. Any resulting translation differences are recognised under translation differences in consolidated reserves.
Goodwill relating to foreign entities is considered as comprising part of the assets and liabilities acquired and is therefore translated at the exchange rate in force at the balance sheet date.

Transactions in foreign currency (IAS 21 - IAS 39)

Transactions in foreign currencies are translated into euros at the exchange rate at the transaction date. In preparing the balance sheet, trade payables and receivables expressed in foreign currency are translated at the exchange rate at the balance sheet date. Any resulting exchange gains and losses are recognised in the income statement in the period.

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 in equity under translation differences.

3. Measurement rules and methods

3.1. Measurement rules and methods applied by VINCI

Revenue (IAS 18)

Consolidated revenue is the total revenue from work, goods and services provided by the consolidated subsidiaries in their main line of business, including work carried out by the Group on behalf of concession grantors on concession infrastructure assets shown in the Group's balance sheet.

The total includes the revenue, after elimination of intercompany transactions, of:

- fully consolidated companies;
- jointly controlled companies, which are consolidated proportionately, on the basis of VINCI's share in the company; and
- joint venture partnerships, based on VINCI's share in the company.

In the concessions sector, revenue comprises tolls for the use of motorways and infrastructures operated under concessions, revenue booked by car parks and airport concessions, and ancillary income such as fees for the use of commercial installations, rental of telecommunication infrastructure and advertising space.

Recognition of revenue in respect of construction contracts is explained in the note "Construction contracts (IAS 11)" below.

In the property sector, revenue from properties sold is recognised on the basis of the progress of the property development operation using the incurred costs method (land, cost of work, etc).

Other operating income (IAS 18)

Other operating income comprises rental income, sales of equipment, materials and merchandise, study work and fees other than those generated by concession operators.

Construction contracts (IAS 11)

The Group recognises income and expenses relating to construction contracts using the stage of completion method defined in 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 costs.
For construction projects in which VINCI's share is less than €10 million, it is considered that the profit or loss recognised on the basis of work completed is in line with that determined on a stage of completion basis, other than in exceptional cases.

If the estimate of the final outcome of a contract indicates a loss, regardless of the stage of completion, a provision is made for the loss on completion based on the most probable estimates of income, including, where applicable, rights to additional revenue or claims, based on a reasonable assessment. Provisions for losses on completion are shown under liabilities.
Part payments received under construction contracts before the corresponding work has been carried out are recognised under liabilities under advances and payments on account received.

Share-based payments (IFRS 2)

The measurement and recognition methods for share subscription and purchase plans and the *Plans d'Epargne Groupe* – Group Savings Plans – are defined by IFRS 2 *Share-based Payment*. The granting of share options and offers to subscribe to the group savings plan represents a benefit granted to their beneficiaries and therefore constitutes supplementary remuneration borne by VINCI. Because such transactions do not give rise to monetary transactions, the benefits granted in this way are recognised as expenses in the period in which the rights are acquired with a corresponding increase in equity. Benefits are measured on the basis of the fair value of the equity instruments granted.

- <u>Share subscription plans</u>

Options to subscribe to shares are granted to Group employees and officers. The fair value of the options granted is determined at the grant date using a binomial valuation model, of the "Monte Carlo" type, adjusting for the probability of the vesting conditions of the rights to exercise the option not being met.

- <u>Group Savings Plan</u>

Under the Group Savings Plan, the Group issues new shares three times a year reserved for its employees with a subscription price that includes a discount against the average stock market price of the VINCI share during the last 20 business days preceding the authorisation by the Board of Directors. This discount is considered as a benefit granted to the employees; its fair value is determined using a binomial valuation model, of the "Monte Carlo" type, at the date on which the Board of Directors sets the subscription price. As certain restrictions apply to the shares acquired by the employees under these plans regarding their sale or transfer, the fair value of the benefit to the employee takes account of the fact that the shares acquired cannot freely be disposed of for five years.

Capitalised borrowing costs (IAS 23)

Capitalised borrowing costs are interest charges capitalised during the construction of assets. They are deducted from financial expenses, are included in the cost of construction until the date of entry into service of the asset and as such are recognised as assets. Borrowing costs included in the cost of fixed assets 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;
- if funds are borrowed to finance the construction of several assets, the amount of borrowing costs eligible for inclusion in the cost of the asset is determined by applying a capitalisation rate to the construction costs. This capitalisation rate is the weighted average of the borrowing costs during the period, excluding the costs of any borrowing contracted specifically in connection with the construction of specific assets.

Deferred tax (IAS 12)

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. Under the liability method, deferred tax is calculated using the tax rate expected for the period in which the asset will be recovered or the liability settled. The effects of a change in the tax rate from one period to another are recognised in the income statement of the period in which the change is noted.

Deferred tax relating to items recognised directly under equity is also recognised under equity.
With respect to temporary differences relating to investments in subsidiaries that are equity accounted or proportionately consolidated, a deferred tax liability is recognised unless:
- the group can control the date at which the temporary difference will reverse; or
- the temporary difference will not reverse in the foreseeable future.

Deferred tax assets resulting from temporary differences, tax loss carryforwards and tax credits are restricted to the estimated amount of tax recoverable.
This amount is assessed at the year end, based on the projected earnings of the tax entities in question. Deferred tax assets and liabilities are not discounted.

Earnings per share (IAS 33)

Undiluted earnings per share corresponds to the net profit for the period after minority interest, divided by the weighted average number of shares outstanding during the period less own 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 that could increase the number of shares outstanding, such as the convertible bonds or share purchase subscription options.

Intangible assets (IAS 38)

Identifiable and separable intangible fixed assets controlled by the Group are recognised under assets. They are amortised on a straight-line basis over their useful life.
Purchased intangible fixed assets are recorded in the balance sheet at acquisition cost.
These mainly comprise operating rights, quarrying rights (of finite duration) and computer software.

Goodwill (IFRS 3)

Goodwill is the excess of the cost of acquisition of the shares in a company over the acquirer's interest in the fair value of the assets, liabilities and contingent liabilities of that company as at the date of acquisition, recognised at the acquisition date.

Goodwill relating to controlled entities is recorded under goodwill in the consolidated balance sheet.
Goodwill relating to entities accounted for using the equity method is reported under "investments in associates".
Negative goodwill is recognised directly in profit or loss in the year of acquisition.
Goodwill is not amortised but is tested for impairment at least annually and whenever there is an indication that it may be impaired.
Whenever goodwill is impaired, the difference between its carrying amount and its recoverable value is recorded in the income statement under operating profit or loss.

Concession fixed assets

The accounting treatment of concession contracts is not yet covered by the IFRSs (see Notes C 1.2 and C 4.1). Pending entry into application of the interpretations that will be proposed by the IFRIC, VINCI has retained the accounting policies that it has applied until now under French GAAP, which are described below, in preparing its IFRS consolidated financial statements for 2004 and at 30 June 2005.

The value of assets held under concessions and the associated operating rights are recorded on a separate line under balance sheet assets. They are depreciated over the period from the date of entry into service until the end of the contract.

The depreciation method employed depends on the specific characteristics of each individual concession. Depreciation is usually on a straight-line basis for concessions that have reached sufficient maturity but progressive depreciation methods may be used in their early stages.
Supplementary depreciation charges are made in respect of renewable assets that are returned for no consideration to the concession grantor, in order to bring their residual value to zero at the end of the contract.

Grants related to assets (IAS 20)

Grants related to assets are presented in the balance sheet as a reduction of the amount of the asset for which they were received.

Property, plant and equipment (IAS 16)

Items of property, plant and equipment are recorded at their acquisition or production cost less cumulative depreciation and any impairment losses recognised. They are not revalued.
Depreciation is generally calculated on a straight-line basis over the period of use of the asset; the accelerated depreciation method may however be used when it appears more appropriate to the conditions under which the asset is used. For certain complex assets, in particular buildings, each component of the asset is recognised separately and depreciated over its own period of use.

The main periods of use of the various categories of items of property, plant and equipment are as follows:

Buildings	
- structure	between 20 and 40 years
- general technical installations	between 5 and 20 years
Site equipment and technical installations	between 3 and 12 years
Vehicles	between 3 and 5 years
Fixtures and Furnishings	between 8 and 10 years
Office furniture and equipment	between 3 and 10 years

Depreciation commences as from the date of entry into service of the asset.

Finance leases (IAS 17)

Assets acquired under finance leases are recognised as fixed assets whenever the effect of the lease is to transfer to the Group substantially all the risks and rewards incidental to ownership of these assets.
Assets held under finance leases are depreciated over their period of use. Leases that do not meet the definition of a finance lease are recognised as operating leases and only the rental payments are accounted for as expenses during the full period of the contract.

Investment property (IAS 40)

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 recognized, in the same way as items of property, plant and equipment.

Impairment of non-financial fixed assets (IAS 36)

Under certain circumstances, impairment tests must be performed on intangible and tangible fixed assets. For assets with an indefinite useful life, which is the case for goodwill, a test is performed at least annually and whenever there is an indication of a loss of value. For other fixed assets, a test is performed only when there is an indication of a loss of value.

Assets to be tested for impairment are grouped within cash-generating units that correspond to homogeneous groups of assets that generate identifiable cash flows from their use. Whenever the recoverable value of a cash-generating unit is less than its carrying amount, an impairment loss is recognised in operating profit or loss. The recoverable amount of a cash-generating unit is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit. The discount rate is determined for each cash-generating unit, taking account of its geographical location and the risk profile of its business.

Investments in associates (IAS 28)

Investments in associates accounted for using the equity method are initially recognised at cost of acquisition, including any goodwill arising. Their carrying amount is then increased or decreased to recognise the Group's share of the associate's profits or losses after the date of acquisition. Whenever losses are greater than the value of the Group's net investment in the equity-accounted entity, these losses are not recognised unless the Group has entered into a recapitalisation commitment to has made payments on behalf of the entity.
If there is an indication of a loss of value, the recoverable value of equity-accounted investments in associates is tested as described in the note above on impairment of non-financial assets.

Other non-current financial assets (IAS 32 - 39)

This category includes receivables connected to investments in subsidiaries and associates, collateralised loans and receivables, other loans and receivables and available-for-sale assets (mainly comprising shares in subsidiaries and associates).

In accordance with IAS 39 *Financial Instruments: Recognition and Measurement*, shares in unconsolidated subsidiaries and associates are considered, by their nature, to be available-for-sale assets and are therefore recognised at their fair value. If the share is quoted, the fair value is its stock market price. If the fair value cannot be reliably determined, shares are recognised at cost. Changes in fair value are recognised directly under equity in a specific account. In the event of an objective indication that the asset is impaired, an irreversible impairment loss is recognised in profit or loss. This loss can only be reversed in profit or loss when the shares in question are disposed of.

Loans are recognised at their amortised cost and an impairment loss is booked if there is an objective indication of loss of value. The impairment loss corresponding to the difference between the carrying amount and the recoverable amount is recognised in profit or loss. It may be reversed if the recoverable amount changes favourably in the future.

Inventories (IAS 2)

Inventories 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 historical cost and net realisable value.

Trade and other operating receivables

Trade and other operating receivables are valued at their nominal value, discounted if appropriate, less impairment losses taking account of any risk of non recovery.

Current financial assets (IAS 32 - 39)

This category is the part at less than one year of the loans and receivables shown under other non-current financial assets.

Cash management financial assets (IAS 32 - 39)

This comprises cash investments, units in treasury UCITS and negotiable debt securities that can be borrowed against or disposed of at any time. They are measured at their market price. Changes in the fair value of these assets are recognised in profit or loss.

Cash

This item comprises bank current accounts only.

Own (treasury) shares (IAS 32 - 39)

Own 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 own shares are recognised directly in equity with no effect on profit or loss.

Retirement and other employee benefit obligations (IAS 19)

- Provisions for retirement benefit obligations

Provisions are taken in the balance sheet in respect of obligations under defined benefit retirement plans for employees in service and for retired employees. They are determined using the projected unit credit method on the basis of assessments made at each balance sheet date. The actuarial assumptions used to determine the obligations vary depending on the economic conditions of the country where the plan is operated.

For defined benefit plans financed under external management arrangements (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 unrecognised past service cost. 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, the past service cost is recognised immediately in the income statement. Conversely, whenever adoption of a new 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 mainly from changes in actuarial assumptions and from experience adjustments (the effects of differences between the actuarial assumptions adopted and what has actually occurred).
Actuarial gains and losses of more than 10% of whichever is higher of the present value of the Group's obligation in respect of defined benefits and the fair value of the plan's assets, are recognised on a straight-line basis over the averaging remaining working life of the employees who are plan members.

For defined benefit plans, the expense recognised under operating profit or loss comprises the current service cost, the amortisation of the 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 (change in the present value of the obligation which arises because the benefits are one period closer to settlement) and the expected yield on plan assets are recognised under financial income and expense.

Commitments relating to lump-sum payments on retirement for manual construction workers, which are met by contributions to an outside insurance scheme, are recognised as an expense as and when contributions are payable.

- Provisions for other employee benefits

This relates mainly to long-service bonuses in the French subsidiaries, and to the payment of medical expenses in certain subsidiaries, for which a provision is taken. This provision is measured using the actuarial forecasting method (the projected unit credit method).

The part at less than one year of provisions for retirement obligations and for other employee benefits is shown under current liabilities.

Provisions (IAS 37 and IAS 11)

Provisions are liabilities of which the timing or amount cannot be accurately assessed. They are measured at the present value of the best estimate of the consumption of resources required to settle the obligation.

Pending publication of the IFRIC interpretations, the provisions for major repairs and renewal relating to concession contracts have been maintained. These are calculated at the end of each year based on a works plan covering several years and are revised annually to take into account changes in costs and in spending plans.

- Current provisions

Current provisions are provisions directly linked to each business line's own operating cycle, whatever the expected time of reversal.

Provisions for after-sales service cover the commitments of Group entities under statutory warranties relating to completed projects, in particular ten-year warranties on building projects in France. They are estimated statistically on the basis of expenses incurred in previous years or individually on the basis of specifically identified defects.
Provisions for losses on completion on contracts and construction project liabilities are made mainly when end-of-contract projections, based on the most likely estimated outcome, indicate a loss, and when work needs to be carried out in respect of completed projects under completion warranties.

Provisions for disputes connected with operations mainly relate to disputes with customers, sub-contractors, joint contractors or suppliers.
Restructuring provisions include the cost of plans and measures for which there is a commitment whenever these have been announced before the year end.

Provisions for other current liabilities mainly comprise provisions for late delivery penalties, for individual dismissals and for other risks related to operations.

- Non-current provisions

Non-current provisions are provisions not directly linked to the operating cycle and that are generally likely to reverse in more than one year. In particular, they include provisions for disputes.

That part of non-current provisions that matures within less than one year is shown under current provisions.

Current and non-current borrowing (IAS 32 - 39)

Borrowing comprises bond and other loans, measured and recognised at amortised cost using the effective interest method. Under this method, the redemption premiums and issuance costs, initially taken as a deduction from the nominal amount of the liability, are included in the amount of the debt. Under this method, the interest expense is recognised actuarially.

This heading also includes the debt component of the OCEANE bonds. An OCEANE is a hybrid instrument comprising a debt for the issuer and an option, granted to the bearer, to convert this debt into an equity instrument of the issuer.

In accordance with IAS 32, when the nominal amount of the hybrid instrument is apportioned between its debt component and its equity component, the equity component is defined as the difference between the nominal value of the issue and the debt component. The debt component is calculated as being the fair value of debt with similar characteristics but without a conversion option. The amount recorded under equity corresponding to the conversion option is not revalued during the period of the loan. The debt component is valued using the amortised cost method over the estimated length of the loan.

The part at less than one year of borrowings is included in current borrowings.

Fair value of derivative financial instruments (assets and liabilities) (IAS 32 - 39)

The Group uses derivative instruments to hedge its exposure to market risks (interest rates, exchange rates, equity prices). IAS 39 requires that all derivative instruments be shown in the balance sheet at their fair value. If an instrument is not considered to be a hedge, changes in fair value must be recognised in profit or loss. Whenever the derivative instrument is considered to be a hedge, its recognition as a hedging instrument enables fluctuations in the derivative's value not to affect profit or loss.

Derivative instruments may be designated as hedging instruments in three cases: when the instrument is a fair value hedge, a cash flow hedge, or a hedge of a net investment in a foreign operation:

- a fair value hedge allows the exposure to changes in fair value of a recognised asset or liability or an unrecognised firm commitment, attributable to changes in financial variables (interest rate, exchange rate, equity prices, raw material prices, etc.) to be hedged;

- a cash flow hedge allows exposure to variability in cash flows associated with a recognised asset or liability or a highly probable forecast transaction to be hedged;

- a hedge of a net investment in a foreign operation denominated in foreign currency hedges the foreign exchange risk relating to the net investment in a consolidated foreign subsidiary.

Most interest rate and exchange rate derivatives used by VINCI may be considered as hedging instruments. Recognition as a hedging instrument is applicable if:

- the hedging relationship is clearly defined and documented at the date when it is set up;

- the effectiveness of the hedging relationship is demonstrated from the outset, and regularly while it is in place.

Hedge accounting in these cases has the following consequences, the derivative instrument always being measured in the balance sheet at its fair value:

- for hedges of the fair value of existing assets and liabilities, the change in the fair value of the fair value of the derivative is recognised in profit or loss. This change is offset in profit or loss by the revaluation in the balance sheet of the hedged item. Any difference between the two changes in value represents the ineffectiveness of the hedge.

- for cash flow hedges, the effective part of the change in the fair value of the hedging instrument is recorded directly in equity in a specific reserve account and the change in value of the part considered as ineffective is recognised in profit or loss. The amounts recorded in a reserve account are reversed through profit or loss as and when the hedged cash flows are recognised.

- for hedges of a net investment in a foreign operation, the effective portion of the changes in the value of the derivative instrument is recorded in equity under translation reserves, the ineffective portion of the changes in value is recognised in profit or loss. The gain or loss on the derivative recognised under translation reserves must be recognised in the income statement when the foreign entity in which the initial investment was made is disposed of.

Off balance sheet commitments

VINCI has defined and implemented a reporting procedure to list its off balance sheet commitments and identify their nature and purpose. This procedure provides for the submission by the consolidated subsidiaries as part of the consolidation procedures, of information relating to the following commitments given:

- Commitments given (other than in connection with operating leases and commitments to make purchases or undertake capital expenditure) including:
  - personal sureties (securities, guarantees and other);
  - collateral security (mortgages, pledges and other securities);
  - joint and several guarantees covering unconsolidated partnerships;
  - other commitments.

- Commitments given in connection with operating leases and commitments to make purchases or undertake capital expenditure.

3.2. Specific measurement rules and methods applied by VINCI in preparing the interim financial statements

Measurement of the tax expense

The tax expense for the first half year is determined by applying the estimated average tax rate of the Group as a whole for 2005 to the pre-tax profit. This rate is adjusted if necessary for the tax effects of exceptional items recognised in the period.

Retirement benefit obligations

No actuarial calculations are carried out in preparing the half-year financial report. The retirement expense for the six months is equal to half the forecast net expense for the 2005 financial year.

4. Texts or draft IFRSs in progress that could be applicable as from 2005

4.1. Draft interpretations relating to concession contracts

In March 2005, the IFRIC published three draft interpretations relating to the accounting treatment of concession contracts (drafts D12, D13, D14 under discussion):

• the first draft defines the application scope of concession contracts and the criteria for determining the accounting model to apply. The application scope covers public service concession contracts, in which the concession grantor is considered to exercise control over the assets operated. At present, the only criteria adopted for determining the nature of the assets to be recognised in the balance sheet and the resulting accounting treatment is the method of remunerating the concession operator.

• the other two drafts deal with the two accounting models proposed:

- the *intangible asset model*: the asset under concession is recognised as an intangible asset whenever the concession operator is paid directly by the users.
This asset is considered as being a right to receive tolls, granted to the concession operator in consideration for financing and constructing the infrastructure. This treatment would apply to most infrastructure concessions that are today managed by VINCI, in particular Cofiroute's motorway network, the A19, the Rion-Antirion bridge in Greece, and most of the parking facilities managed under concessions by VINCI Park;

- the *financial asset model*: the asset under concession would be recognised as an amortisable interest-bearing financial receivable whenever the concession operator is remunerated directly by the concession grantor and not by users. The amount of the financial receivable in the balance sheet would correspond to the present value of the receipts to be received from the concession grantor. This model would apply to partnership contracts of the "PPP" type ("PFI" in the UK), and to certain infrastructure concessions for which the Group is remunerated by the concession grantor under either an "availability scheme" (such as the Newport bypass for which part of the remuneration depends on availability of the asset), or a "shadow toll" (e.g. the "*A Modell*" in Germany), under which the remuneration received by the operator is set on the basis of the level of traffic but is paid by the concession grantor.

4.2. Amendment to IAS 19 Employee Benefits

The amendment to IAS 19, relating to actuarial gains and losses, is applicable as from 1 January 2006, and earlier application is encouraged. The Group has not yet decided which option it will adopt, in particular as regards the possibility of recognising all actuarial gains and losses directly in profit or loss and as regards the date of application.

4. 3. IFRIC 4 (Determining whether an Arrangement contains a Lease)

At this stage, the Group has not decided to adopt IFRIC 4 *Determining whether an Arrangement contains a Lease* early. Application of this interpretation is compulsory for financial years commencing on or after 1 January 2006 but it may be adopted earlier. The points of divergence in respect of accounting policies connected with application of IFRIC 4 and their impact on VINCI are being assessed.

D. RECONCILIATION OF THE INCOME STATEMENT AT 30 JUNE 2004 (FRENCH GAAP AGAINST IFRS)

The tables below show the reconciliation of the income statement at 30 June 2004 prepared under French GAAP and IFRS, distinguishing on the one hand restatements that affect net profit (and/or a corresponding entry under equity) and on the other, reclassifications that are solely changes in presentation within a statement, with no effect on net profit.
The reconciliations of the financial statements at 31 December 2004 (income statement, balance sheet and cash flow statement) were presented in the update of the registration document D.05-0.310-A01 dated 28 July 2005.

1. Reconciliation of the 30 June 2004 income statement (French GAAP against IFRS)

(in millions of euros)

French GAAP		*Notes*	**IFRS**		*Notes*
Net sales	**9,086**		**Revenue**	**9,086**	
Other revenue	365		Other operating income	150	
Operating expense	(8,665)				
Provisions (net)	(295)		Operating expenses	(8,715)	
Amortisation and depreciation	29				
Operating income	**520**	*1.1*			
			Operating profit from ordinary activities	**520**	*1.1*
			Share-based payment expense (IFRS 2)	(7)	
			Goodwill impairment expense	(5)	
			Non-recurring items		
			Operating profit	**508**	*1.1*
Financial expense	(75)		Cost of net borrowing	(117)	
Other financial income and expenses	18		Other financial income and expenses	142	
Net financial income / (expense)	**(57)**	*1.2*	**Net financial income / (expense)**	**25**	*1.2*
Net exceptional income / (expense)	**29**	*1.3*			
Income tax	(173)		Income tax expense	(193)	
Amortisation of goodwill	(25)	*1.4*			
Share in net earnings of companies accounted for by the equity method	3		Share of profit / (loss) of associates	2	
			Net profit for the period (including minority interest)	**342**	
Minority interest	(45)		Minority interest	(44)	
Net income	**252**	*1.5*	**Net profit attributable to equity holders of the parent**	**298**	*1.5*

1.1 Operating profit

The operating profit under IFRS amounts to €508 million. Details of the difference of €12 million with the operating income under French GAAP are given below:

(in millions of euros)	*Notes*	**30/06/2004**
Operating income under French GAAP		**520**
Restatements		
Non amortisation of actuarial gains and losses (allocated to opening balance sheet equity)	(a)	5
Cancellation of reversals of provisions for major repairs	(b)	(4)
Other		(5)
Total		***(4)***
Reclassifications		
Restructuring costs	(d)	(10)
Other exceptional operating income and expenses (excluding impairment losses)	(e)	4
Cost of discounting retirement obligations (reclassified to financial income / (expense))	(f)	10
Total		***4***
Operating profit from ordinary activities under IFRS		**520**
Restatements		
Effect of share-based payments (IFRS 2): share options	(c)	(7)
Total		***(7)***
Reclassifications		
Goodwill impairment expense (*)	(g)	(5)
Total		***(5)***
Operating profit under IFRS		**508**

(*) including amortisation of goodwill related to assets with finite useful life

Restatements

(a) As part of its first adoption of the IFRSs, VINCI has elected to allocate previously unrecognised actuarial gains and losses on retirement obligations under equity. These amount to – €132 million at 1 January 2004, reducing to – €127 million at 30 June 2004. The effect on net profit is therefore positive, amounting to €5 million, corresponding to the cancellation of expenses of amortisation of actuarial gains and losses.

(b) In accordance with IAS 37, provisions for major repairs (other than those relating to the Concessions division) have been cancelled with a corresponding entry under equity at 1 January 2004 under the IFRSs. These provisions were reversed in the first half of 2004 under operating income under French GAAP for €4 million and this reversal was cancelled out in the IFRS income statement.

(c) An expense of €7 million before tax is recognised in application of IFRS 2 on share-based payments and equivalent payments. This expense, and the corresponding increase of equity, relates to the options to subscribe to VINCI shares granted to the enterprise's managers since 7 November 2002 for the part of the rights remaining to be acquired by the beneficiaries at 1 January 2005.

Reclassifications

(d) Reclassification of the net restructuring costs recognised under exceptional income / (expense) under French GAAP.

(e) Reclassification of the other exceptional income and expense previously recognised under exceptional income / (expense) under French GAAP.

(f) Reclassification under financial income / (expense) of the cost of discounting provisions for retirement obligations previously recognised under operating income under French GAAP.

(g) Reclassification under operating profit of exceptional impairment loss expense of €3 million and amortisation of goodwill relating to assets with a finite useful life for €2 million.

1.2 Net financial income / (expense)

Net financial income / (expense) was income of €25 million under IFRS against an expense of €57 million under French GAAP. This difference is the result of the impact of the reclassification and restatements detailed in the table below:

(in millions of euros)			**30/06/2004**	
	Notes	**Cost of borrowing**	**Other financial income and expenses**	**Total**
Net financial income / (expense) under French GAAP		**(75)**	**18**	**(57)**
Restatements				
Effect of applying the amortised cost method to Océane bonds	*(a)*	(8)		(8)
Fair value of swap (ASF)	*(b)*		54	54
Other	*(c)*	1	10	11
Total		***(7)***	***64***	***57***
Reclassifications				
Capitalised borrowing costs	*(d)*	(35)	35	0
Cost of discounting retirement obligations	*(e)*		(10)	(10)
Exceptional income and expenses related to financial assets	*(f)*		35	35
Total		***(35)***	***60***	***25***
Net financial income / (expense) under IFRS		**(117)**	**142**	**25**

Restatements

(a) Under French GAAP, bond issuance costs and redemption premiums were amortised on a straight-line basis over the period of the loan. Provisions were taken at each balance sheet date in respect of the redemption premiums of the "Oceane" bonds issued by VINCI. Under IFRS, issuance costs and redemption premiums are amortised using the amortised cost method which consists in calculating the effective interest rate of the debt taking account of the issuance costs, redemption premiums and conversion options. This restatement results in the recognition of a supplementary expense of €8 million at 30 June 2004.

(b) Swap relating to 4.2% of the share capital of ASF unwound in the second half of 2004.

(c) This amount comprises mainly the fair value of the financial instruments (other than the swap referred to above).

Reclassifications

(d) The capitalised (intermediate) borrowing costs shown as a reduction of borrowing costs in the French GAAP published financial statements are now shown under other financial income and expenses.

(e) Reclassification of the cost of discounting provisions for retirement obligations recognised under operating income under French GAAP.

(f) Reclassification under financial income / (expense) of the reversal of the Toll Collect provision in Cofiroute's accounts for €35 million, recognised under exceptional income / (expense) under French GAAP.

1.3 Net exceptional income / (expense)

The net exceptional income / (expense) line shown in the French GAAP income statement no longer appears in the IFRS income statement, in accordance with IAS 1.

The following table shows the various reclassifications to operating profit and to financial income / (expense) under IFRS of income and expense items that were previously reported under net exceptional income / (expense), as explained in paragraphs 1.1. and 1.2.

(in millions of euros)	**30/06/2004**
Net exceptional income / (expense) under French GAAP	**29**
Restructuring costs	(10)
Other exceptional operating income and expense including gains and losses on disposals of intangible and tangible fixed assets	(13)
Net provision charge or reversal in the period	17
Reclassification under operating profit from ordinary activities under IFRS	**(6)**
Cost of closing operations	-
Reclassification under operating profit under IFRS	**(6)**
Reversal of "Toll Collect" provisions	35
Reclassification under financial income / (expense) under IFRS	**35**
Total reclassifications	**29**

1.4 Amortisation of goodwill

(in millions of euros)	**30/06/2004**
Amortisation of goodwill under French GAAP	**(25)**
Non-amortisation of goodwill under IFRS	21
Impairment loss and amortisation of goodwill maintained under IFRS (included in operating profit)	**(5)**
of which – net exceptional impairment loss after impairment tests	*(3)*
of which - amortisation related to assets of finite life	*(2)*

In application of IFRS 3 *Business Combinations*, goodwill is not amortised under IFRS (see Note C.3 Measurement rules and methods).

Net profit under IFRS is therefore €21 million greater at 30 June 2004. There remains an expense amounting to €5 million in the IFRS income statement corresponding to the amortisation of certain items of goodwill that were allocated to identified assets, such as rights to operate aggregate quarries or concession contracts, and which continue to be amortised under IFRS on the basis of the useful life of the underlying assets.

1. 5 Summary of impacts of restatements on net profit

The various restatements that affect the IFRS net profit presented in the previous paragraphs are summarised in the following table:

(in millions of euros)	*Notes*	**30/06/2004**
Net income under French GAAP		**252**
Non-amortisation of goodwill (IFRS 3)	(cf. 1.4)	21
Restatements of 2002 / 2003/ 2004 share option plans (IFRS 2)	(cf. 1.1)	(7)
Restatement applying the amortised cost to the 2007 and 2018 Oceane bonds (IAS 39, IAS 32)	(cf. 1.2)	(8)
Non-amortisation of actuarial gains and losses on retirement obligations (IAS 19)	(cf. 1.1)	5
Restatement of reversals of provisions for major repairs taken to equity at 1 January 2004 (IAS 37)	(cf. 1.1)	(4)
Fair value of swap (ASF)	(cf. 1.2)	54
Other restatements		4
Effect of tax on restatements		(20)
Effect of minority interest on restatements		1
Total of the IFRS restatements		***46***
Net profit attributable to equity holders of the parent under IFRS		**298**

E. SEGMENT INFORMATION

Based on the Group's internal organisation, the primary segment reporting format presents information by business line and the secondary reporting format by geographical zone.

The main activities by business line are as follows:

- Concessions and services: management under concessions, tenancy agreements or service provision agreements of motorways and major infrastructures such as bridges, tunnels, car parks, and airports, and provision of airport support services;
- Energy: electrical works and engineering, information and communications technology, climate engineering, insulation, fire protection;
- Roads: building of new roads, road maintenance, production of road-building materials and products, environmental work, demolition, and recycling;
- Construction: design and construction in the building, civil engineering, and hydraulic sectors, and multi-technical maintenance;
- Property: deal arrangement and property development activities.

Information by business line is based on the same accounting methods as those used in preparing aggregate financial statements.

Transactions between business lines are undertaken at market conditions.

1 . Revenue

1.1 Breakdown of revenue by business line

			Change 2005/2004			
	2005	2004	consolidation basis:		exchange rate basis	2004
(in millions of euros)	First half year	First half year	actual	comparable (*)	constant	Full year
Concessions and services	953.8	934.0	2.1%	2.5%	2.7%	1,943.1
Energy	1,666.7	1,596.1	4.4%	3.9%	4.4%	3,338.5
Roads	2,794.3	2,531.1	10.4%	8.0%	10.3%	5,755.2
Construction	4,563.5	3,955.5	15.4%	14.2%	15.0%	8,283.8
Property	201.8	171.0	18.0%	18.0%	18.0%	
Eliminations	(128.9)	(102.2)				199.6
Total	**10,051.1**	**9,085.6**	**10.6%**	**9.4%**	**10.5%**	**19,520.2**

(*) at constant consolidation scope and exchange rates

1.2 Breakdown of revenue by recipient country

(in millions of euros)	2005 First half year	%	2004 First half year	%	2004 Full year	%
France	**6,382.9**	**63.5%**	**5,681.9**	**62.5%**	**12,117.6**	**62.1%**
United Kingdom	851.7	8.5%	745.5	**8.2%**	1,531.7	**7.8%**
Germany	661.7	6.6%	721.5	**7.9%**	1,635.1	**8.4%**
Central and Eastern Europe	607.7	6.0%	376.7	**4.1%**	1,095.8	**5.6%**
Belgium	313.1	3.1%	318.1	**3.5%**	624.9	**3.2%**
Spain	148.7	1.5%	147.5	**1.6%**	313.8	**1.6%**
Other European countries	259.9	2.6%	282.5	**3.1%**	548.0	**2.8%**
Europe (*)	**9,225.7**	**91.8%**	**8,273.6**	**91.1%**	**17,866.9**	**91.5%**
of which European Union	*9,151.8*	*91.1%*	*8,213.9*	90.4%	*17,725.2*	90.8%
North America	328.6	3.3%	414.2	**4.6%**	830.7	**4.3%**
Rest of the world	496.8	4.9%	397.7	**4.4%**	822.6	**4.2%**
TOTAL	**10,051.1**	**100.0%**	**9,085.6**	**100.0%**	**19,520.2**	**100.0%**

(*) Includes the eurozone as follows: €7,662 million at 30 June 2005, €7,065 million at 30 June 2004, €15,057 million at 31 December 2004.

Revenue outside of France amounted to €3.7 billion in the first half of 2005, representing 36.5% of total activities, and was up 7.8% against the first half of 2004.

2. Other segment information by business line

The information below is presented for each business line as a unit before elimination at their level of sales to other business lines.

First half 2005

(in millions of euros)

30/06/2005	Concessions and services	Energy	Roads	Construction	Property	Holding companies	Eliminations	Total
Income statement								
Revenue invoiced to outside parties	953.8	1,666.7	2,794.3	4,563.5	201.8	0.00	(128.9)	**10,051.1**
Elimination of inter-segment transactions	(0.3)	(22.0)	(22.7)	(83.9)	(0.1)	0.00	128.9	
Total	953.5	1,644.7	2,771.6	4,479.6	201.7	0.00	0.0	**10,051.1**
Operating profit from ordinary activities	280.5	70.7	22.5	226.0	9.8	20.0		**629.4**
% of sales	*29.4%*	*4.2%*	*0.8%*	*5.0%*	*4.8%*	*ns*		***6.3%***
Operating profit	280.5	70.6	22.3	225.6	9.8	(6.4)		**602.4**
% of sales	*29.4%*	*4.2%*	*0.8%*	*4.9%*	*4.8%*	*ns*		***6.0%***
Share of profit / (loss) of associates	30.3		0.9	1.7		(0.2)		**32.7**
Net profit	142.6	40.7	13.1	152.8	5.6	1.3		**356.0**
% of sales	*14.9%*	*2.4%*	*0.5%*	*3.3%*		*ns*		***3.5%***
Cash flow statement								
Cash flows (used in) / from operations before tax and financing costs and changes in WCR and current provisions	398.4	90.6	92.3	325.9	9.6	1.7		918.4
Changes in working capital requirement and current provisions	0.2	(69.5)	(252.5)	(18.2)	(7.6)	(3.0)		(350.6)
Investments	(386.8)	(51.3)	(129.9)	(150.0)	(0.3)	(7.9)		(726.3)
purchases of operating property, plant and equipment and intangible assets	*(26.3)*	*(25.5)*	*(76.8)*	*(144.1)*	*(0.3)*	*(7.9)*		*(280.9)*
purchases of concession fixed assets (net of grants received)	*(357.0)*			*0.4*		*0.0*		*(356.7)*
purchases of financial assets	*(3.5)*	*(25.8)*	*(53.1)*	*(6.3)*		*0.0*		*(88.7)*
Free cash flow (*)	231.5	(39.0)	(287.3)	109.6	(8.6)	(30.3)		**(24.0)**
Balance sheet								
Assets, equity and liabilities by segment								
of which:								
Intangible and tangible fixed assets (net)	338.6	230.1	727.8	791.5	2.2	91.8		**2,182.0**
Goodwill (net)	452.0	141.9	77.6	98.6	0.2	37.6		**807.8**
Concession fixed assets	5,330.3			9.2		(0.0)		**5,339.5**
Investments in associates	1,508.9		13.9	10.5		0.0		**1,533.2**
Working capital requirement	(186.2)	(256.3)	(287.6)	(1,613.9)	112.0	(259.8)		**(2,491.9)**
Equity including minority interest	3,455.5	374.3	714.2	822.4	69.0	(1,719.1)		**3,716.3**
Net financial (debt) / surplus	(3,842.9)	366.9	276.3	1,559.5	(50.3)	(1,425.3)		**(3,115.8)**

(*) Net cash flows (used in) / from operating activities less net operating investments

2004 (12 months)

(en millions d'euros)	Concessions and services	Energy	Roads	Construction	Property	Holding companies	Eliminations	Total
31/12/2004								
Income statement								
Revenue invoiced to outside parties	1,943.1	3,338.5	5,755.2	8,283.8	427.8	0.0	(228.1)	**19,520.2**
Elimination of inter-segment transactions	(0.6)	(47.4)	(45.6)	(134.5)	(0.0)	0.0	228.1	
Total	1,942.4	3,291.2	5,709.6	8,149.3	427.8	0.0	0.0	**19,520.2**
Operating profit from ordinary activities	580.0	164.2	217.5	322.9	27.0	(11.5)		**1,300.1**
% of sales	*29.8%*	*4.9%*	*3.8%*	*3.9%*	*6.3%*	*ns*		***6.7%***
Operating profit	555.7	155.0	211.4	311.2	24.7	(49.8)		**1,208.2**
% of sales	*28.6%*	*4.6%*	*3.7%*	*3.8%*	*5.8%*	*ns*		***6.2%***
Share of profit / (loss) of associates	9.8		3.0	1.7		(0.5)		**14.0**
Net profit	232.6	95.2	139.0	248.0	16.8	(0.1)		**731.6**
% of sales	*12.0%*	*2.9%*	*2.4%*	*3.0%*		*ns*		***3.7%***
Cash flow statement								
Cash flows (used in) / from operations before tax and financing costs and changes in WCR and current provisions	790.7	221.2	368.0	515.9	28.7	93.9		**2,018.5**
Changes in working capital requirement and current provisions	(26.5)	(7.7)	154.5	276.0	(22.3)	47.1		**421.2**
Investments	(1,004.0)	(102.7)	(202.7)	(257.4)	(0.3)	(29.1)		**(1,596.2)**
purchases of operating property, plant and equipment and intangible assets	*(79.8)*	*(62.0)*	*(186.6)*	*(229.5)*	*(0.3)*	*(29.1)*		***(587.3)***
purchases of concession fixed assets (net of grants received)	*(567.0)*					*0.0*		***(566.9)***
purchases of financial assets	*(357.2)*	*(40.6)*	*(16.1)*	*(27.9)*		*(0.1)*		***(442.0)***
Free cash flow (*)	308.9	105.1	311.9	524.0	(5.3)	123.1		**1,367.7**
Balance sheet								
Assets, equity and liabilities by segment								
of which:								
Intangible and tangible fixed assets (net)	333.1	240.1	709.8	756.1	2.2	89.5		**2,130.6**
Goodwill (net)	447.8	131.4	67.3	92.1	0.0	38.3		**776.9**
Concession fixed assets	5,019.6			4.5		0.0		**5,024.1**
Investments in associates	1,536.2		16.0	6.2		0.0		**1,558.5**
Working capital requirement	(222.6)	(359.0)	(602.0)	(1,637.0)	91.5	(225.6)		**(2,954.7)**
Equity including minority interest	3,343.4	332.4	734.9	706.3	68.5	(1,570.9)		**3,614.6**
Net financial (debt) / surplus	(3,685.2)	416.1	657.6	1,498.5	(30.8)	(1,289.2)		**(2,433.1)**

(*) Net cash flows (used in)/ from operating activities less net operating investments

First half 2004

(in millions of euros)	Concessions and services	Energy	Roads	Construction	Property	Holding companies	Eliminations	Total
30/06/2004								
Income statement								
Revenue invoiced to outside parties	934.0	1,596.1	2,531.1	3,955.5	171.0	0.0	(102.2)	**9,085.6**
Elimination of inter-segment transactions	(0.2)	(17.3)	(19.5)	(65.2)	(0.0)	0.0	102.2	
Total	933.8	1,578.8	2,511.6	3,890.4	171.0	0.0	0.0	9,085.6
Operating profit from ordinary activities	268.2	44.8	26.3	165.0	12.0	3.9		**520.2**
% of sales	*28.7%*	*2.8%*	*1.0%*	*4.2%*	*7.0%*	*ns*		***5.7%***
Operating profit	268.2	44.8	23.6	164.6	11.2	(4.2)		**508.3**
% of sales	*28.7%*	*2.8%*	*0.9%*	*4.2%*	*6.5%*	*ns*		*5.6%*
Share of profit / (loss) of associates	1.5		0.6	0.1		0.0		**2.2**
Net profit	124.0	20.7	12.2	116.1	7.7	17.4		**298.2**
% of sales	*13.3%*	*1.3%*	*0.5%*	*2.9%*	*4.5%*	*ns*		***3.3%***

3. Other segment information specific to the Concessions and services business line

First half 2005

(in millions of euros)

30/06/2005	Cofiroute	ASF	VINCI Park	Other concessions	Airport services	VINCI Concessions holding companies	Total
Income statement							
Revenue invoiced to outside parties	413.9		242.6	75.7	225.0	(3.4)	**953.8**
Operating profit from ordinary activities	208.7		61.8	19.8	0.4	(10.3)	**280.5**
% of sales	*50.4%*		*25.5%*	*26.1%*	*0.2%*	*ns*	***29.4%***
Operating profit	208.7		61.8	19.8	0.4	(10.3)	**280.5**
% of sales	*50.4%*		*25.5%*	*26.1%*	*0.2%*	*ns*	***29.4%***
Share of profit / (loss) of associates	0.2	27.4		2.7		0.0	**30.3**
Net profit	82.6	27.4	38.4	6.4	(2.5)	(9.7)	**142.6**
% of sales	*20.0%*		*15.8%*	*8.5%*		*ns*	***14.9%***
Cash flow statement							
Cash flows (used in) / from operations before tax and financing costs and changes in WCR and current provisions	274.6		88.1	37.0	6.2	(7.6)	**398.4**
Changes in working capital requirement and current provisions	(16.8)		5.1	8.8	5.4	(2.3)	**0.2**
Investments	(331.8)		(29.9)	(6.9)	(15.8)	(2.4)	**(386.8)**
purchases of operating property, plant and equipment and intangible assets	*(0.4)*		*(9.6)*	*(0.6)*	*(15.6)*	*(0.0)*	***(26.3)***
purchases of concession fixed assets (net of grants received)	*(331.4)*		*(19.4)*	*(6.3)*		*0.0*	***(357.0)***
purchases of financial assets			*(0.8)*	*(0.1)*	*(0.1)*	*(2.4)*	***(3.5)***
Free cash flow (*)	182.3		54.7	21.5	(8.5)	(18.5)	**231.5**
Balance sheet							
Assets, equity and liabilities by segment							
of which:							
Intangible and tangible fixed assets (net)	13.1		218.7	5.8	100.5	0.4	**338.6**
Goodwill (net)	5.5		357.5	0.5	88.6	(0.0)	**452.0**
Concession fixed assets	3,673.6		828.5	827.9	0.3	0.0	**5,330.3**
Investments in associates		1,460.9		47.9		(0.0)	**1,508.9**
Working capital requirement	(28.2)		(131.1)	(37.8)	5.2	5.7	**(186.2)**
Equity including minority interest	1,309.9	1,460.9	770.0	177.6	47.3	(310.2)	**3,455.5**
Net financial (debt) / surplus	(2,201.4)		(444.6)	(671.1)	(139.4)	(386.3)	**(3,842.9)**

(*) Net cash flows (used in) / from operating activities less net operating investments

2004 (12 months)

(in millions of euros)	Cofiroute	ASF	VINCI Park	Other concessions	Airport services	VINCI Concessions holding companies	Total
31/12/2004							
Income statement							
Revenue invoiced to outside parties	872.2		485.2	124.8	467.7	(6.8)	**1,943.1**
Operating profit from ordinary activities	462.2		116.9	30.3	(4.4)	(25.0)	**580.0**
% of sales	*53.0%*		*24.1%*	*24.3%*	*-0.9%*	*ns*	***29.8%***
Operating profit	462.2		116.9	29.8	(27.1)	(26.1)	**555.7**
% of sales	*53.0%*		*24.1%*	*23.9%*	*-5.8%*	*ns*	***28.6%***
Share of profit / (loss) of associates	0.5	3.6	0.1	4.6		1.0	**9.8**
Net profit	165.5	35.5	67.0	12.1	(46.0)	(1.4)	**232.6**
% of sales	*19.0%*		*13.8%*	*9.7%*		*ns*	***12.0%***
Cash flow statement							
Cash flows (used in) / from operations before tax and financing costs and changes in WCR and current provisions	579.7		178.9	49.7	5.0	(22.5)	**790.7**
Changes in working capital requirement and current provisions	(34.4)		(4.0)	20.3	2.6	(11.0)	**(26.5)**
Investments	(487.7)		(92.6)	(75.8)	(31.0)	(317.0)	**(1,004.0)**
purchases of operating property, plant and equipment and intangible assets	*(3.2)*		*(40.9)*	*(4.6)*	*(30.9)*	*(0.2)*	***(79.8)***
purchases of concession fixed assets (net of grants received)	*(450.0)*		*(45.8)*	*(71.2)*	*(0.0)*	*0.0*	***(567.0)***
purchases of financial assets	*(34.5)*		*(5.8)*			*(316.8)*	***(357.2)***
Free cash flow (*)	285.2		84.6	17.7	(34.8)	(43.9)	**308.9**
Balance sheet							
Assets, equity and liabilities by segment							
of which:							
Intangible and tangible fixed assets (net)	15.5		221.5	5.7	89.6	0.7	**333.1**
Goodwill (net)	5.7		356.2	0.5	85.4	(0.0)	**447.8**
Concession fixed assets	3,373.7		835.6	809.9	0.4	0.0	**5,019.6**
Investments in associates		1,488.8		47.4		0.0	**1,536.2**
Working capital requirement	(54.5)		(136.4)	(42.2)	8.2	2.3	**(222.6)**
Equity including minority interest	1,217.9	1,488.8	737.6	158.1	45.7	(304.6)	**3,343.4**
Net financial (debt) / surplus	(1,989.3)		(487.3)	(673.6)	(129.1)	(406.1)	**(3,685.2)**

(*) Net cash flows (used in) / from operating activities less net operating investments

First half 2004

(in millions of euros)	Cofiroute	ASF	VINCI Park	Other concessions	Airport services	VINCI Concessions holding companies	Total
30/06/2004							
Income statement							
Revenue invoiced to outside parties	402.8		243.6	58.6	231.8	(2.8)	**934.0**
Operating profit from ordinary activities	207.8		63.2	11.1	(0.3)	(13.6)	**268.2**
% of sales	*51.6%*		*25.9%*	*19.0%*	*-0.1%*	*ns*	***28.7%***
Operating profit	207.8		63.2	11.1	(0.3)	(13.6)	**268.2**
% of sales	*51.6%*		*25.9%*	*19.0%*	*-0.1%*	*ns*	***28.7%***
Share of profit / (loss) of associates			0.0	1.4		0.0	**1.5**
Net profit	68.4	31.9	37.0	3.2	(1.6)	(14.9)	**124.0**
% of sales	*17.0%*		*15.2%*	*5.4%*		*ns*	***13.3%***

F. NOTES ON THE INCOME STATEMENT

4. Operating profit

(in millions of euros)	**30/06/2005**	**30/06/2004**	**31/12/2004**
Revenue	**10,051.1**	**9,085.6**	**19,520.2**
Other operating income	**156.3**	**149.8**	**255.0**
Purchases consumed	(2,552.9)	(2,339.9)	(5,065.8)
External services	(1,275.6)	(1,198.2)	(2,387.3)
Temporary employees	(362.6)	(315.9)	(679.0)
Subcontracting	(2,289.1)	(1,907.3)	(4,289.3)
Taxes and levies	(189.4)	(169.4)	(351.1)
Employee costs	(2,644.2)	(2,561.7)	(5,070.5)
Other income and expenses	24.0	14.1	11.8
Depreciation and amortisation	(331.6)	(300.2)	(628.5)
Net provision charge	43.5	63.4	(15.4)
Operating expenses (before non-recurring items and IFRS 2)	**(9,577.9)**	**(8,715.2)**	**(18,475.2)**
Operating profit from ordinary activities	**629.4**	**520.2**	**1,300.1**
Share-based payment expense (IFRS 2)	(26.0)	(7.0)	(36.3)
Restructuring costs			(10.1)
Goodwill impairment expense (*)	(1.1)	(4.9)	(45.5)
Operating expenses	**(9,605.0)**	**(8,727.1)**	**(18,567.1)**
Operating profit	**602.4**	**508.3**	**1,208.2**

(*) Including amortisation of goodwill related to assets with finite useful life

Depreciation and amortisation

(in millions of euros)	**30/06/2005**	**30/06/2004**	**31/12/2004**
Depreciation and amortisation			
Intangible assets	(10.0)	(9.9)	(23.4)
Concession fixed assets	(98.0)	(90.1)	(182.4)
Property, plant and equipment	(223.6)	(200.2)	(422.7)
	(331.6)	**(300.2)**	**(628.5)**

Operating profit, which amounted to €602 million at 30 June 2005 (6% of revenue) against €508 million at 30 June 2004 (5.6% of revenue), was up by 18.5%.

The share-based payment expense (IFRS 2), which comprises the valuation of the benefits associated with the share options and the Group savings plan, amounted to €25.9 million at 30 June 2005 against €7 million at 30 June 2004 (see note 18.2 Share-based payments).

5. Cost of borrowings

(in millions of euros)	**30/06/2005**	**30/06/2004**	**31/12/2004**
Cost of gross financial debt	**(117.0)**	**(154.9)**	**(300.3)**
Financial income from cash management investments	47.2	37.9	58.6
Cost of net financial debt	**(69.8)**	**(117.0)**	**(241.6)**

The cost of net financial debt for the period mainly arises in concessions, which account for €85 million of the total of this item (including €51.4 million in Cofiroute).
The cost of net financial debt amounted to €70 million at 30 June 2005 against €117 million at 30 June 2004.
This change is due in particular to the assumption that the maturity of the Oceane 2018 bond will be extended, as the increase in the share price makes it unlikely that investor put options will be exercised (see Note A. "Key Events, Change to the maturity date of the Oceane bond"). As a result, income of €26 million is recognised to which in particular is added the positive changes in the value of derivative instruments.

6. Other financial income and expenses

(in millions of euros)	**30/06/2005**	**30/06/2004**	**31/12/2004**
Capitalised borrowing costs	28.8	35.3	77.3
Dividends received	6.6	39.3	41.8
Interest cost of discounting retirement obligations	(12.3)	(10.3)	(24.2)
Other financial income and expenses	(1.4)	77.2	143.2
Other financial income and expenses	**21.8**	**141.5**	**238.2**

At 31 December 2004, dividends received included the dividend received from ASF for €32 million.

Other financial income and expense fall from income of €142 million in the first half of 2004 to income of €22 million in the first half of 2005. The financial statements for the first half of 2004 included the dividend received from ASF, which was not equity-accounted at that time, for €32 million and the impact of the fair value of the swap relating to 4.2% of the share capital of ASF which was €54 million at 30 June 2004.

7 • Net tax expense

(in millions of euros)	**30/06/2005**	**30/06/2004**	**31/12/2004**
Current and deferred tax	(172.0)	(192.9)	(380.4)
Effective tax rate	*30.8%*	*35.4%*	*29.6%*

The tax expense was €172 million in the first half of 2005, a reduction of €21 million compared with the first half of 2004 which included non-recurring negative items for €26 million.

8. Earnings per share

Earnings per share is calculated on the basis of the weighted number of shares outstanding over the period.

Diluted earnings per share is based on the weighted average number over the year of shares that would have been outstanding if all the potentially dilutive shares had been converted. In addition, net income is restated for changes in income and expenses that would result from the conversion of potentially dilutive shares, such as the financial savings, net of tax, that would result from the conversion of convertible bonds into shares

The dilution resulting from the exercise of share subscription options is determined using the method set out in IAS 33.

The tables below show the reconciliation between basic and diluted earnings per share:

30/06/2005	Net profit*	Number of shares	Earnings per share**
Total shares		**169,405,080**	
Own (treasury) shares		(4,691,639)	
Basic earnings per share	**356.0**	**164,713,441**	**2.16**
Convertible bonds (Oceane)	3.6	22,616,468	
Share subscription options		9,866,931	
Share purchase options		1,483,652	
Diluted earnings per share	**359.6**	**198,680,492**	**1.81**

**in millions of euros*
***in euros*

31/12/2004	Net profit*	Number of shares**	Earnings per share***
Total shares		**170,036,496**	
Own (treasury) shares		(9,544,936)	
Basic earnings per share	**732**	**160,491,560**	**4.56**
Convertible bonds (Oceane)	42	22,616,668	
Share subscription options		6,238,360	
Share purchase options		1,627,964	
Diluted earnings per share	**774**	**190,974,552**	**4.05**

**in millions of euros*
*** restated following the two-for-one split of the VINCI share in May 2005*
****in euros*

30/06/2004	Net profit*	Number of shares**	Earnings per share***
Total shares		**169,258,006**	
Own (treasury) shares		(8,533,294)	
Basic earnings per share	**298**	**160,724,712**	**1.86**
Convertible bonds (Oceane)	20	22,616,668	
Share subscription options		6,620,488	
Share purchase options		2,714,203	
Diluted earnings per share	**319**	**192,676,071**	**1.65**

**in millions of euros*
*** restated following the two-for-one split of the VINCI share in May 2005*
****in euros*

G. NOTES ON THE BALANCE SHEET

9. Intangible assets

Changes in the period:

(in millions of euros)	**Software**	**Patents, licences and other**	**Total**
Gross			
At 31/12/2004	**98.8**	**117.5**	**216.3**
Acquisitions as part of business combinations	2.8	1.0	3.8
Other acquisitions in the period	3.3	5.1	8.4
Disposals and retirements during the year	(0.6)	(8.9)	(9.5)
Translation differences	1.0	0.4	1.4
Other movements	(1.5)	(6.4)	(7.9)
At 30/06/2005	**103.7**	**108.7**	**212.5**
Amortisation and impairment losses			
At 31/12/2004	**(69.6)**	**(64.6)**	**(134.2)**
Amortisation reversed as part of business combinations	(2.7)	(0.9)	(3.6)
Amortisation for the period	(6.9)	(3.0)	(10.0)
Impairment losses	0.0	0.0	0.0
Reversals of impairment losses	0.0	0.1	0.1
Disposals and retirements during the year	0.6	9.0	9.7
Translation differences	(0.7)	(0.4)	(1.1)
Other movements	1.2	4.0	5.3
At 30/06/2005	**(78.0)**	**(55.7)**	**(133.8)**
Net			
At 31/12/2004	**29.2**	**52.9**	**82.1**
At 30/06/2005	**25.7**	**53.0**	**78.7**

10. Goodwill

Changes in the period:

(in millions of euros)	**Net**
At 31/12/2004	**776.9**
Goodwill recognised in the period	19.7
Impairment losses*	(1.1)
Translation differences	5.5
Entities no longer consolidated	(0.0)
Other movements	6.8
At 30/06/2005	**807.8**

** amortisation of goodwill related to assets with finite useful life*

Main goodwill items at 30 June 2005:

	30/06/2005			31/12/2004
(in millions of euros)	**Gross****	**Impairment losses**	**Net**	**Net**
VINCI Park (formerly Sogeparc and Finec)	343.3		343.3	343.3
VINCI Airports US (WFS/ACAC)	88.2	(22.5)	65.6	62.4
Teerbau GmbH	38.7		38.7	38.7
Entreprise Jean Lefebvre	39.3	(2.3)	37.1	37.8
VINCI plc	21.8		21.8	20.8
Emil Lundgren AB	21.0		21.0	21.0
EFS	19.0		19.0	19.0
Netlink BV	10.6		10.6	10.6
Other goodwill items individually less than €10 million*	271.4	(20.5)	250.9	223.4
	853.1	**(45.3)**	**807.8**	**776.9**

** net unit amount for each period.*
*** gross amount less cumulative amortisation at 1 January 2004 (opening IFRS balance sheet)*

No indication of impairment has been identified in respect of these subsidiaries at 30 June 2005.

Impairment tests performed at 31 December 2004 led the Group to recognise a loss of value of €22.7 million in respect of the airport services subsidiary VINCI Airport US.

11 • Concession fixed assets

Concession fixed assets comprise both investments made by VINCI under its commitments as concession operator and the capitalised amount of assets made available to it under concession.

(in millions of euros)	**Motorways**	**Car parks**	**Other infrastructures**	**Airport services**	**Total Concessions**	**Other**	**Total**
Gross							
At 31/12/2004	**5,204.6**	**1,302.2**	**660.3**	**0.5**	**7,167.7**	**9.5**	**7,177.2**
Acquisitions as part of business combinations	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other acquisitions in the period	363.7	20.4	2.4	0.0	386.5	6.3	392.8
Disposals and retirements during the year	(5.4)	(4.0)	(0.0)	0.0	(9.4)		(9.4)
Translation differences	18.4	3.5	15.3	0.0	37.2	0.0	37.2
Other movements	4.0	(0.2)	0.0	0.0	3.9	7.1	11.0
	5,585.3	**1,322.0**	**677.9**	**0.5**	**7,585.8**	**22.9**	**7,608.7**
Grants received	0.0	0.0	0.0	0.0	0.0	(8.6)	(8.6)
At 30/06/2005	**5,585.3**	**1,322.0**	**677.9**	**0.5**	**7,585.8**	**14.3**	**7,600.1**
Depreciation and impairment losses							
At 31/12/2004	**(1,620.6)**	**(466.7)**	**(60.6)**	**(0.2)**	**(2,148.1)**	**(5.0)**	**(2,153.1)**
Depreciation for the period	(63.6)	(25.5)	(11.6)	(0.0)	(100.7)	(0.1)	(100.9)
Impairment losses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Reversals of impairment losses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Disposals and retirements during the year	3.0	3.4	0.0	0.0	6.4	0.0	6.4
Translation differences	(2.0)	(1.2)	(2.9)	0.0	(6.1)	(0.0)	(6.1)
Other movements	(3.5)	(3.6)		0.0	(7.1)	0.0	(7.1)
	(1,686.8)	**(493.5)**	**(75.1)**	**(0.2)**	**(2,255.6)**	**(5.1)**	**(2,260.7)**
Grants received					0.0		0.0
At 30/06/2005	**(1,686.8)**	**(493.5)**	**(75.1)**	**(0.2)**	**(2,255.6)**	**(5.1)**	**(2,260.7)**
Net							
At 31/12/2004	**3,584.0**	**835.6**	**599.6**	**0.4**	**5,019.6**	**4.5**	**5,024.1**
At 30/06/2005	**3,898.6**	**828.5**	**602.8**	**0.3**	**5,330.2**	**9.2**	**5,339.5**

Investments in new concession projects were up in the half year, at €357 million against €270 million in the first half of 2004. Investments include in particular those made by Cofiroute for €331 million in the period (against €209 million in the first half of 2004).

Borrowing costs included in the cost of concession fixed assets in the period amounted to €28.8 million (of which €28.4 million related to Cofiroute).

Fixed assets under construction for concessions amounted to €1,479 million at 30 June 2005, including €1,432.2 million for Cofiroute, €29.3 million for VINCI Park and €13.3 million for Sogea Construction.

12 • Other non-current tangible assets

Changes during the period

(in millions of euros)	**Land**	**Buildings**	**Plant, equipment, fixtures and fittings**	**Total**
Gross				
At 31/12/2004	**297.4**	**995.9**	**3,654.8**	**4,948.1**
Acquisitions as part of business combinations	1.4	5.2	33.4	40.0
Other acquisitions in the period	5.9	78.7	188.1	272.7
Disposals and retirements during the year	(3.2)	(15.1)	(114.4)	(132.8)
Translation differences	4.0	7.0	36.9	47.9
Other movements	15.3	(44.4)	12.4	(16.8)
At 30/06/2005	**320.8**	**1027.3**	**3811.0**	**5,159.1**
Depreciation and impairment losses				
At 31/12/2004	**(65.9)**	**(351.7)**	**(2,523.8)**	**(2,941.4)**
Depreciation reversed as part of business combinations	(0.0)	(0.6)	(22.1)	(22.7)
Depreciation for the period	(3.8)	(20.4)	(200.5)	(224.8)
Impairment losses	0.0	0.0	0.0	0.0
Reversals of impairment losses	0.1	0.2	0.3	0.6
Disposals and retirements during the year	0.5	7.9	103.2	111.7
Translation differences	(0.7)	(1.8)	(24.8)	(27.2)
Other movements	(3.0)	(1.6)	14.4	9.8
At 30/06/2005	**(72.8)**	**(367.9)**	**(2,653.3)**	**(3,094.0)**
Net				
At 31/12/2004	**231.5**	**644.2**	**1131.0**	**2006.7**
At 30/06/2005	**248.0**	**659.3**	**1157.8**	**2065.1**

At 30 June 2005, property, plant and equipment included assets under construction for €88.8 million (against €92.3 million at 31 December 2004).

13. Leased assets

Property, plant and equipment held under finance leases amounted to €160 million at 30 June 2005 (against €140 million at 31 December 2004). These mainly relate to property used in operations.

14 • Investment property

(in millions of euros)	Gross	Depreciation	Impairment losses	Net
At 31/12/2004	**63.7**	**(18.3)**	**(3.5)**	**41.9**
Acquisitions as part of business combinations	0.0	0.0	0.0	0.0
Acquisitions	0.0	0.0	0.0	0.0
Disposals	(0.8)	0.4	0.0	(0.3)
Depreciation and impairment losses and reversals	0.0	(0.4)	0.0	(0.4)
Transfers between investment property, property held for sale and property used by its owner	(4.8)	1.1	0.0	(3.6)
Translation differences	0.3	(0.0)	0.0	0.3
Other changes in consolidation scope	(1.2)	1.7	0.0	0.5
At 30/06/2005	**57.2**	**(15.4)**	**(3.5)**	**38.3**

During the period, income statement items related to investment properties included rental income of €2.2 million and direct operating expenses of €1.4 million (of which €0.5 million did not generate any rental income).

At 30 June 2005, the investment property shown in the balance sheet for €38.3 million had a market value of €60 million.

15 • Investments in associates

15.1. Changes during the period

(in millions of euros)	30/06/2005	31/12/2004
Value of the shares at the beginning of the period	**1,558.5**	**100.2**
Commencement of equity accounting of ASF shares	-	1,485.2
Share capital increases of associates	-	6.3
Share of profit or loss for the period	32.7	14.0
of which concessions and services	*30.1*	*7.7*
Dividends paid	(60.4)	(2.6)
Changes in consolidation scope and translation differences	3.6	(56.8)
Change in the net fair value of financial instruments	0.4	0.5
Reclassifications	(1.4)	11.7
Value of the shares at the end of the year	**1,533.2**	**1,558.5**
of which concessions and services	*1,508.9*	*1,536.2*

15.2. Financial information on companies accounted for by the equity method

Investments in companies accounted for by the equity method at 30 June 2005 are mainly in concession operating companies in which the Group exercises significant influence. These include ASF (Autoroutes du Sud de la France), SMTPC (which operates the Prado-Carénage tunnel in Marseille under a concession), Lusoponte (bridges over the Tagus in Portugal), Severn River Crossing (bridges over the Severn River in the UK), SETA (Mexican airports in the GACN consortium) and various subsidiaries of the Construction business line, including Wiemer und Trachte which is 39% owned by VINCI Construction.

VINCI has a 22.99% holding in ASF, accounted for by the equity method since 15 December 2004.

As ASF's consolidated net profit for the first half of 2005 was not definitively known on the day when VINCI's half-year financial statements were prepared, VINCI's Management has made an estimate of ASF's contribution to the Group's results on the basis of the published information available. For the first half of 2005, ASF's net profit has thus been estimated at €173 million.

The net effect on VINCI's results for the first half of 2005 of adopting the equity method to account for ASF is €27 million. This is determined after taking account of an amortisation charge of €12 million of goodwill on first consolidation, provisionally allocated to the concession contracts and amortised on a straight-line basis over their remaining period of 28 years as from the date of first adoption of equity accounting.

Goodwill on first consolidation, temporarily valued at €698 million, could be changed in connection with the finalisation of the work on valuing ASF's assets and liabilities at fair value.

ASF's consolidated equity at 30 June 2005, restated under IFRS, is estimated at €3,378 million, after taking account of the dividend paid in the first half of 2005. VINCI's share of ASF's consolidated equity amounts to €777 million, to which should be added the goodwill on first consolidation which is temporarily valued at €698 million gross (the net amount being €684 million). In total, at 30 June 2005, the ASF shares accounted for using the equity method represented an asset of €1,461 million in VINCI's consolidated financial statements, which should be compared with a stock market value of €2,512 million.

The key figures for these companies at 30 June 2005 are as follows (on a 100% basis):

(in millions of euros)	SMTPC	Lusoponte	Severn River Crossing	SETA
% held	*29.43%*	*30.85%*	*35.00%*	*37.25%*
Financial data on a 100% basis				
Revenue	14.6	30.2	49.4	1.2
Attributable to Group	*4.3*	*9.3*	*17.3*	*0.4*
Operating expenses	(6.4)	(4.4)	(49.4)	(0.9)
Operating profit	8.2	25.8	-	0.3
Net profit	3.9	4.2	-	2.0
Equity at 30/06/2005	**32.2**	**8.2**	**0.1**	**33.4**
Contribution to VINCI's consolidated financial statements				
Equity attributable to the Group	**9.5**	**2.5**	**0.0**	**12.4**
Goodwill (*)	11.3	13.2	-	-
Cumulative goodwill impairment expense	(0.3)	(0.8)	-	-
Share of net profit / (loss) attributable the Group(**)	1.2	1.3	-	0.8
Value of shares in associates	**20.5**	**15.0**	**0.0**	**12.4**
Carrying amount of shares in the parent company accounts	29.5	20.2	6.5	14.5
Original cost of shares	18.6	20.2	0.0	19.5
Fair value of shareholdings (stock market value)	33.0	-	-	-
Other balance sheet information:				
Total Assets / Equity and liabilities	**144.1**	**918.9**	**0.1**	**80.9**
Net financial debt at 30/06/2005 (VINCI share)	(22.9)	(114.1)	(219.1)	(9.5)
Shareholder advances and interest-bearing loans (VINCI share)	-	9.7	5.2	13.3

(*) gross amount less cumulative amortisation at 1 January 2004 (opening IFRS balance sheet)

(**) before goodwill impairment

The financial data for Wiermer und Trachte at 30 June 2005 is not available. At 31 December 2004, that company's revenue amounted to €415.2 million (on a 100% basis) and its net loss amounted to €1.1 million (on a 100% basis).

16 • Other non-current financial assets

Available-for-sale assets, which amounted to €167.7 million at 30 June 2005 (against €201.1 million at 31 December 2004), relate mainly to shares in subsidiaries and associates where the financial indicators are below the consolidation thresholds adopted by VINCI.

The other non-current financial assets, which amounted to €183.6 million at 30 June 2005 (against €86.9 million at 31 December 2004), include in particular receivables related to shareholdings in subsidiaries and associates, collateralised loans and receivables and guarantees paid under concession contracts.

17• Working capital requirement connected to operations

(in millions of euros)	30/06/2005	31/12/2004	Changes		
			Connected with operations	Receivables/ payables relating to fixed assets	Other changes (*)
Inventories (net)	549.2	542.8	(3.7)	0.0	10.2
Trade and other operating receivables	8,553.2	7,279.8	1,180.8	(2.6)	95.2
Other current assets	223.3	157.3	63.8	0.0	2.1
Inventories and operating receivables (I)	**9,325.6**	**7,979.9**	**1,240.8**	**(2.6)**	**107.5**
Trade payables	5,063.7	4,619.0	434.2	0.0	10.5
Other current payables	5,335.2	4,794.9	490.9	(24.1)	73.6
Trade and other operating payables (II)	**10,398.9**	**9,413.9**	**925.1**	**(24.1)**	**84.0**
Working capital requirement connected to operations (II-I)	**(1,073.3)**	**(1,434.0)**	**(315.7)**	**(21.5)**	**(23.5)**
Current provisions	**1,374.8**	**1,382.8**	**(34.9)**	**0.0**	**26.9**
including part at less than one year of non-current provisions	*262.9*	*247.4*	*0.0*	*0.0*	15.5

(*) mainly changes in consolidation scope and translation differences

The working capital requirement connected to operations includes current assets and liabilities related to operations, excluding current tax assets and liabilities and the other current assets and liabilities of a financial nature.
The deterioration in the working capital requirement results mainly from the effects of the seasonal nature of operations, in particular in Roads.

18• Changes in equity

18.1• Shares

The share capital at 30 June 2005 was represented by 172,398,156 ordinary shares of €5 nominal value (following approval by the Shareholders General Meeting of 28 April 2005 of the two-for-one share split).

Changes in the number of shares during the period.

Number of shares at 31/12/2004	83,813,803
Two-for-one share split	167,627,606
Capital increases	7,270,550
Cancellation of own shares	(2,500,000)
Shares at 30/06/2005	
Number of shares issued and fully paid up	172,398,156
Number of shares issued and not fully paid up	-
Nominal value of one share (in euros)	5
VINCI shares held by itself or by its subsidiaries or associates	7,286,156
Shares reserved for issue in connection with the exercise of options and sales agreements	-

The increases in share capital during the period (€36.4 million) correspond to the shares issued in connection with the exercise of share subscription options (3,362,502 shares for €16.8 million) and subscriptions to the Group savings plan (3,907,848 shares for €19.5 million).

Transaction costs related to the issue of equity instruments and recognised as a reduction from equity at 30 June 2005 were zero.

Dividends paid in respect of 2004 amounted to €3.50 per share (excluding tax credit), including an interim dividend of €1.20 per share paid on 21 December 2004.
The Board of Directors, at its meeting on 6 September 2005, decided to pay an interim dividend of €0.70 per share payable on 20 December 2005 in respect of 2005.

18.2 Share-based payments

Share options

Description of the main features of the plans

VINCI's Board of Directors, in accordance with the authorisations given by the Shareholders' General Meeting, defines the terms and conditions of granting share subscription options and the list of the beneficiaries (employees and company officers).
Each option gives the right to subscribe to one VINCI share. The beneficiaries may exercise two thirds of their options two years after their grant date and all of their options after three years. Options lapse if they are not exercised after 10 or 7 years, depending on the plans, or if beneficiaries leave the group before the end of the period during which options may be exercised.

The number of options and their weighted average exercise prices were as follows:

	30/06/2005		31/12/2004	
	options	*average price (in euros)*	*options*	*average price (in euros)*
Options in circulation at the beginning of the period	**12,388,433**	**57.38**	**16,350,808**	**47.76**
Two-for-one share split	24,776,866	28.69		
Options granted during the period	2,540,568	49.40	1,586,000	82.40
Options exercised	(4,594,840)	24.28	(5,498,640)	-
Options cancelled	(13,200)	9.37	(49,735)	-
Options in circulation at the end of the period	**22,709,394**	**28.69**	**12,388,433**	**57.38**
of which exercisable options	*14,418,826*	*26.92*		

Information on the fair value of the share options granted

	30 June 2005	**31 December 2004**		
Plan	**16/03/2005(**)**	**17/12/2002**	**11/09/2003**	**07/09/2004**
Price of the underlying share at the grant date	56.60 €	53.20 €	61.35 €	88.70 €
Average exercise price	49.40 €	52.90 €	61.40 €	82.40 €
Lifetime of the option	7	10	10	10
Number of options granted	2,540,568	2,500,000	1,352,000	1,586,000
of which options with performance-related conditions (*)		*430,000*	-	-

(*) of which the fair value is estimated at €8.32.
(**) after the two-for-one share split

These fair values have been calculated by an external actuary at the respective grant dates of the various plans using a binomial option valuation model, of the Monte Carlo type, which takes account of behavioural assumptions based on past observations.

The main assumptions used in making these valuations were:

	30 June 2005	**31 December 2004**		
Plan	**16/03/2005(**)**	**17/12/2002**	**11/09/2003**	**07/09/2004**
Expected volatility	23.55%	29.52%	27.12%	25.23%
Lifetime of the option	7	10	10	10
Expected yield on the share	6.30%	7.25%	6.84%	6.66%
Risk-free interest rate	3.17%	4.56%	4.23%	4.06%
Dividend distribution rate hoped for	3.52%	4.41%	4.58%	3.33%
Fair value of the option	**10.57 €**	**10.67 €**	**11.20 €**	**19.97 €**

(*) of which the fair value is estimated at €8.32.
(**) after the two-for-one share split

The expense recognised in respect of the share subscription options relates only to plans granted after 7 November 2002 for which rights had not vested at 1 January 2005. These are the plans of December 2002 (2.5 million options at €52.90) of which two thirds had not vested at 1 January 2004, of September 2003 (1,402 million options at €61.40), of September 2004 (1,580 million options at €82.40) and of March 2005 (2,540 million options at €49.40).

The amount recognised in profit or loss was €7 million in the first half of 2004, €19.6 million in 2004 and €17.6 million in the first half of 2005.

Group Savings Plan

VINCI's Board of Directors, in accordance with the authorisations given by the Shareholders' General Meeting, defines the Group Savings Plan grant conditions.
In this connection, VINCI issues new shares three times a year reserved for employees at a subscription price that takes account of a discount against the market price.

Expenses related to Group Savings Plans are recognised in profit or loss in accordance with IFRS 2 on the basis of the following assumptions:
- the subscription period lasts 4 months;
- the period during which assets are frozen is 5 years as from the end of the subscription period.

	2005		2004
Tranche	3rd four-month period 2005(*)	2nd four-month period 2005(*)	1st four-month period 2005(*)
Rate of return on the VINCI share hoped for	6.30%	6.30%	6.66%
Dividend per share paid in December	1.15 €	1.15 €	1.20 €
Subscription price	45.14 €	45.04 €	69.72 €
Share price at date of Board of Directors' Meeting	56.95 €	55.65 €	89.00 €
Share price at date of announcement to the employees	56.95 €	55.65 €	89.00 €
Implied volatility of the VINCI share	17%	17%	17%
Hoped-for number of shares issued (subscriptions and employer's contribution)	640,028	520,604	685,208
Hoped-for number of shares subscribed	512,022	400,465	489,434

(*) After the two-for-one share split

At grant date, a simulation is made of the possible prices at the end of the subscription period using the Monte Carlo method on the basis of the above variables.

The estimated number of shares subscribed to at the end of the vesting period is determined by an analytical, linear regression-based formula, applied to past observations of the 2002, 2003, and 2004 plans.

The cost of being unable to dispose of the assets is valued from the point of view of an investor prohibited from disposing freely of the investment for 5 years; the market risk is estimated using a Value At Risk at risk approach (the risk of maximum losses within a given confidence interval over a defined period.).

The expense recognised in the first half of 2005 in respect of the Group Savings Plan in application of IFRS 2 amounted to €5 million for the tranche of the second four-month period in 2005 and to €3.4 million for that of the third four-month period in 2005. Moreover, in application of IFRS 2, an expense in respect of the estimated cost of the employer's contribution for the tranche of the first four-month period in 2005 was recognised in the accounts of the second half of 2004. In consequence, the cost actually recognised following the subscriptions made in the first four-month period in 2005 amounting to €23 million, was cancelled by being directly reclassified in equity.

18.3 • Minority interest

At 30 June 2005, minority interest in Cofiroute (holding 34.66% of the share capital) amounted to €450.6 million (against €419.2 million at 31 December 2004) and the in CFE (holding 54.62% of the share capital) amounted to €97.0 million (against €93.3 million at 31 December 2004).

19 • Provisions

During the period, changes in provisions shown in the balance sheet were as follows:

(in millions of euros)	**31/12/2004**	Expenses	Translation differences	Used	Other reversals	Changes in consolidation scope and miscellaneous	Change in the part at less than one year of non-current provisions	**30/06/2005**
Non-current provisions								
Financial liabilities	47.9	3.6	0.7	(6.9)	(0.2)	(3.5)		41.5
Major repairs	45.2	11.7	0.3	(8.6)	-	1.3		49.8
Other non-current liabilities	329.9	37.5	0.6	(35.8)	(15.0)	(7.0)		310.2
Discounting of non-current provisions	(10.2)	2.1	(0.0)	1.7	-	1.1		(5.2)
Reclassification of the part at less than one year of non-current provisions	(247.4)	-	-	-	-	-	(15.5)	(262.9)
Total	**165.4**	**55.0**	**1.6**	**(49.6)**	**(15.3)**	**(8.2)**	**(15.5)**	**133.4**
Current provisions								
After-sales service	253.8	32.3	0.7	(16.7)	(2.0)	(8.8)		259.4
Losses on completion and construction project liabilities	320.4	150.8	2.0	(152.8)	(13.3)	13.0		320.1
Litigation	297.8	24.9	0.7	(38.3)	(5.5)	(3.5)		276.0
Restructuring	65.1	10.1	0.1	(22.6)	(1.1)	(2.3)		49.4
Other current liabilities	215.6	35.1	1.2	(32.6)	(1.5)	9.6		227.3
Effect of discounting current provisions	(17.2)	(2.0)	(0.0)	0.3	-	(1.3)		(20.3)
Reclassification of the part at less than one year of non-current provisions	247.4	-	-	-	-	-	15.5	262.9
Total	**1,382.8**	**251.3**	**4.7**	**(262.7)**	**(23.5)**	**6.7**	**15.5**	**1,374.8**
Provisions (current and non-current)	**1,548.2**	**306.2**	**6.2**	**(312.3)**	**(38.7)**	**(1.4)**	**0.0**	**1,508.2**

The types of provision are described in Note C.3.1 *Measurement rules and methods applied by VINCI*.

20. Net financial debt by nature

The concept of net financial debt, as used by VINCI, is defined as follows:

(in millions of euros)	30/06/2005			31/12/2004
	Non-current	Current	**Total**	**Total**
Convertible bond loans	(1,079.6)	(7.6)	(1,087.2)	(1,097.9)
Other bond loans	(3,622.8)	(211.2)	(3,834.0)	(3,819.6)
Loans from credit establishments and other financial debts	(1,405.1)	(102.5)	(1,507.6)	(1,576.5)
Finance leases	(144.1)	(21.4)	(165.5)	(172.8)
Long-term financial debts	**(6,251.5)**	**(342.7)**	**(6,594.3)**	**(6,666.8)**
Other financial debt		(332.4)	(332.4)	(158.3)
Financial current accounts, liabilities		(56.9)	(56.9)	(59.7)
Bank overdrafts (1)		(451.0)	(451.0)	(380.5)
I – Gross financial debt	**(6,251.5)**	**(1,183.0)**	**(7,434.6)**	**(7,265.3)**
Collateralised financial receivables	47.3		47.3	45.5
Financial current accounts, assets		63.2	63.2	45.5
Current cash management financial assets (2)		2,911.9	2,911.9	3,642.5
Cash (3)		934.2	934.2	830.4
II – Financial assets	**47.3**	**3,909.2**	**3,956.5**	**4,563.9**
Derivative instruments, liabilities	(105.8)		(105.8)	(80.3)
Derivative instruments, assets	468.0		468.0	349.3
III - Derivative instruments	**362.2**	**0.0**	**362.2**	**269.0**
Net financial debt (I + II + III)	**(5,842.0)**	**2,726.2**	**(3,115.8)**	**(2,432.4)**

Of which: net cash under management:	**30/06/2005**	**31/12/2004**
Bank overdrafts (1)	(451.0)	(380.5)
Current cash management financial assets(2)	2,911.9	3,642.5
Cash (3)	934.2	830.4
Net cash under management	**3,395.1**	**4,092.4**

20.1 Detail of long-term debt

A. Issues of convertible bonds (Oceane bonds)

VINCI has issued two bonds that are convertible into and / or exchangeable for new and / or existing shares (Oceane bonds). The details of the bond issues are as follows:

	Oceane bond, July 2001	Oceane bond, April 2002
Amount	€517,500,000	€500,250,060
Number of bonds	5,750,000	5,558,334
Nominal	€90	€90
Maturity	1 January 2007	1 January 2018
Annual coupon	1%	2%
Gross yield to maturity	4.35%	3.875%
Conversion and date rate	at any time; one share for one bond	at any time; one share for one bond
Redemption price at maturity	€108.12; premium 20.13%	€125.46; premium 39.4%
Early redemption at VINCI's discretion	possible from 1 January 2005, if the share price exceeds 130% of the anticipated average redemption price during 20 of 40 consecutive trading days, ensuring that bondholders receive the equivalent of the actuarial yield they would have received at maturity, i.e. 4.35%. At 30 June 2005, the trigger share price was around €67.	possible from 1 January 2006, if the share price exceeds 125% of the anticipated average redemption price during 20 of 40 consecutive trading days, ensuring that bondholders receive the equivalent of the actuarial yield they would have received at maturity, i.e. 3.875%. At 30 June 2005, the trigger share price was around €60.20.
Early redemption at holders' discretion	N/A	On 2 May 2006, 2 May 2010 and 2 May 2014 at the contractual redemption price
Bonds converted at 30/06/2005	100	nil

These compound instruments comprise an equity component (estimated value at issue of the call option sold to bond subscribers) and a debt component (residual amount).

The amounts recognised in VINCI's consolidated financial statements for the two Oceane bonds are as follows:

		30/06/2005					31/12/2004
(in millions of euros)	Currency	**Equity component (1)**	Debt recognised at issue (a)	Effect of amortised cost (2) (b)	Effect of fair value (c)	**Carrying amount of debt component in balance sheet (a)+(b)+(c)**	**Carrying amount of amount of debt component in balance sheet**
VINCI Oceane bond, July 2001 (*)	EUR	43.1	466.6	109.8	8.9	585.4	575.6
VINCI Oceane bond, April 2002 (**)	EUR	34.6	460.7	40.6	0.5	501.8	522.2
Total Oceane bonds		**77.6**	**927.3**	**150.5**	**9.4**	**1,087.2**	**1,097.8**

(*) bonds converted into shares in August 2005 (See note I "Events after the balance sheet date")

(**) change in Oceane bond maturity (See note A "Key events in the first half of 2005")

(1) Oceane bond component recognised under equity before deferred tax

(2) amortised cost including interest accrued not yet due

B. Other bond issues

The details of other bond issues are as follows:

(in millions of euros)	Currency	30/06/2005 Debt recognised at issue (a)	Effect of amortised cost [1] (b)	Effect of fair value [2] (c)	Balance sheet amount (a)+(b)+(c)	31/12/2004 Balance sheet amount	Maturity
Vinci	-	-	-	-	-	-	-
Loan ex GTM June 1998	EUR					142.5	June 2005
Tranche 1: July 2002	*EUR*	*595.5*	*34.8*	*20.7*	*651.0*	*620.6*	*July 2009*
Tranche 2: November 2002	*EUR*	*255.6*	*12.0*	*18.4*	*286.0*	*274.0*	*July 2009*
Tranche 3: May 2003	*EUR*	*158.8*	*5.6*	*7.9*	*172.3*	*165.9*	*July 2009*
Loan July 2002 Total	EUR	1,009.9	52.3	47.0	1,109.3	1,060.6	July 2009
Cofiroute							
Bond March 1993	EUR	76.2	4.7		80.9	77.8	September 2005
Bond December 1995	EUR	243.9	9.7		253.6	244.5	December 2006
Bond July 1996	EUR	304.9	19.5		324.4	314.1	July 2007
Bond November 1997	EUR	350.6	12.8		363.4	353.1	November 2008
Bond November 1999	EUR	300.0	11.5	33.3	344.8	308.4	November 2009
Bond October 2001	EUR	296.1	12.8	48.7	357.6	333.9	October 2016
Bond April 2003	EUR	593.4	5.4	77.1	675.9	656.0	April 2018
Other bonds	EUR	21.4	1.3		22.7	24.6	October 2006 to April 2010
Other concessions							
SCDI - 1998	CAD	107.3	(1.4)		105.9	96.2	September 2031
Autopista Del Bosque – 2001	UF	179.7	4.3		184.0	169.2	March 2021
Other loans	-	11.6	(0.1)		11.5	38.4	
Total bond issues		**3,495.2**	**132.8**	**206.0**	**3,834.0**	**3,819.6**	

(1) amortised cost including interest accrued not yet due
(2) revaluation of debt under fair value hedge

Some of these loans are subject to hedging. In the case of hedging of loans issued at fixed rates, the corresponding debts have been revalued at the positive fair value of the interest rate swaps recognised under financial assets.

C. Loans from credit institutions

These loans mainly comprise syndicated loans and loans granted by various financial establishments (in particular the European Investment Bank - EIB) as part of concession infrastructure projects.

Details of loans of a nominal amount greater than €50 million are as follows:

(in millions of euros)	Currency	**30/06/2005** Debt recognised at issue (a)	Effect of amortised cost(1) (b)	Effect of fair value (c)	**Balance sheet amount (a)+(b)+(c)**	**31/12/2004** **Balance sheet amount**	Maturity
Vinci SA							
Syndicated loan April 2000	EUR	0.0	0.0	0.0	0.0	107.5	April 2005
Cofiroute							
EIB March 2002	EUR	75.0			75.0	75.0	March 2027
EIB December 2002	EUR	50.0			50.0	50.0	June 2027
EIB March 2003	EUR	75.0	1.0	10.0	86.0	83.7	March 2018
EIB December 2004	EUR	200.0	0.2		200.2	200.2	December 2019
Other concessions							
Stade de France - 1998 (2)	EUR	59.3	(1.8)		57.5	53.8	July 2013
Gefyra - EIB 2001	EUR	348.6	4.7		353.3	352.9	December 2025 to June 2029
Newport - 2002 (2)	GBP	45.2	0.0		45.2	42.5	March 2040
Other loans (3)		640.1	0.3	0.0	640.4	610.8	
Total Other long-term debt		**1,493.3**	**4.4**	**10.0**	**1,507.7**	**1,576.5**	

(1) amortised cost including interest accrued not yet due

(2) VINCI's share (66.67% proportionate consolidation for Stade de France and 50% for Newport)

(3) including VINCI Park floating-rate bank loans

20.2 Liquidity analysis

A. Managed cash

(in millions of euros)	**30/06/2005**	**31/12/2004**
Bank overdrafts	(451.0)	(380.5)
Cash management financial assets (including marketable securities)	2,911.9	3,642.5
Cash and cash equivalents at less than 3 months	934.2	830.4
Total managed cash (net)	**3,395.1**	**4,092.4**

Net cash surpluses generated by the fully-owned operating subsidiaries are centralised at the holding company through a cash pooling system. This centralised management makes it possible to optimise the cost of resources and to closely monitor cash levels generated by the main Group entities.

Cash surpluses are managed with the objective of generating a return close to the money market rate, while avoiding risk to capital and maintaining low volatility. Cash surpluses are mainly invested in UCITS, negotiable debt instruments (certificates of deposit) and other similar instruments.

At 30 June 2005, Group cash surpluses invested in marketable securities amounted to a total of €2,911.9 million, of which €2,197.1 million was managed by the holding company. The balance consisted of investments of cash surpluses by French and foreign subsidiaries that do not have a cash management agreement with the holding company (of which €444 million was accounted for by Cofiroute).

B. Financial debt by maturity

1. Maturity of Oceane bonds

(in millions of euros)	**30/06/2005**			**31/12/2004**		
	Oceane July 2001	Oceane April 2002	**Total**	Oceane July 2001	Oceane April 2002	**Total**
Long-term debt maturing in less than one year	2.6	5.0	7.6	5.2	10.0	15.2
Effect of amortised cost and non-cash elements of the current portion			0.0			0.0
Current portion of Oceane bonds	**2.6**	**5.0**	**7.6**	**5.2**	**10.0**	**15.2**
Maturing in more than 1 year and not after 2 years	517.5		517.5			0.0
Maturing in more than 2 years and not after 5 years			0.0	517.5	500.3 (*)	1,017.8
Maturing in more than 5 years and not after 10 years			0.0			0.0
Maturing in more than 10 years		500.3 (*)	500.3			0.0
Effect of amortised cost and fair value hedges	65.3	(3.5)	61.8	53.0	11.9	64.9
Non-current portion of Oceane bonds	**582.8**	**496.8**	**1,079.6**	**570.5**	**512.2**	**1,082.7**
Total Oceane bonds	**585.4**	**501.8**	**1,087.2**	**575.6**	**522.2**	**1,097.9**

(*) change in Oceane bond maturity (See note A "Key events in the first half of 2005")

The increase in the share price enabled the Group to push through the conversion of the Oceane bond due to arrive at term on 1 January 2007. On 22 August 2005, 99.72% of the bonds were thus converted to shares.

2. Maturity of other financial debt

(in millions of euros)	**30/06/2005**			**31/12/2004**
	Concessions and services	Other business lines	**Total**	**Total**
Interest accrued not yet due	79.2	56.2	135.4	
Maturing in less than 1 year	147.6	52.2	199.8	511.2
Current portion of financial debt (at redemption value)	**226.8**	**108.4**	**335.2**	**511.2**
Maturing in more than 1 year and not after 2 years (at redemption value)	301.5	103.2	404.7	342.7
Maturing in more than 2 years and not after 5 years (at redemption value)	1,161.5	1,067.8	2,229.4	2,287.8
Maturing in more than 5 years and not after 10 years (at redemption value)	319.4	30.0	349.5	355.7
Maturing in more than 10 years (at redemption value)	1,870.9	138.6	2,007.7	1,937.9
Non-current portion of financial debt	**3,653.3**	**1,339.6**	**4,492.9**	**4,924.1**
Effect of amortised cost and adjustments to the fair value of debt	125.1	53.8	179.0	133.5
Financial debt (excluding Oceane bonds)	**4,005.2**	**1,501.8**	**5,507.1**	**5,568.8**

At 30 June 2005, the average maturity of the Group's financial debt (excluding Oceane bonds) was 7.6 years, against 8.1 years at 31 December 2004. Average maturity was 8.8 years in the Concessions and services business line and 4.2 years for the rest of the Group.

C. Analysis of non-recourse borrowings

Part of the Group's long-term debt can be considered as being without recourse against VINCI. At the end of June 2005, total non-recourse debt stood at €3,778 million or 57.3% of the Group's overall long-term debt.

The non-recourse debt breaks down as follows:

(in millions of euros)	**Long-term debt**	
	30/06/2005	**31/12/2004**
Cofiroute	**2,847.2**	**2,754.8**
Gefyra (Rion-Antirion Bridge, Greece)	353.3	352.9
SCDI (Confederation Bridge, Canada)	105.9	96.2
Consortium Stade de France	57.5	53.8
Morgan VINCI Ltd (Newport by-pass, Wales)	45.2	42.5
Autopista del Bosque (Chillan Collipulli motorway, Chile) (limited recourse) (1)	184.0	169.2
Other concessions	**745.9**	**714.6**
Subtotal concessions	**3,593.1**	**3,469.4**
PFI companies (UK)	**37.3**	**36.8**
CFE (45%-owned Belgian construction company)	**147.9**	**125.6**
Total long-term debt without recourse or with limited recourse	**3,778.3**	**3,631.8**

(1) The possibility of a recourse against VINCI is limited to the following case: if a concession agreement is terminated before the end of its normal term as a result of a fault on the part of the operator, the shareholders undertake to repay the outstanding debt less the termination compensation.

All the companies shown in the table above are less than 100%-owned by VINCI and are financed autonomously without guarantees from VINCI. They are not part of the holding company's centralised cash pooling arrangement.
Furthermore, concessions for major infrastructure and PFI projects (under the British public-private partnership arrangements) use project finance allocated to companies formed specifically for that purpose. The repayment of such finance, which is backed by the concession contracts, is ensured solely from the cash flows generated by each of the projects.

The debt of the subsidiary CFE is mainly within its 50%-owned dredging subsidiary DEME, which is thus 22.7% indirectly owned by VINCI. DEME's debt, which is without recourse against CFE, mainly relates to the financing of dredgers.
Both CFE's and DEME's debt is without recourse against VINCI.

D. Commercial paper issuance programme and unused credit facilities

1. Commercial paper issuance programme

Commercial paper issued by VINCI SA is recognised under current debt.

VINCI SA can issue €700 million in commercial paper to cover its short-term financing needs. The programme is rated A2 by Standard & Poor's and P2 by Moody's. At 30 June 2005, €165 million had been drawn, against €17 million at 31 December 2004.
Cofiroute also has a €300 million commercial paper programme, rated A1. This was not used at 30 June 2005.

2. Unused credit facilities

At 30 June 2005, VINCI SA had unused bank credit (Club Deal) of €1.5 billion.

This credit facility was agreed between VINCI and its eight main banks in March 2005 and has a maturity of 5 years with an option for a further 2 years. No financial covenants are attached to the credit facility.

At the end of August, VINCI's confirmed and unused credit facilities were increased to €2.3 billion. The €800 million increase compared with 30 June 2005 comprises a €500 million amendment to the Club Deal, taking the amount of the facility to €2 billion, and 5 new bilateral facilities totalling €335 million.

Cofiroute, for its part, had confirmed, unused credit facilities of €1,027 million.

At 30 June 2005, the maturities of VINCI's and Cofiroute's credit lines were as follows:

(in millions of euros)	**30/06/2005**	**Maturity**		
		within 1 year	after 1 year and within 5 years	after 5 years and within 7 years
VINCI	**1,500**	0	1,500	0
Cofiroute	**1,127**	107	1,020	0

E. Ratings

At 30 June 2005, VINCI and Cofiroute are rated as follows:

	Agency	Rating		
		Long term	Outlook	Short term
VINCI SA	Standard & Poor's	BBB+	Stable	A2
	Moody's	Baa1	Stable	P2
Cofiroute	Standard & Poor's	A	Stable	A1

Since 30 June 2005, Standard & Poor's have placed VINCI SA and Cofiroute on negative credit watch in view of the French Government's launching of the sale of shares in the motorway concession companies.

21. Management of market risk

Market risk management within the Group is carried out by the holding company, in collaboration with the business lines concerned. In the particular case of Cofiroute, a 65%-owned subsidiary with its own resources, financial management is co-ordinated between Cofiroute and VINCI's financial department.

To manage its exposure to market risks, the Group mainly uses derivatives, mostly in the form of hedging transactions.

The derivatives used by the Group to reduce and manage exposure to the interest rate and foreign currency risk attached to its financing and cash investment operations are recognised in the balance sheet at fair value, whether or not the derivatives qualify as hedges.

Fair value of derivatives:

(in millions of euros)	**30/06/2005**	**30/06/2005**	**30/06/2005**	**31/12/2004**
	Asset	Liability	Net	**Net**
	Total	Total	**Total**	**Total**
Interest rate derivatives	461.7	102.9	358.8	255.9
Exchange rate derivatives	6.3	2.9	3.4	13.1
Total derivatives	**468.0**	**105.8**	**362.2**	**269.0**

21.1 Interest rate risk

A. Analysis of interest rates by line of borrowing

1. Convertible Oceane bonds

(in millions of euros)	Currency	30/06/2005 Nominal outstanding	Balance sheet amounts	Effective overall rate before derivatives (1)	Effective overall rate after derivatives	Coupon rate	Maturity
VINCI Oceane bond issue, July 2001 (*)	EUR	517.5	585.4	6.39%	5.37%	1.00%	January 2007
VINCI Oceane bond issue, April 2002	EUR	500.3	501.8	4.45%	4.34%	2.00%	January 2018
Total Oceane	-	**1,017.8**	**1,087.2**	**6.25%**	**4.88%**	**1.49%**	-

(*) bonds converted into shares (see note H)

The above table presents the effective overall rate of return on Oceane bonds after taking account of the effect of swap derivatives on the bonds. At 30 June 2005, VINCI considered that the criteria that had initially qualified these instruments as hedges were no longer met. The fair value of the swaps amounted to €96 million at 30 June 2005, against €84 million at 31 December 2004. Following conversion of the Oceane 2007 bond, certain swap contracts were cancelled.

Taking into account the expected extension of the maturity date of the Oceane 2018 bond from 2006 to 2018 (see note A "Key events in the first half of 2005"), as of the second half of 2005 the actuarial yield on the Oceane 2018 bond, before the effects of related derivatives, is 4.45%, against 6.09% initially.

2. Other bonds

(in millions of euros)	Currency	30/06/2005 Nominal outstanding	Balance sheet amounts (1)	Effective rate before derivatives	Effective rate after derivatives	Initial rate	Maturity
Vinci	-	-	-	-	-	-	-
Tranche 1: July 2002	*EUR*	*600.0*	*651.02*	*6.0085%*	*4.7%*	*5.875%*	*July 2009*
Tranche 2: November 2002	*EUR*	*250.0*	*285.97*	*5.4538%*	*3.15%*	*5.875%*	*July 2009*
Tranche 3: May 2003	*EUR*	*150.0*	*172.28*	*4.7508%*	*3.02%*	*5.875%*	*July 2009*
Cofiroute							
Bond March 1993	EUR	76.2	80.93	8.2%	8.2%	8.20%	September 2005
Bond December 1995	EUR	243.9	253.59	7.5%	7.5%	7.50%	December 2006
Bond July 1996	EUR	304.9	324.44	6.8%	6.8%	6.80%	July 2007
Bond November 1997	EUR	350.6	363.43	5.9%	5.9%	5.90%	November 2008
Bond November 1999	EUR	300.0	344.79	6%	3.2%	6.00%	November 2009
Bond October 2001	EUR	300.0	357.60	6.0080%	3.09%	5.875%	October 2016
Bond April 2003	EUR	600.0	675.87	5.3577%	2.84%	5.25%	April 2018
Other	EUR	18.9	22.71			7.50%	October 2006 to April 2010
Other concessions							
SCDI - 1998 (2)	CAD	108.5	105.91	6.3576%	6.3576%	6.17%	September 2031
Autopista Del Bosque – 2001	UF	192.7	183.97	7.9992%	7.9992%	7.405%	March 2021
Other loans	-	2.3	11.5				
Total bond issues		**3,498.0**	**3,834.0**				

(1) including all cash flows related to the issue (commission, premium, etc.)

(2) VINCI's share (49.9% proportionate consolidation)

B. Breakdown of long-term debt between fixed and floating rate borrowing

The following table shows the breakdown of long-term debt between fixed and floating rates, before and after the effects of corresponding derivatives, whether or not the derivatives qualify as hedges:

(in millions of euros)	30/06/2005		
	Total due	Share (*)	Rate (1)
Fixed rate	5,466.7	83%	6.08%
Floating rate	1,127.5	17%	2.64%
Total before related derivatives	***6,594.3***	***100%***	***5.46%***
Fixed rate	2,159.7	33%	6.17%
Floating rate	4,434.6	67%	3.45%
of which floating rate with caps	*767.2(**)*	*#VALEUR!*	*4.43%*
Total after related derivatives	***6,594.3***	***100%***	***4.37%***

(1) weighted average actual interest rates, excluding changes in fair value of the corresponding derivatives

(*) share is expressed as a percentage of total borrowing

(**) calculated based on total due at 30 June 2005

21.2 Currency risk

A. Nature of the Group's risk exposure

Approximately 80% of VINCI's activities in international markets are through subsidiaries in the eurozone. Consequently, VINCI's exposure to currency risk on commercial transactions is limited.

Transactions outside the eurozone are generally in local currencies for permanent establishments and in a strong currency in the case of major export projects.

VINCI can also face exposure to currency risk through occasional financing provided by the parent company to certain foreign subsidiaries.

B. Analysis of currency exposure

VINCI's currency exposure management policy concentrates on the management of the exchange rate risk connected with subsidiaries' ordinary operations (transaction exposure). These risks are monitored through a foreign exchange position detailing cash flows and maturity dates. However, VINCI does not have a policy of systematically hedging currency risks related to foreign investments (translation exposure).
The table below shows the transaction exposure of VINCI and its main subsidiaries, except for the Belgian subsidiary DEME which is 50%-owned by CFE, which is itself a 45%-subsidiary of VINCI Construction.

(in millions of euros)	**USD**	**Other currencies linked to the USD**	**GBP**	**Other currencies**	**Total at 30/06/2005**
Exposure before hedging [(1)]	**38.4**	**(2.7)**	**42.3**	**(29.6)**	**48.4**
Hedges	(24.4)	(5.5)	(9.6)	47.8	**8.2**
Net currency position	**14.0**	**(8.3)**	**32.7**	**18.2**	**56.5**

(1) actual positions in foreign currency + forecast future flows related to firm commitments

22. Transactions with related parties

Transactions with related parties are mainly transactions with companies over which VINCI exercises significant influence or has joint control.
Transactions with related parties are based on market prices.

22.1 Transactions between VINCI and companies consolidated using the proportionate consolidation method (non-consolidated share):

(in millions of euros)	**30 June 2005**	**31 December 2004**
Revenue	1,115.5	1,781.1
Purchases	(371.0)	(587.1)
Subcontracting	(570.3)	(901.4)
Trade receivables	1,411.4	1,246.4
Trade payables	534.9	475.9

These mainly concern transactions carried out with SEPs (French joint-venture partnerships) in connection with VINCI's construction activities.

22.2. Contribution to consolidated balance sheet of companies consolidated using the proportionate consolidation method:

(in millions of euros)	**30 June 2005**	**31 December 2004**
Current assets	632.0	532.3
Non-current assets	1,115.4	1,057.1
Current liabilities	706.1	461.6
Non-current liabilities	1,111.1	1,005.8
Operating income	864.7	1,579.2
Operating expenses	(781.1)	(1,462.7)
Cost of net financial debt	(11.0)	(16.4)
Other financial income and expenses	0.6	(9.2)
Income tax expense	(8.3)	(14.2)

Taking account of VINCI's construction activities, SEPs that are created for the implementation of construction projects jointly with other partners and that have total revenue of over €45 million are consolidated according to the proportionate consolidation method.

22.3 Other related parties

Information relating to companies accounted for using the equity method is provided in note 15.2.

In addition, VINCI has recognised a €0.3 million expense for the period in respect of strategy, development and support consultancy services provided by Soficot and AM Conseil.
VINCI also maintains general business relations with companies that have officers on VINCI's Board of Directors, in particular UBS, Merill Lynch and Nexity.

23 Off balance sheet commitments, maturity of contractual obligations and other commitments

VINCI has defined and implemented a reporting procedure to list its off balance sheet commitments and identify their nature and purpose. This procedure provides for the submission by the consolidated subsidiaries as part of the consolidation procedures, of information relating to the following commitments given:

- Commitments given (other than in connection with operating leases and commitments to make purchases and undertake capital expenditure) including:
  - personal sureties (securities, guarantees and other);
  - collateral security (mortgages, pledges and other securities);
  - joint and several guarantees covering unconsolidated partnerships;
  - other commitments.

- Commitments given in connection with operating leases commitments to make purchases and undertake capital expenditure)

23.1 Commitments given (excluding operating leases and purchase and capital expenditure commitments)

Off balance sheet commitments given by VINCI (excluding operating leases and purchase and capital expenditure commitments) break down as follows:

(in millions of euros)	**30/06/2005**	**31/12/2004**	**31/12/2003**
Personal sureties	4,978.3	4,624.4	4,179.7
Collateral security	959.1	907.9	783.6
Joint and several guarantees covering unconsolidated partnerships	118.4	129.8	262.5
Other commitments	26.7	44.5	120.1
	6,082.5	**5,706.6**	**5,345.9**

<u>Breakdown by business line at 30 June 2005</u>

(in millions of euros)	**Personal sureties**	**Collateral security**	**Joint and several guarantees of partnership**	**Other commitments**	**Total**
Concessions and services	91	759.4	-	3.6	**854.0**
Energy	343.7	12.3	1.0	1.8	**358.8**
Roads	1,146.6	13.5	105.9	5.4	**1,271.4**
Construction	2,737.3	163.7	11.5	11.4	**2,923.9**
Property and holding companies	659.7	10.2	-	4.5	**674.4**
	4,978.3	**959.1**	**118.4**	**26.7**	**6,082.5**

The increase in the Group's off balance sheet commitments shown above is linked to growth in business by the Group.

23.2 Operating leases and purchase and capital investment commitments

		Payments due by period		
(in millions of euros)	**Total**	**within 1 year**	**after 1 year and within 5 years**	**after 5 years**
Purchase and capital expenditure obligations	3,005.1	874.8	2,064.3	66.0
Operating leases	483.7	152.5	242.0	89.2
Total	**3,488.8**	**1,027.3**	**2,306.3**	**155.2**

Under concession contracts, certain Group entities have entered into commitments to build infrastructure assets in order to operate them. These commitments relate mainly to Cofiroute for €2,801 million for the next five years, of which €1,097 million for the A86 motorway and €1,704 million for the intercity network.

The other purchase commitments relate to the property subsidiary Sorif, with promises to buy in respect of DBS (redevelopment of land on the former Renault factory site at Boulogne Billancourt) and Docks Vauban (redevelopment of Le Havre town centre).

H. LITIGATION AND ARBITRATION

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

- On 23 May 2004, part of the shell structure over the passageway of Roissy airport's 2E terminal collapsed. The structure had been built for Aéroports de Paris, which acted in the project as principal, architect and main contractor. The construction work on terminal 2E was carried out under multiple separate contracts by numerous different companies. The shells (roof) were constructed by a consortium of companies comprising several VINCI subsidiaries. The incident is currently subject to a criminal investigation and court-ordered expert appraisal to establish the reasons for the collapse. The financial implications of the incident, in terms of, on the one hand, reconstruction costs and, on the other hand, damage caused, and the terms under which financial liability will be allocated to the various parties involved, have yet to be determined. The Company considers that this incident will not have a material adverse effect on its financial situation.

- On 28 December 1998, the Grenoble Administrative Court ordered VINCI, jointly and severally with Italimprese Industrie, an Italian company now in liquidation, to pay Nersa the sum of FF96 million (€14.6 million) in compensation for the damage caused by the collapse of the roof of a building belonging to Nersa. EDF, implicated by VINCI, was ordered to guarantee VINCI for 40% of the consequences of this event, which reduced VINCI's liability to €13.6 million in principal and interest. This sum has been settled almost entirely by VINCI's insurers. Following an appeal lodged by VINCI, the Lyon Administrative Appeal Court pronounced judgement on 16 December 2004, quashing the ruling of 28 December 1998 and ordering a new expert appraisal. The Company considers that this dispute will not have a material adverse effect on its financial situation.

- In 1997, SNCF lodged multiple claims with the Paris Administrative Court against a large number of construction and civil engineering companies, of which several belong to the VINCI Group, with a view to obtaining financial compensation for the damage it claims to have suffered between 1987 and 1990 during the award of contracts for the construction of the TGV Nord and Rhône-Alpes lines (and their interconnection). This claim was the consequence of the finding by the competition authority against the enterprises concerned in 1995, which the Paris Appeal Court upheld overall (making a second ruling after its 1997 decision was overturned). The Paris Administrative Court ruled on 15 December 1998 that the findings of the competition authority regarding the anti-competitive practices entitled SNCF to claim that its consent was impaired with respect to the contracts that are the subject of two of the petitions and the Court ordered an appraisal to establish the impact of such practices. On 22 April 2004, the Paris Court of Appeal delivered judgements confirming this ruling. Following this ruling, the Paris Administrative Court decided to resume consideration of all other proceedings on which it had not yet pronounced judgement. On 15 February 2005, the expert appointed by the Paris Administrative Court submitted two reports in which it was concluded that SNCF had incurred extra costs significantly lower than the claims made by SNCF (€6.1 million compared with €43.1 million excluding financial expenses). In June and July 2005, the Paris Administrative Court delivered several rulings ordering further examination of some of the other proceedings. The total amount sought from consortiums in which VINCI companies have holdings amounts to €193 million, half of which corresponds to financial expenses. VINCI considers that SNCF did not suffer financial prejudice on the award of these contracts to its subsidiaries given that each contract was subject to detailed negotiation by SNCF, which is a highly experienced and qualified project owner. VINCI considers that these disputes will not have a material adverse effect on its financial situation

- A dispute between VINCI and the US company Global Industries was taken to the Paris Commercial Court, regarding the consequences of the failure of the sale of ETPM by GTM to Global Industries, each party claiming compensation from the other for damages resulting from the breakdown of their discussions. On 19 November 2003, the Court ordered Global Industries to pay compensation to VINCI of US$25 million plus interest for the period from 25 November 1999, together with an amount covering any exchange loss arising from fluctuations in the euro/dollar exchange rate. Global Industries lodged an appeal against the ruling and, despite a provisional enforcement order, failed to comply with the ruling. On 24 May 2005, the Appeal Court delivered a judgement upholding all aspects of the ruling. Global Industries has not complied with the judgement and VINCI has therefore initiated enforcement proceedings in the US and will implement the procedures required to recover its claim.

- In the dispute between VINCI and Bouygues Bâtiment, as co-shareholders of Consortium Stade de France (CSDF), the Paris Appeal Court, in its judgement on 21 January 2005, dismissed the ownership transfer claim submitted by Bouygues Bâtiment in respect of CSDF and confirmed VINCI's right to retain ownership of two thirds of CSDF's equity. However, the Court considered that VINCI should have offered Bouygues Bâtiment the opportunity to acquire the disputed shares at the time of the merger between VINCI and GTM and ordered VINCI to compensate Bouygues Bâtiment for the damage suffered in this respect. The Court valued the damage at €3.7 million (after rectification of a material error). The ruling has not been challenged in the Court of Cassation and has consequently become final.

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

- VINCI's subsidiary CBC built a hotel in Bratislava (Slovakia) for Intertour, part of whose equity it held. This transaction was financed through promissory notes issued by Intertour and discounted on a non-recourse basis by CBC with a French bank, which had counter-guarantees from foreign financial institutions. Following the payment default by Intertour, these financial organisations initiated various legal proceedings, including one before the Paris Commercial Court, where CBC was charged with guaranteeing the principal amount of €41 million. This case was withdrawn in 2004 following a settlement between the claimants and the French bank. CBC was also sued in December 2003 in the Paris Commercial Court by the same French bank, which is claiming €24 million on the basis of alleged responsibility in connection with the invalidity of the guarantees issued by the foreign financial institutions in the French bank's favour. Given the current state of affairs, VINCI does not expect this dispute to have a material impact on its financial situation.

- Following recourse to the French Council of State by various road-transport companies, the Council delivered a ruling on 29 June 2005 cancelling the letter of 15 January 2003 in which the Director of tax legislation informed the chairman of the committee for SEMCAs (public-private motorway concession companies) that motorway concession companies did not have good reason to provide amended invoices showing the value added tax paid by users between 1 January 1996 and 1 January 2001. As a result of this ruling, motorway concession companies will be under the obligation to provide amended invoices when requested to do so by transport companies for the period from 1996 to 2001. By virtue of Article 283-3 of the French General Tax Code, according to which any person who specifies VAT on an invoice is liable for VAT solely by virtue of invoicing it, the companies could therefore be liable for payment of the VAT specified on the amended invoices. In liaison with the relevant State supervisory bodies, VINCI's subsidiary Cofiroute is currently looking into the financial implications that this Council of State ruling could have for it.

- Lastly, several VINCI Group companies are being investigated under competition law, and certain employees of VINCI Group subsidiaries are subject, on a personal basis, to judicial enquiry procedures that aim to determine whether they have participated in practices restricting competition or made inappropriate use of corporate assets for the direct or indirect benefit of political figures or parties. On 27 July 2005, the Company received notification of a report drawn up by the competition authority regarding the signing of various public sector contracts in the Ile de France region between 1989 and 1996. VINCI does not expect these proceedings to have a material negative impact on its financial situation in the event of an unfavourable outcome.

I. EVENTS AFTER THE BALANCE SHEET DATE

24. Early redemption of the Oceane 2007

In July 2001, with the aim of strengthening the Group's financial structure within the framework of its development policy, VINCI issued an "Oceane" bond (bond convertible into and / or exchangeable for new and / or existing shares).

Details of the bond are presented in note 20.1 "Detail of long-term debt".

On 22 July 2005, following the strong rise in VINCI's share price, the Group was able to initiate the early redemption of the entire bond issue.
Early redemption was scheduled for 22 August 2005 at a price of €103.19 per bond, plus €0.57 of coupon interest accrued since 1 January 2005, representing a total sum per bond of €103.76, compared with a share value of around €140 *(2 shares of €70 each)*.

Given these conditions, almost all of the Oceane bonds (99.72%) were converted to shares, leading to an increase in share capital of 11,468,062 shares.

This transaction was reflected in a decrease in net financial debt of the order of €580 million and a strengthening of consolidated equity by the same amount.

25. Privatisation of motorways in France

Further to the call for tenders issued by the French government concerning the privatisation of France's motorways, VINCI submitted an offer in respect of ASF to the *Agence des Participations de l'État* – APE – (France's State Investment Agency) on 22 August 2005.

26. Acquisition of France Handling, an airport services company

In August 2005, VINCI signed an agreement to acquire full ownership of France Handling, France's leading company in cargo handling services for airline companies and freight agents.

This company generated consolidated revenue of €91 million in 2004.

Main consolidated companies at 30 June 2005

	Consolidation method	VINCI Group holding
1. Concessions and services		
Cofiroute	FC	65.34
Cofiroute Participations	FC	65.34
Cofiroute Corporation (USA)	FC	65.34
Cofiroute UK (UK)	FC	65.34
Toll Management Company (UK)	FC	74.00
Autoroutes du Sud de la France (ASF)	EM	22.99
VINCI Park	FC	100.00
Sogeparc France	FC	99.99
Sogeparc CGST	FC	100.00
Sepadef (Société d'exploitation des parcs de la Défense)	FC	100.00
VINCI Park Services Ltd (UK)	FC	100.00
VINCI Park Espana (Spain)	FC	100.00
VINCI Park Belgium (Belgium)	FC	100.00
Gestipark (Canada)	FC	84.25
Zeson Management Ltd (Hong Kong)	FC	100.00
Other Concessions		
Stade de France	PC	66.67
SMTPC (Prado-Carénage tunnel)	EM	29.43
Lusoponte (Bridges over the Tagus river, Portugal)	EM	30.85
Severn River Crossing (Bridges over the River Severn, UK)	EM	35.00
Strait Crossing Development Inc (Confederation Bridge, Canada)	PC	49.90
Gefyra (Rion-Antirion Bridge, Greece)	FC	53.00
Autopista Del Bosque (Chillan-Collipulli motorway, Chile)	FC	82.95
Operadora Autopista Del Bosque (Chile)	FC	86.14
Morgan VINCI Ltd (Newport bypass, Wales, UK)	PC	50.00
Société Concessionnaire de l'Aéroport de Pochentong - SCA (Cambodia)	PC	70.00
Servicios de Tecnologia Aeroportuaria - SETA (Mexico)	EM	37.25
Airport Services		
VINCI Airports US (WFS)	FC	100.00
SPA TRANS	FC	100.00
EFS *(formerly SEN)*	FC	100.00
VINCI Airports Services	FC	100.00
VINCI Airport UK	FC	100.00
VINCI Concessions holding companies		
VINCI Concessions SA	FC	100.00
VINCI Infrastructures	FC	100.00
VINCI Airports	FC	100.00

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

	Consolidation method	VINCI Group holding

2. Energy

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

3. Roads

Eurovia	FC	100.00
Eurovia Champagne-Ardenne	FC	100.00
Eurovia Lorraine	FC	100.00
Eurovia Méditerranée	FC	100.00
Eurovia Ile de France	FC	100.00
Eurovia Bretagne	FC	100.00
EJL Ile de France	FC	100.00
Eurovia Alpes	FC	100.00
Eurovia Haute Normandie	FC	100.00
Eurovia Basse Normandie	FC	100.00
Eurovia Centre Loire	FC	100.00
Eurovia Atlantique	FC	100.00
Ringway Ltd (UK)	FC	95.99
Highway Services (UK)	FC	59.80
T.E Beach (UK)	FC	100.00
Hubbard (USA)	FC	100.00
Blythe (USA)	FC	100.00
SSZ (Czech Republic)	FC	92.06
Probisa Technologia y Construccion (Spain)	FC	91.25
Construction DJL (Canada)	FC	95.80
Bitumix (Chile)	FC	50.10
Boucher (Belgium)	FC	100.00
Cestne Stavby Kosice (Slovakia)	FC	96.65
Eurovia Polska Spolka Akcyjna (Poland)	FC	99.90
Eurovia Teerbau	FC	100.00
Eurovia VBU	FC	100.00
Eurovia Beton	FC	100.00

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

	Consolidation method	VINCI Group holding
4. Construction		
Sogea Construction	FC	100.00
SICRA	FC	100.00
Campenon Bernard Construction	FC	100.00
Bateg	FC	100.00
Sogea Nord-Ouest	FC	100.00
Campenon Bernard Méditerranée	FC	100.00
Sogea Nord	FC	100.00
EMCC	FC	100.00
Deschiron	FC	100.00
Energilec	FC	100.00
VINCI Environnement	FC	100.00
GTM Construction	FC	100.00
GTM Génie Civil et Services	FC	100.00
GTM Bâtiment	FC	100.00
Dumez Ile de France	FC	100.00
Chantiers Modernes	FC	100.00
Les Travaux du Midi	FC	100.00
Laine Delau	FC	100.00
GTM Terrassement	FC	100.00
Dumez Méditerranée	FC	100.00
Petit	FC	100.00
Dumez EPS	FC	100.00
Scao	PC	33.33
VINCI Construction Filiales Internationales		
Sogea - Satom	FC	100.00
Warbud (Poland)	FC	99.62
SBTPC (Reunion)	FC	100.00
Hidepitö (Hungary)	FC	97.69
SMP Construction (Czech Republic)	FC	95.95
First Czech Construction Company (Czech Republic)	FC	100.00
Dumez-GTM Calédonie	FC	100.00
Sobea Gabon (Gabon)	FC	90.00
Sogea Martinique	FC	100.00
SKE (Germany)	FC	100.00
VINCI Bautec (Germany)	FC	100.00
VINCI Construction UK		
VINCI plc (UK)	FC	100.00
Rosser and Russel (UK)	FC	100.00
Crispin and Borst (UK)	FC	100.00
VINCI Investment (UK)	FC	100.00

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

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

5. Property

Sorif	FC	100.00
Elige	FC	100.00

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

SALUSTRO REYDEL
A member of KPMG International
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75008 PARIS

DELOITTE & ASSOCIES

REPORT BY THE STATUTORY AUDITORS ON THE LIMITED REVIEW OF THE HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

(Articles L. 232-7 of the French Code of Commerce and 297-1 of the Decree of 23 March 1967)

VINCI
1, cours Ferdinand-de-Lesseps
92500 RUEIL MALMAISON

PERIOD FROM 1 JANUARY 2005 TO 30 JUNE 2005

SALUSTRO REYDEL
A member of KPMG International
8, avenue Delcassé
75008 PARIS

DELOITTE & ASSOCIES
185, avenue Charles de Gaulle
92200 NEUILLY SUR SEINE

REPORT BY THE STATUTORY AUDITORS ON THE LIMITED REVIEW OF THE HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders,

As Statutory Auditors and in application of Article L. 232-7 of the French Code of Commerce, we have:

- performed a limited review of VINCI's business review and results presented in the form of half-year consolidated financial statements for the period from 1 January to 30 June 2005, as attached to this report;
- verified the information given in the half-year report.

These half-year consolidated financial statements have been prepared under the responsibility of the Board of Directors. Our role is to express our conclusion on these financial statements, based on our limited review.

With the transition to the IFRSs as adopted by the European Union for the preparation of the 2005 consolidated financial statements in view, the half-year consolidated financial statements have been prepared for the first time applying the recognition and measurement principles of the IFRSs adopted in the European Union, in the form of interim financial statements as defined in the General Regulation of the AMF – the Autorité des Marchés Financiers – the French financial market authority. They include, for comparison, information on the full twelve months of 2004 and on the first half of 2004 restated under the same rules.

We have conducted our limited review in accordance with the professional standards applicable in France. Those standards require that we plan and perform this limited review in such a way as to obtain an assurance, less than that resulting from an audit, that the half-year consolidated financial statements are free of material misstatement. A review of this nature does not include all the checks that are characteristic of an audit, but is limited to the implementation of analytical procedures and the obtaining of the information that we have considered necessary from the Management and any other appropriate persons.

As indicated in Note A to the financial statements, VINCI has a 22.99% holding in ASF, which is accounted for using the equity method. As ASF's net profit for the first half of 2005 was not known on the day when VINCI's half-year consolidated financial statements were prepared, an estimate has been made of ASF's contribution to the Group's results on the basis of the published information available. In this situation, we have not been able to perform the limited review procedures that we would normally have made in respect of the equity-accounting of the ASF shares. The net impact of the equity accounting of the ASF shares on the consolidated profit is €27.4 million and the ASF shares are shown under "investments in associates" for €1,460 million.

On the basis of our limited review and subject to this reserve, we have not noted any material misstatements of such a nature as to bring into question the conformity, in all material aspects, of the half-year consolidated financial statement with, first, the presentation and disclosure rules applicable in France and, secondly, the recognition and measurement rules of the IFRSs adopted in the European Union as described in the Notes to the financial statements.

Without bringing the above conclusion into question, we draw your attention to:

- Note C.1 to the financial statements, which sets out the reasons why the comparative information that will be presented in the consolidated financial statements at 31 December 2005 and in the half-year consolidated financial statements at 30 June 2006 could be different from that in the financial statements attached to this report;
- Note C.1.1 to the financial statements, which sets out the options adopted for the presentation of the half-year consolidated financial statements, which do not include all the information in the Notes required by the IFRSs as adopted in the European Union enabling, under these Standards, a fair presentation to be made of the assets and liabilities, the financial position and the results of the group of entities included in the consolidated financial statements;
- Note C.1.2. to the financial statements, which sets out the accounting treatment of concession contracts adopted by VINCI. Pending completion of the IFRIC's work, the Company has continued to apply the accounting policies applied to concession contracts under the French rules in force at 31 December 2004, in preparing its half-year consolidated financial statements at 30 June 2005. Application of the interpretations currently being studied may significantly alter the data relating to 2004 and to the first half years of 2004 and 2005.

We have also verified, in accordance with the professional standards applicable in France, the information given in the half-year report providing comments on the half-year consolidated financial statements that were the subject of our limited review.

Except for the possible impact of the facts set out in paragraph 5 above, we have no comments as to the fair presentation and the conformity of this information with the half-year consolidated financial statements.

Neuilly-sur-Seine and Paris, 28 September 2005

The Statutory Auditors

SALUSTRO REYDEL A member of KPMG International		DELOITTE & ASSOCIES
Bernard Cattenoz	Benoît Lebrun	Thierry Benoit