GRANDS PROJETS

Consolidated financial statements 2007

Consolidated financial statements 2007

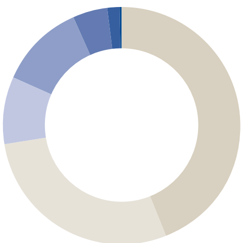
Contents

Key figures
2007

Number of projects	Operations in	Workforce (employees worldwide)
65	32 countries	3,841

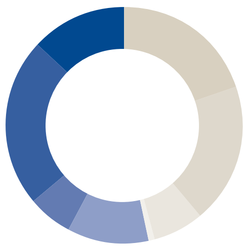
Revenue[1]: €860.5 million
in € millions

By geographical area



France	379.0
Europe	246.7
Africa	78.1
Middle East	99.5
Asia	41.2
The Americas	14.8
Australia	1.2

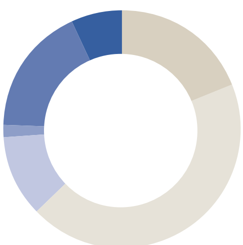
By business line



Tunnels	170.0
Roads	164.4
Bridges	58.4
Others	9.7
Transportation	*402.5*
Hydraulic work	96.2
Energy	53.0
Building	197.7
Major facilities	111.1

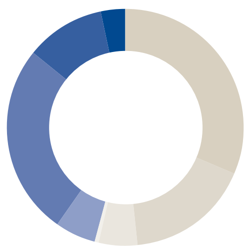
Order book: €1,432.2 million
in € millions

By geographical area



France	321.9
Europe	747.9
Africa	190.1
Middle East	28.3
Asia	30.1
The Americas	113.9
Australia	0.0

By business line



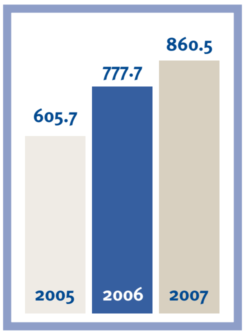
Tunnels	452.8
Roads	242.5
Bridges	77.5
Others	1.7
Transportation	*774.5*
Hydraulic work	82.3
Energy	375.8
Building	152.3
Major facilities	47.3

Key figures
2007

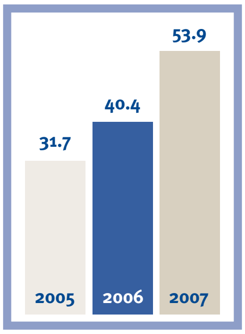
Revenue[1]	Operating profit from ordinary activities[1]	Net profit attributable to equity holders of the parent[1]
€860.5 million	€53.9 million	€50.4 million

Key figures
in € millions

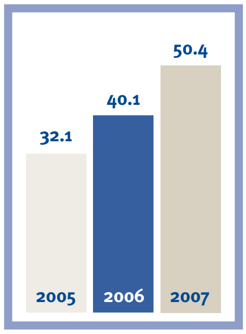
Revenue[1]



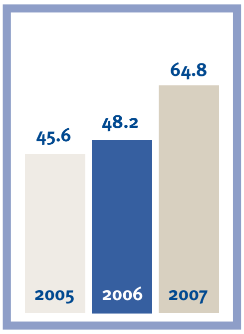
Operating profit from ordinary activities[1]



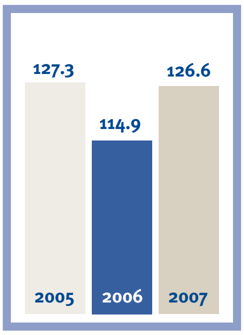
Net profit attributable to equity holders of the parent[1]



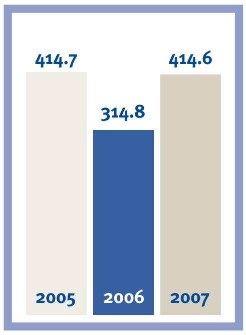
Cash flow from operations[1]
before tax and financing costs



Equity including minority interest



Cash



(1) The relevant key figures are stated as a contribution to VINCI's consolidated results.

Consolidated IFRS balance sheet
at 31 December 2007

ASSETS		2007			2006
in € thousands	Notes	Gross	Depreciation provisions	Net	Net
Non-current assets					
Intangible assets	1	8,702	8,120	582	760
Goodwill		263	263	-	-
Property, plant and equipment	2	93,966	55,907	38,059	34,273
Other non-current financial assets	3	11,874	10,012	1,862	2,007
Non-current deferred tax assets	12	945	-	945	1,332
Total non-current assets		**115,750**	**74,302**	**41,448**	**38,372**
Current assets					
Inventories and work in progress	5	15,586	719	14,867	12,752
Trade receivables and related accounts	5	355,240	31,553	323,687	227,898
Other operating receivables	5	236,541	6,677	229,864	364,957
Other current assets	5	20,066	2,209	17,857	15,740
Current tax assets	5	202	-	202	174
Current deferred tax assets	12	387	-	387	-
Cash management financial assets	4-8	280,843	-	280,843	317,823
Cash and cash equivalents	4-8	170,140	-	170,140	138,695
Total current assets		**1,079,005**	**41,158**	**1,037,847**	**1,078,039**
TOTAL ASSETS		**1,194,755**	**115,460**	**1,079,295**	**1,116,411**

Consolidated IFRS balance sheet

at 31 December 2007

EQUITY AND LIABILITIES

in € thousands	Notes	2007	2006
Equity			
Share capital		67,854	67,854
Share premium		19,252	19,252
Consolidated reserves		7,747	7,337
Net profit		49,578	40,087
Interim dividend		(19,678)	(19,904)
Equity attributable to equity holders of the parent		**124,753**	**114,626**
Minority interest		1,893	309
Total equity		**126,646**	**114,935**
Non-current liabilities			
Provisions for retirement benefit obligations and other employee benefits	6	10,323	9,725
Non-current provisions	7	8,560	7,251
Other non-current liabilities		187	42
Non-current deferred tax liabilities	12	945	1,423
Total non-current liabilities		**20,015**	**18,441**
Current liabilities			
Current provisions	5-7	200,795	171,528
Trade payables	5	196,621	184,954
Current tax payables	5	6,060	136
Current deferred tax liabilities	12	387	-
Current borrowings	8	36,391	141,752
Other current payables	5	492,380	484,665
Total current liabilities		**932,634**	**983,035**
TOTAL EQUITY AND LIABILITIES		**1,079,295**	**1,116,411**

Consolidated IFRS income statement

at 31 December 2007

in € thousands	Notes	2007	2006
Revenue	9	**850,852**	**777,650**
Revenue from ancillary activities		1,423	2,978
Operating revenue	10	**852,275**	**780,628**
Purchases consumed		(98,901)	(102,897)
Sub-contracting and other external expenses		(484,277)	(481,051)
Employment costs	16	(157,077)	(139,683)
Taxes and levies		(9,263)	(8,119)
Other operating income and expenses		855	323
Net amortisation, depreciation, and provisions		(53,100)	(10,116)
OPERATING PROFIT FROM ORDINARY ACTIVITIES	**10**	**50,512**	**39,085**
(% of revenue)		*5.94%*	*5.03%*
Goodwill impairment expense		-	(263)
Share of profit or loss of associates		(7)	(7)
OPERATING PROFIT		**50,505**	**38,815**
(% of revenue)		*5.94%*	*4.99%*
Cost of gross financial debt		(2,846)	(2,423)
Financial income from cash management investments		16,345	13,620
COST OF NET FINANCIAL DEBT		**13,499**	**11,197**
Other financial income and expenses	11	(150)	(3,045)
Income tax expense	12	(15,198)	(3,733)
NET PROFIT FOR THE PERIOD		**48,656**	**43,234**
Net profit attributable to minority interests		(922)	3,147
NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**49,578**	**40,087**
(% of revenue)		*5.83%*	*5.15%*
Number of shares		4,523,591	4,523,591
EARNINGS PER SHARE *(in euros)*		**10.96**	**8.86**

IFRS cash flow statement

at 31 December 2007

in € thousands	31/12/2007	31/12/2006
Net profit for the period (including minority interest)	48,656	43,234
Depreciation and amortisation	14,238	16,477
Net increase / (decrease) in provisions	(47)	(3,465)
Gains and losses on disposals	(558)	(54)
Change in fair value of foreign currency derivative financial instruments	-	141
Dividends received from unconsolidated entities and share of profit or loss of equity-accounted entities	2	7
Borrowing costs in inventory	-	(721)
Cost of net financial debt recognised	(13,499)	(11,197)
Current and deferred tax expense recognised	15,198	3,733
Cash flows (used in) / from operations before tax and financing costs	**63,990**	**48,155**
Changes in operating WCR (including liabilities related to employee benefits)	51,492	(124,280)
Change in current provisions	27,029	17,123
Income taxes paid	(3,601)	(1,020)
Net interest paid (including finance lease interest)	13,404	11,369
Net cash flows (used in) / from operating activities (I)	**152,314**	**(48,653)**
Purchases of property, plant and equipment, and intangible assets	(25,000)	(18,638)
Proceeds from sales of property, plant and equipment, and intangible assets	5,930	3,899
Purchases of non-current financial assets	(359)	(1 158)
Proceeds from disposal of non-current financial assets	2,360	2,233
Net effect of changes in scope of consolidation	-	871
Dividends received from unconsolidated entities	5	-
Change in other non-current financial assets	813	828
Change in non-current financial liabilities	(8)	(3)
Net cash flows (used in) / from investing activities (II)	**(16,259)**	**(11,968)**
Minority interest in share capital increases of subsidiaries	1,970	-
Dividends paid by the parent company	(40,034)	(54,736)
Change in loans and other financial liabilities	(111,733)	44,844
Change in cash management assets	36,891	13,628
Net cash flows (used in) / from financing activities (III)	**(112,906)**	**3,736**
CHANGE IN NET CASH (I+II+III)	**23,149**	**(56,885)**
Net cash and cash equivalents at beginning of period	128,334	186,521
Effect of changes in foreign exchange rates	(2,311)	(1,302)
NET CASH AND CASH EQUIVALENTS AT END OF PERIOD	**149,172**	**128,334**
Net cash and cash equivalents at end of period	149,172	128,334
Cash management financial assets	*280,843*	*317,823*
Other current and non-current financial debt (excluding bank overdrafts)	*(15,423)*	*(131,391)*
NET FINANCIAL SURPLUS AT END OF PERIOD	**414,592**	**314,766**

Statement of changes in consolidated equity

at 31 December 2007

EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

in € thousands	Share capital	Premiums and reserves	Currency differences	Net profit for the period	Net income recognised directly in equity	**Attributable to equity-holders of the parent**	Minority interest	**Total**
31 December 2005	**67,854**	**31,151**	**(301)**	**28,419**		**127,123**	**137**	**127,260**
Allocation of net income for previous period	-	28,419	-	(28,419)	-	-	-	-
Currency differences and miscellaneous	-	-	2,152	-	-	**2,152**	(869)	**1,283**
Interim dividends paid		(19,904)	-	-	-	**(19,904)**	-	**(19,904)**
Dividends paid	-	(34,832)	-	-	-	**(34,832)**	(2,106)	**(36,938)**
Net profit for the period	-	-	-	40,087	-	**40,087**	3,147	**43,234**
31 December 2006	**67,854**	**4,834**	**1,851**	**40,087**	**-**	**114,626**	**309**	**114,935**
Allocation of net income for previous period	-	40,087	-	(40,087)	-	-	-	-
Currency differences and miscellaneous	-	-	583	-	-	**583**	734	**1,317**
Interim dividends paid	-	(19,678)	-	-	-	**(19,678)**		**(19,678)**
Dividends paid	-	(20,356)	-	-	-	**(20,356)**	(198)	**(20,554)**
Increase in share capital	-	-	-	-	-	-	1,970	**1,970**
Net profit for the period	-	-	-	49,578	-	**49,578**	(922)	**48,656**
31 December 2007	**67,854**	**4,887**	**2,434**	**49,578**	**-**	**124,753**	**1,893**	**126,646**

At 31 December 2007, the share capital of the parent company was represented by 4,523,591 shares of 15 euros nominal value.

Notes to the consolidated IFRS financial statements

at 31 December 2007

Contents

Notes to the consolidated IFRS financial statements

at 31 December 2007

I - Accounting policies and measurement methods

1 > General principles

In application of Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002, the Group's consolidated financial statements for the period ended 31 December 2007 have been prepared under the International Financial Reporting Standards (IFRS) as endorsed by the European Union at 31 December 2007.

The accounting policies applied by the Group at 31 December 2007 are the same as those used in preparing its 2006 consolidated financial statements, except for the Standards and Interpretations adopted by the European Union that are applicable as from 1 January 2007 (see Note 1.1). These have had no material impact on the financial statements.

VINCI has granted options on VINCI shares and VINCI shares for no consideration to some executives and/or employees of VINCI Construction Grands Projets. VINCI also allows the executives and employees of VINCI Construction Grands Projets to subscribe to VINCI shares, under the Group Savings Scheme, at a subscription price that is at a discount to the average market price of the VINCI share.

These share-based payments (under IFRS 2 and IFRIC 11) have not been recognised in the consolidated financial statements of VINCI Construction Grands Projets at 31 December 2007, except for the employer's contribution paid and recognised as an expense by the entities comprising the VINCI Construction Grands Projets group. The impact for 2007 is estimated at €0.6 million.

1.1 > New Standards and Interpretations applicable from 1 January 2007

1.1.1 IFRS 7 Financial Instruments: Disclosures and Amendment to IAS 1 Presentation of Financial Statements – Capital Disclosures

On 18 August 2005, the IASB published IFRS 7 Financial Instruments: Disclosures and the Amendment to IAS 1 Presentation of Financial Statements – Capital Disclosures.

The objective of IFRS 7 is to revise the disclosures on financial instruments, as defined in IAS 32 Financial Instruments: Disclosure and Presentation and IAS 39 Financial Instruments: Recognition and Measurement in order to improve communication about the exposure to the management of financial risks. IFRS 7 requires in particular:
- qualitative disclosures on the management of risks as they are analysed by the Group's management;
- quantitative disclosures on the sensitivity of profit or loss and equity to fluctuations in the various market risks (interest rates, foreign exchange rate, equity prices, raw material prices, etc.).

The Amendment to IAS 1 requires presentation of qualitative and quantitative information on the objectives, policies and processes for managing capital.

Application of this Standard and this Amendment, adopted by the European Union on 11 January 2006 and published in the Official Journal of the European Union on 27 January 2006, has been mandatory since 1 January 2007.
The application of this interpretation has no material effect on the Group's consolidated financial statements.

1.1.2 New Interpretations applicable from 1 January 2007

- IFRIC 10 Interim Financial Reporting and Impairment;

- IFRIC 9 Reassessment of Embedded Derivatives;

- IFRIC 8 Scope of IFRS 2;

- IFRIC 7 Applying the Restatement Approach under IAS 29 (Financial Reporting in Hyperinflationary Economies).

The application of these interpretations has no material effect on the Group's consolidated financial statements.

1.2 > Change of presentation

1.2.1 Profit or loss of associates

The IFRSs in force at 31 December 2007 require the profit or loss of associates to be disclosed on a specific line in the income statement, but do not state where this line should be placed. Furthermore, they allow supplementary lines and subtotals to be added whenever this facilitates understanding of the entity's performance.

Notes to the consolidated IFRS financial statements
at 31 December 2007

In order to further improve the information presented on the operational performance of its business lines, VINCI has decided to present the results of associates from now on between Operating profit from ordinary activities and Operating profit.
In accordance with IAS 8, this change of presentation should be applied to the comparative data presented. However, as the associates in which VINCI Construction Grands Projets has significant influence are of little materiality in respect of its financial statements, this comparative data is not given.

2 > Consolidation methods

2.1 > Consolidation scope

The consolidated financial statements include the financial statements of all the companies with revenue of more than €2 million, and the financial statements of subsidiaries whose revenue is lower than this figure but whose impact on the Group's financial statements is material.

Companies where the Group holds, either directly or indirectly, the majority of voting rights or exercises de facto control are fully consolidated. Those over which VINCI Construction Grands Projets exercises significant influence are accounted for using the equity method.

The proportionate method is used to consolidate companies in which the Group exercises joint control and joint venture partnerships in which the Group's share of the revenue and balance sheet are material for the Group.

2.2 > Intragroup transactions

Reciprocal operations and transactions relating to assets and liabilities, income and expenses between consolidated or equity-accounted companies are eliminated in the consolidated financial statements. This is done:
- for the full amount if the transaction is between two fully consolidated entities;
- applying the percentage of proportionate consolidation of an entity if the transaction is between a fully consolidated entity and a proportionately consolidated entity;
- applying the percentage owned of an equity-accounted entity in the case of internal profits or losses realised between a fully consolidated entity and an equity-accounted entity.

2.3 > Translation of the financial statements of foreign subsidiaries and establishments

In most cases, the functional currency of foreign entities 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

Number of companies by reporting method

	31 December 2007			31 December 2006		
	Total	France	Foreign	Total	France	Foreign
Full consolidation	**56**	15	41	**56**	16	40
Proportionate consolidation	**43**	15	28	**43**	14	29
Equity method	**1**	-	1	**1**	-	1
	100	**30**	**70**	**100**	**30**	**70**

Notes to the consolidated IFRS financial statements

at 31 December 2007

exchange rate at the balance sheet date and income statement items are converted at the average rate for the period (which represents the best estimate of the exchange rate at the transaction date).

Any resulting translation differences are recognised under translation differences in consolidated reserves. Goodwill relating to foreign entities is considered as comprising part of the assets and liabilities acquired and is therefore translated at the exchange rate in force at the balance sheet date.

2.4 > Foreign currency transactions

Transactions in foreign currency are translated into euros at the exchange rate at the transaction date. At the balance sheet date, trade receivables and payables expressed in foreign currencies are translated at the closing rate. Resulting exchange gains and losses are recognised under foreign exchange gains and losses and are shown under other financial income and expenses in the income statement.

Foreign exchange gains and losses arising on loans denominated in foreign currency or on foreign currency derivatives used to hedge investments in foreign subsidiaries are recorded under translation differences in equity.

2.5 > Business combinations

The Group applies the so-called purchase method for business combinations made as from 1 January 2004. In application of this method, the Group recognises the identifiable assets, liabilities and certain contingent liabilities at their fair value at the dates when control was acquired.

The cost of a business combination is the fair value, at the date of exchange, of assets given, liabilities incurred, and/or equity instruments issued by the acquirer in exchange for control of the acquiree, plus any costs directly attributable to the acquisition. When an agreement provides for an adjustment to the purchase price contingent on future events, the Group includes the amount of that adjustment in the purchase cost of the target entity at the acquisition date if the adjustment is probable and can be measured reliably.

The cost of acquisition is allocated by recognising the identifiable assets, liabilities and contingent liabilities of the acquiree at their fair value at that date, except for assets or asset groups classified as held for sale under IFRS 5, which are recognised at their fair value less costs to sell. The difference between the cost of acquisition, as defined above, and the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities is recognised as goodwill.

The Group has 12 months from the date of acquisition to finalise recognition of the business combination in question.

3 > Measurement rules and methods applied by the Group

3.1 > Use of estimates

The preparation of financial statements under the IFRSs requires estimates to be used and assumptions to be made that affect the amounts shown in these financial statements.

These estimates assume the operation is a going concern and are made on the basis of the information available at the time. Estimates may be revised if the circumstances on which they were based alter or if new information becomes available. Actual results may be different from these estimates.

Use of estimates relates in particular to the following:

3.1.1 Measurement of construction contract profit or loss using the stage of completion method

The Group recognises revenue and profit and loss on construction contracts using the stage of completion method.

The stage of completion is calculated on the basis of chargeable costs, corresponding to a physical measurement of work converted into the chargeable costs necessary to carry it out.

The revenue and profit or loss to be recognised is determined on the basis of a large number of estimates based on monitoring of the work performed and using the benefit of experience to take account of unforeseen circumstances. In consequence, adjustments may be made to initial estimates throughout the contract and may have material effects on future results.

3.1.2 Measurement of retirement benefit obligations

The Group is involved in defined contribution and defined benefit retirement plans. Its obligations are measured actuarially based on assumptions such as the discount rate,

Notes to the consolidated IFRS financial statements

at 31 December 2007

the return on the investments dedicated to these plans, future increases in wages and salaries, employee turnover, mortality rates and the rate of increase of health expenses.

These assumptions are generally updated annually. Details of the assumptions used in 2007 and how they are determined are given in Note 6 Provisions for employee benefits.

The Group considers that the actuarial assumptions used are appropriate and justified. Obligations may, however, change to take account of future changes in assumptions.

3.1.3 Measurement of provisions

The factors that materially influence the amount of provisions relate to:

- the estimates made on statistical bases from expenses incurred in previous years, for after-sales service provisions;

- the estimates of forecast profit or loss on construction contracts, which serve as a basis for the determination of losses on completion.

3.1.4 Measurement of financial instruments at fair value

In the case of financial instruments that are not listed on a market, the Group uses valuation models based on a number of assumptions to assess their fair value, and changes in these assumptions could have a material impact on the valuation of these instruments.

3.2 > Revenue

Consolidated revenue is recognised in accordance with IAS 11 as described below.

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

- fully consolidated companies;

- jointly controlled companies, which are consolidated proportionately on the basis of the Group's share in the company;

- joint venture partnerships, based on the Group's share in the entity.

The method for recognising revenue in respect of construction contracts is explained in Note 3.4 "Construction contracts" below.

3.3 > Revenue from ancillary activities

Revenue from ancillary activities is recognised in accordance with IAS 18. It comprises rental income, sales of equipment, materials and merchandise, study work and fees.

3.4 > Construction contracts

The Group recognises construction contract income and expenses using the stage of completion method defined by IAS 11.
For VINCI Construction Grands Projets, the stage of completion is usually determined on a physical basis.

If the estimate of the final outcome of a contract indicates a loss, a provision is made for the loss on completion, regardless of the stage of completion, based on the best estimates of income, including, if need be, any rights to additional revenue or claims, 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.

3.5 > Cost of net financial debt

The cost of net financial debt includes:

- the cost of gross financial debt, which includes the interest expense (calculated at the effective interest rate), gains and losses on interest rate derivatives in respect of gross financial debt, and net changes in the fair value of derivatives related to debt, except those that are recognised in equity;

- the line item "Financial income from cash management investments" comprises the return on cash investments (interest income, dividends from UCITS (marketable securities), disposal gains and losses, etc.), the impact of interest rate hedges related to these investments and changes in their fair value.

Notes to the consolidated IFRS financial statements
at 31 December 2007

3.6 > Other financial income and expenses

"Other financial income and expenses" mainly comprises foreign exchange gains and losses, the effects of discounting to present value and dividends received from unconsolidated companies.

3.7 > Income tax

Income tax is computed in accordance with the tax legislation in force in the countries where the income is taxable.

In accordance with IAS 12, deferred tax is recognised on the temporary differences between the carrying amount and the tax base of assets and liabilities. Deferred tax is calculated using the latest tax rates enacted or substantially enacted. The effects of a change in the tax rate from one period to another are recognised in the income statement in the period in which the change occurs.

Deferred tax relating to items recognised directly under equity is also recognised under equity.

Net deferred tax is determined on the basis of the tax position of each entity or group of entities included in the tax group under consideration and is shown under assets or liabilities for its net amount per taxable entity.

Deferred tax is reviewed at each balance sheet date to take account in particular of the impact of changes in tax law and the prospects for recovery. Deferred tax assets are only recognised if their recovery is probable.

Deferred tax assets and liabilities are not discounted.

3.8 > Earnings per share

Earnings per share is the net profit after minority interest, divided by the weighted average number of shares outstanding during the period. The Group has issued no equity instruments that could have a dilutive effect.

3.9 > Intangible assets

This is mainly computer software. Purchased intangible assets are measured at cost less cumulative amortisation and impairment losses and are amortised on a straight-line basis over their useful life.

3.10 > Goodwill

Goodwill is the excess of the cost of a business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities at the date(s) of acquisition, recognised on first consolidation.
Goodwill relating to fully and proportionately consolidated entities is reported under the consolidated balance sheet under Goodwill. Goodwill relating to associates is included in the line-item Investments in associates.

Goodwill is not amortised but is tested for impairment at least annually and whenever there is an indication that it may be impaired. Whenever an asset is impaired, the difference between its carrying amount and its recoverable amount is recognised as an operating expense in the period and is not reversible.

Negative goodwill is recognised directly in profit or loss in the year of acquisition.

3.11 > Property, plant and equipment

Items of property, plant and equipment are recorded at their acquisition or production cost less cumulative depreciation and any impairment losses recognised. They are not revalued.

Depreciation is generally calculated on a straight-line basis over the period of use of the asset. Accelerated depreciation may however be used when it appears more appropriate to the conditions under which the asset is used. For certain complex assets, 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:

Constructions	
- Structure	**Between 20 and 40 years**
- General technical installations	**Between 5 and 20 years**
Site equipment and technical installations	**Between 3 and 10 years**
Vehicles	**Between 3 and 5 years**
Fixtures and fittings	**Between 8 and 10 years**
Office furniture and equipment	**Between 3 and 10 years**

Notes to the consolidated IFRS financial statements

at 31 December 2007

Depreciation commences as from the date when the asset is ready to enter service.

3.12 > Finance leases

Assets acquired under finance leases are recognised as non-current assets whenever the effect of the lease is to transfer to the Group substantially all the risks and rewards incidental to ownership of these assets. Assets held under finance leases are depreciated over their period of use.

3.13 > Impairment of non-financial non-current assets

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

3.14 > Investments in associates

Equity-accounted investments in associates are initially recognised at cost of acquisition, including any goodwill arising.
Their carrying amount is then increased or decreased to recognise the Group's share of the associate's profits or losses after the date of acquisition. Whenever losses are greater than the value of the Group's net investment in the associate, these losses are not recognised unless the Group has entered into a commitment to recapitalise the associate or made payments on its behalf.

If there is an indication that an investment may be impaired, its recoverable value is tested as described in the note above on impairment of non-financial non-current assets.

3.15 > Other non-current financial assets

Other non-current financial assets comprise available-for-sale securities, the part at more than one year of loans and receivables measured at their amortised cost and the fair value of non-current derivative financial instruments (assets).

> Available-for-sale securities

Available-for-sale securities comprises the Group's shareholdings in unconsolidated entities.

At the balance sheet date, available-for-sale securities are measured at their fair value. For shares in listed companies, fair value is determined on the basis of the stock market price at that balance sheet date.

For unlisted securities, if their fair value cannot be determined reliably, the securities continue to be measured at their original cost, i.e. their cost of acquisition plus transaction costs.

Changes in fair value are recognised directly in equity and are only transferred to profit or loss when the securities in question are sold.

Whenever an impairment test leads to recognition of an unrealised loss as against the historical cost and whenever this is considered to be a material and/or durable loss of value, this loss is recognised in profit or loss and may not be reversed.

> Loans and receivables at amortised cost

Loans and receivables at amortised cost mainly comprise receivables connected with shareholdings, current account advances to associates or unconsolidated entities, guarantee deposits, collateralised loans and receivables and other loans and receivables.

When first recognised, these loans and receivables are recognised at their fair value plus the directly attributable transaction costs. At each balance sheet date, these assets are measured at their amortised cost using the effective interest method.

If there is an objective indication of durable impairment, an impairment loss is recognised. The impairment loss corresponding to the difference between the carrying amount and the recoverable amount (i.e. the present value of the expected cash flows discounted using the original effective interest rate) is recognised in profit or loss. This loss may be reversed if the recoverable value increases subsequently and if this favourable change can objectively be linked to an event arising after recognition of the impairment loss.

3.16 > Inventories and work in progress

Inventories and work in progress are recognised at their cost of acquisition or of production by the entity. At each balance sheet date, they are measured at the lower of cost and net realisable value.

Notes to the consolidated IFRS financial statements

at 31 December 2007

3.17 > Trade and other operating receivables

Trade and other operating receivables are current financial assets initially measured at their fair value, which is generally their nominal value, unless the effect of discounting is material. At each balance sheet date, receivables are measured at their amortised cost less any impairment losses taking account of any likelihood of non-recovery.

3.18 > Cash management financial assets

Cash management financial assets comprises investments of cash surpluses, monetary and bond securities, and units in UCITS, made with a short-term management objective, that do not satisfy the IAS 7 criteria for recognition as cash.

As the Group adopts fair value as being the best reflection of the performance of these assets, they are measured and recognised at their fair value, and changes in fair value are recognised through profit or loss.

Purchases and sales of cash management financial assets are recognised at their transaction date.

3.19 > Cash and cash equivalents

This item comprises current accounts at banks and cash equivalents corresponding to short-term, liquid investments subject to negligible risks of fluctuations of value. Cash equivalents comprise in particular monetary UCITS (in accordance with the AMF classification) and certificates of deposits at one month of the date of signature. Bank overdrafts are not included in cash and are reported under current financial liabilities.

The Group measures cash equivalents at fair value through profit or loss.

3.20 > Non-current provisions

Non-current provisions comprise provisions for retirement benefit obligations and other non-current provisions.

> Provisions for retirement benefit obligations

Provisions are taken in the balance sheet for obligations connected with defined benefit retirement plans, for both current and former employees (people with deferred rights or who have retired). These provisions are determined using the projected unit credit method on the basis of actuarial assessments made at each annual balance sheet date. The actuarial assumptions used to determine the obligations vary depending on the economic conditions of the country where the plan is operated. Each plan's obligations are recognised separately.

For defined benefit plans financed under external management arrangements (i.e. pension funds or insurance policies), the surplus or shortfall of the fair value of the assets compared with the present value of the obligations is recognised as an asset or liability in the balance sheet, after deduction of cumulative actuarial gains and losses and any past service cost not yet recognised in profit or loss. However, surplus assets are only recognised in the balance sheet to the extent that they represent a future economic benefit for the Group.

Past service cost corresponds to the benefits granted either when an entity adopts a new defined benefit plan or when it changes the level of benefit of an existing plan. Whenever new rights to benefit are acquired as from the adoption of the new plan or the change of an existing plan, the past service cost is recognised immediately in the income statement. Conversely, whenever adoption of a new plan or a change in a plan gives rise to the acquisition of rights after its implementation date, past service costs are recognised as an expense on a straight-line basis over the average period remaining until the corresponding rights are fully vested.

Actuarial gains and losses result from changes in actuarial assumptions and from experience adjustments (the effects of differences between the actuarial assumptions adopted and what has actually occurred).

Cumulative unrecognised actuarial gains and losses that exceed 10% of the higher of the present value of the defined benefit obligation and the fair value of the plan assets are recognised in profit or loss for the excess portion on a straight-line basis over the average expected remaining working lives of the employees in that plan.

For defined benefit plans, the expense recognised under operating profit or loss comprises the current service cost, the amortisation of past service cost, the amortisation of any actuarial gains and losses and the effects of any reduction or winding up of the plan. The interest cost (cost of discounting) and the expected yield on plan assets are recognised under other financial income and expenses.

Notes to the consolidated IFRS financial statements

at 31 December 2007

Commitments relating to lump-sum payments on retirement for manual construction workers, which are met by contributions to an outside multi-employer insurance scheme (CNPO), are considered as being under defined contribution plans and are recognised as an expense as and when contributions are payable.

That part of provisions for retirement benefit obligations that matures within less than one year is shown under current liabilities.

› Other non-current provisions

These comprise provisions for other employee benefits, measured in accordance with IAS 19, and those provisions that are not directly linked to the operating cycle, measured in accordance with IAS 37.
These are recognised whenever, at the balance sheet date, the Group has a legal or constructive present obligation towards third parties arising from a past event, whenever it is probable that an outflow of resources embodying economic benefits will be required to settle this obligation and whenever a reliable estimate can be made of the amount of the obligation. These provisions are measured at their present value, corresponding to the best estimate of the outflow of resources required to settle the obligation.

Provision expenses and reversals result from the change in these assessments at each balance sheet date.

The part at less than one year of other employee benefits is reported under "Other current liabilities". The part at less than one year of provisions not directly linked to the operating cycle is reported under "Current provisions".

3.21 › Current provisions

Current provisions are provisions directly linked to each business line's own operating cycle, whatever the expected time of settlement of the obligation. They are recognised in accordance with IAS 37 (see above). They also include the part at less than one year of provisions not directly linked to the operating cycle.

Provisions for after-sales service cover Group entities' commitments under statutory warranties relating to completed projects, in particular ten-year warranties on building projects in France. They are estimated statistically on the basis of expenses incurred in previous years or individually on the basis of specifically identified events.

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

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

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

3.22 › Financial debt (current and non-current)

Financial debt comprises bond loans, other loans and the fair value of derivative financial instruments (liabilities). Financial debt is recognised at amortised cost using the effective interest method. The effective interest rate is determined after taking account of redemption premiums and issuance expenses. Under this method, the interest expense is measured using the amortised cost method and reported under the cost of gross financial debt.
The part at less than one year of borrowings is included in "Current borrowings".

3.23 › Fair value of derivative financial instruments (assets and liabilities)

The Group uses derivative financial instruments to hedge its exposure to market risks (interest rates, exchange rates, equity prices). In accordance with IAS 39, all derivatives should be shown in the balance sheet at their fair value. If a derivative is not designated as a hedge, the change in its fair value must be recognised through profit or loss. If a derivative is designated as a hedge, recognising it as a hedging instrument allows changes in the value of the derivative to be cancelled out in the income statement.

Notes to the consolidated IFRS financial statements

at 31 December 2007

Derivative instruments may be designated as hedging instruments in three cases:

- **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 rates, exchange rates, 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 denominated in a foreign currency** hedges the foreign exchange risk relating to the net investment in a consolidated foreign subsidiary.

Most of the interest rate and foreign currency derivatives used by VINCI Construction Grands Projets are considered as trading instruments, directly allocated to the contract in question.

3.24 > Off-balance sheet commitments

The Group's off-balance sheet commitments are monitored through an annual or six-monthly report.
Off-balance sheet commitments are reported in the appropriate Notes, as dictated by their nature and the activity to which they relate.

Notes to the consolidated IFRS financial statements
at 31 December 2007

II - Notes to the balance sheet and income statement

1 > Net intangible assets

in € thousands	31.12.2006	Increase	Decrease	Currency diff. and other changes	31.12.2007
Gross	8,643	177	118	-	8,702
Amortisation and provisions	(7,883)	(334)	(89)	8	(8,120)
TOTAL NET	**760**	**(157)**	**29**	**8**	**582**

There has been no acquisition or reversal of amortisation through a business combination in the period. No impairment losses have been recognised or reversed at 31 December 2007.

2 > Property, plant and equipment

2.1 > Change in the period

in € thousands	31.12.2006	Increase	Decrease	Currency diff. and other changes	31.12.2007
Gross	103,739	24,823	31,091	(3,505)	93,966
Amortisation and provisions	(69,466)	(15,154)	(26,098)	2,615	(55,907)
TOTAL NET	**34,273**	**9,669**	**4,993**	**(890)**	**38,059**

There has been no acquisition or reversal of amortisation through a business combination in the period. No impairment losses have been recognised or reversed at 31 December 2007.

Notes to the consolidated IFRS financial statements
at 31 December 2007

2.2 > Breakdown by type of asset

in € thousands	Gross	Depreciation	Net
Land	273	-	273
Buildings	3,511	(2,576)	935
Plant and equipment	68,569	(37,830)	30,739
Vehicles	8,637	(5,892)	2,745
Office furniture, computer equipment, fixtures and fittings	11,681	(9,609)	2,072
Non-current assets in progress	1,295	-	1,295
TOTAL NET	**93,966**	**(55,907)**	**38,059**

2.3 > Investments in the period

in € thousands	31.12.2007
Buildings	287
Plant and equipment	19,800
Vehicles	1,977
Office furniture, computer equipment, fixtures and fittings	1,771
Non-current assets in progress	988
TOTAL INVESTMENTS	**24,823**

Notes to the consolidated IFRS financial statements
at 31 December 2007

3 › Other non-current financial assets

in € thousands	Gross	Provisions	Net
Investments in subsidiaries and associates	6,076	(4,769)	1,307
Other available-for-sale financial assets	330	-	330
Other non-current financial assets	5,837	(5,243)	594
Discounting of non-current financial assets	(369)	-	(369)
TOTAL NET	**11,874**	**(10,012)**	**1,862**

There has been no acquisition or reversal of amortisation through a business combination in the period. No impairment losses have been recognised or reversed at 31 December 2007.

At 31 December 2007, the main unconsolidated companies were:

in € thousands	*% held*	*Net*
Dumez-GTM SAS	*100.00*	*500*
Sitec	*99.68*	*275*
Société centrale de matériel	*99.99*	*152*

4 › Cash management financial assets

Cash management financial assets break down as follows:

in € thousands	31.12.2006	31.12.2007
CASH MANAGEMENT FINANCIAL ASSETS	**317,823**	**280,843**
UCITS	89,318	158,993
Cash	49,377	11,147
CASH AND CASH EQUIVALENTS	**138,695**	**170,140**

Cash management financial assets include investments with parent companies of €276,376 thousands attracting interest at rates close to market rates.

Notes to the consolidated IFRS financial statements
at 31 December 2007

5 > Working capital requirement / (surplus)

in € thousands	31.12.2006	31.12.2007
Inventories and work in progress (net)	12,752	14,867
Trade receivables and related accounts	227,898	323,687
Other operating receivables	364,957	229,864
Other current assets	15,740	17,857
Current tax assets	174	202
Inventories and operating receivables (I)	**621,521**	**586,477**
Trade payables	184,954	196,621
Other current payables	484,665	492,380
Current tax payables	136	6 060
Trade and other operating payables (II)	**669,755**	**695,061**
WORKING CAPITAL REQUIREMENT (I - II)	**(48,234)**	**(108,584)**
Current provisions	**171,528**	**200,795**

6 > Provisions for employee benefits

RETIREMENT BENEFIT OBLIGATIONS

The Group's retirement benefit commitments that are covered by provisions mainly relate to France. Provisions are calculated applying the following assumptions:

	31.12.2006	31.12.2007
Discount rate	4.75%	5.25%
Inflation rate	2.00%	1.90%
Rate of salary increases	3.00%	2.90%
Rate of pension increases	2.50%	2.50%
Period of amortisation of the initial actuarial liability	between 10 and 15 years	between 10 and 15 years

Retirement commitments relate to contractual lump-sum payments on retirement; they are calculated using the projected benefit valuation method and are fully provided for in the balance sheet.

in € thousands

TOTAL OBLIGATIONS COVERED BY PROVISIONS	**10,181**

Of which due within one year *532*

OTHER EMPLOYEE BENEFITS

TOTAL OBLIGATIONS COVERED BY PROVISIONS	**763**

Of which due within one year *89*

Notes to the consolidated IFRS financial statements
at 31 December 2007

7 > Provisions

in € thousands	31.12.2006	Provision expense	Reversals	Reversals of unused provisions	Currency diff. and other changes	31.12.2007
Warranties given to customers	50,688	19,188	(6,799)	(3,308)	(197)	59,572
Site restoration	4,984	1,136	(1,528)	(1,623)	(161)	2,808
Losses on completion	42,019	51,135	(23,361)	-	(86)	69,707
Litigation	31,129	4,065	(10,242)	(3,539)	(14)	21,399
Restructuring	5,125	1,421	(1,351)	-	(9)	5,186
Other current liabilities	5,013	2,025	(192)	-	122	6,968
Discounting of current provisions	(201)	-	-	-	-	(201)
Reclassification of the part at less than one year of non-current provisions	32,771	-	-	-	2,585	35,356
Current provisions	**171,528**	**78,970**	**(43,473)**	**(8,470)**	**2,240**	**200,795**
Financial liabilities	5,510	250	(1,096)	-	(4)	4,660
Other non-current liabilities	35,386	11,814	(2,777)	(3,574)	(719)	40,130
Discounting of non-current provisions	(874)	-	-	-	-	(874)
Reclassification of the part at less than one year of non-current provisions	(32,771)	-	-	-	(2,585)	(35,356)
Non-current provisions	**7,251**	**12,064**	**(3,873)**	**(3,574)**	**(3,308)**	**8,560**
TOTAL	**178,779**	**91,034**	**(47,346)**	**(12,044)**	**(1,068)**	**209,355**

The types of provisions are defined in Notes 3.20 "Non-current provisions" and 3.21 "Current provisions".

Notes to the consolidated IFRS financial statements
at 31 December 2007

8 > Financial surplus / (debt)

At the year end the Group had a net cash surplus of €414,592,000 which breaks down as follows:

in € thousands	31.12.2006	31.12.2007
Part at less than one year of long-term borrowing	(127,213)	(11,814)
Cash management current accounts, liabilities	(945)	(3,609)
Other current financial liabilities	(3,233)	-
Bank overdrafts	(10,361)	(20,968)
Current borrowings	**(141,752)**	**(36,391)**
GROSS DEBT	**(141,752)**	**(36,391)**
Cash management financial assets	317,823	280,843
Cash and cash equivalents	138,695	170,140
NET FINANCIAL SURPLUS	**314,766**	**414,592**

The part at less than one year of the long-term financial debt takes account of the cancelling out of the payment received in connection with securisation of receivables relating to the Chile Prisons transaction amounting to €83,477 thousands at 31 December 2006.
Debts guaranteed by collateral: none

9 > Revenue

The change in revenue takes account of changes in consolidation scope and foreign exchange rates and breaks down as follows:

in € millions	31.12.2007	31.12.2006
Revenue for the period	**850.9**	**777.7**
including: changes in consolidation scope	-	-
including: impact of foreign exchange rate fluctuations	-	(10.6)
Revenue at constant consolidation scope and exchange rates	**850.9**	**767.1**

At comparable consolidation scope and exchange rates, revenue shows a strong increase of approximately 11% against the previous period.

Notes to the consolidated IFRS financial statements

at 31 December 2007

REVENUE BY GEOGRAPHICAL AREA (BY DESTINATION)

in € millions	31.12.2007	31.12.2006
France	379.0	369.9
Europe	237.1	194.6
The Americas	78.1	94.6
Africa	99.5	60.3
Asia	41.2	39.8
Middle-East	14.8	15.7
Other	1.2	2.8
TOTAL	**850.9**	**777.7**

10 > Operating profit from ordinary activities

in € thousands	31.12.2007	31.12.2006
Revenue	850,852	777,650
Revenue from ancillary activities	1,423	2,978
Operating revenue	**852,275**	**780,628**
Purchases consumed	(98,901)	(102,897)
Sub-contracting and other external expenses	(484,277)	(481,051)
Wages, salaries and social benefit charges	(157,077)	(139,683)
Taxes and levies	(9,263)	(8,119)
Other operating income and expenses	855	323
Depreciation and amortisation	(14,238)	(16,477)
Net increase / (decrease) in provisions		
- Impairment losses on intangible and tangible assets	(336)	3,241
- Impairment of assets	(11,628)	19,003
- Retirement and other benefit obligations	59	198
- Current and non-current provisions	(26,957)	(16,081)
OPERATING PROFIT FROM ORDINARY ACTIVITIES	**50,512**	**39,085**

Revenue from ancillary activities amounted to €1.4 million at 31 December 2007 and mainly related to sales of study work and equipment, and rental income.

Notes to the consolidated IFRS financial statements
at 31 December 2007

11 > Other financial income and expenses

in € thousands	31.12.2007	31.12.2006
Foreign exchange gains and losses	634	(2,899)
Effect of discounting to present value	(569)	(627)
Other financial income and expenses	(215)	481
OTHER FINANCIAL INCOME AND EXPENSES, NET	**(150)**	**(3,045)**

12 > Income tax expense

12.1 > Breakdown of net tax expense

in € thousands	31.12.2007	31.12.2006
Current tax	(15,198)	(3,733)
Deferred tax	-	-
TOTAL	**(15,198)**	**(3,733)**

12.2 > Effective tax rate

in € thousands	
Taxable profit or loss	**63,861**
Theoretical tax rate	34.43%
EXPECTED TAX CHARGE	**(21,987)**
Impact of tax rate differential on partnerships' profit or loss	1,467
Creation (use) of tax loss carryforwards not having given rise to deferred tax	8,852
Taxes, lump-sum taxes and other additional taxes	(10,369)
Profits (losses) of foreign establishments not taxable in France	8,570
Others (including consolidation restatements except for elimination of dividends)	(1,731)
TAX CHARGE RECOGNISED	**(15,198)**
Effective tax rate	23.80%

Notes to the consolidated IFRS financial statements

at 31 December 2007

12.3 > Analysis of deferred tax assets and liabilities

Deferred tax assets and liabilities arise from temporary differences, and were as follows at the year end:

in € thousands	Assets	Liabilities	Net
	1,332	1,332	-

12.4 > Unrecognised deferred tax assets

Deferred tax assets unrecognised because their recovery is uncertain amounted to €10.9 million at 31 December 2007.

13 > Transactions with related parties

Transactions with related parties are:
- remuneration and similar benefits paid to members of the governing and management bodies;
- transactions with companies in which VINCI Construction Grands Projets has significant influence or joint control. (These transactions are conducted at market prices.) The Company also has normal business relations with other companies in the VINCI Group.

13.1 > Remuneration of members of the Management Committee

The share falling to VINCI Construction Grands Projets of remuneration paid to members of the Management Committee in 2007 amounted to €1.9 million.

13.2 > Transactions between VINCI Construction Grands Projets and proportionately consolidated companies (unconsolidated part)

in € millions	31.12.2007	31.12.2006
Revenue	710.8	608.6
Purchases	(67.8)	(69.5)
Subcontracting	(581.8)	(416.2)
Trade receivables	426.0	448.1
Trade payables	220.7	182.2

These mainly relate to transactions with joint-venture partnerships (SEPs) in connection with VINCI Construction Grands Projets' construction activities.

Notes to the consolidated IFRS financial statements
at 31 December 2007

13.3 > Contribution to the consolidated balance sheet by proportionately consolidated companies

in € millions	31.12.2007	31.12.2006
Current assets	319.7	266.4
Non-current assets	33.1	24.3
Current liabilities	351.5	357.0
Non-current liabilities	0.3	-
Operating revenue	500.3	408.3
Operating expenses	(504.4)	(388.5)
Cost of net financial debt	1.8	1.7
Other financial income and expenses	(1.8)	(2.1)
Income tax expense	(0.2)	0.2

Given the nature of the works undertaken by VINCI Construction Grands Projets, joint venture partnerships created for projects and that manage revenue of over €45 million (on a 100% basis) are consolidated proportionately.

14 > Financial information relating to construction contracts

Cost incurred plus recognised profits less recognised losses and intermediate invoicing is determined on a contract by contract basis. If this amount is positive it is shown on the line "Construction contracts in progress - assets". If negative, it is shown on the line "Construction contracts in progress - liabilities".

Advances are the amounts received before the corresponding work has been performed. Their repayment depends on the specific provisions of each contract.

The various items relating to construction contracts in progress at the balance sheet date are:

in € thousands	31.12.2007	31.12.2006
Construction contracts in progress - assets	50,942	54,418
Construction contracts in progress - liabilities	(100,195)	(84,982)
Construction contracts in progress	**(49,253)**	**(30,564)**
Costs incurred plus profits recognised and less losses recognised to date	1,816,648	1,596,146
Less invoices issued	(1,865,901)	(1,626,710)
Construction contracts in progress before advances received from customers	**(49,253)**	**(30,564)**
Advances received from customers	(82,698)	(72,639)
Construction contracts in progress, net	**(131,951)**	**(103,203)**

Notes to the consolidated IFRS financial statements

at 31 December 2007

15 > Off balance sheet commitments

Off balance sheet commitments break down as follows:

in € thousands	Commitments given	Commitments received
Performance bonds	306,877	49,819
Retention payments	88,617	15,344
Deferred payments to subcontractors	39,469	12,244
Balance sheet warranties given	3,180	-
Bid bonds	6,698	503
Tax and customs bonds	999	-
Operating leases	226	-
Other commitments	1,322	17,147
TOTAL	**447,388**	**95,057**

16 > Employment costs and numbers employed

Number of employees	31.12.2007	31.12.2006
Engineers and managers	911	835
Non-management	3,258	4,193
TOTAL	**4,169**	**5,028**

Employment costs for all companies in the Group amounted to €157,077 thousands.

Individual entitlement to training

The Act of 4 May 2004 gives employees of French businesses the right to a minimum of 20 hours of training a year, which can be carried forward and accumulated over a period of six years. Expenditure under this individual right to training is considered as an expense for the period and does not give rise to the recognition of a provision, other than in exceptional cases. The Group's employees had acquired rights to 31,700 hours of such training at 31 December 2007.

17 > Other information

DISPUTES AND ARBITRATION

To the Company's knowledge there is no exceptional event or litigation likely to substantially affect the business, financial performance, net assets or financial situation of the Group or the Company.

Notes to the consolidated IFRS financial statements
at 31 December 2007

18 › Main companies consolidated at 31 December 2007

	Country	% holding
1/ Parent company		
VINCI Construction Grands Projets	France	100
2/ Fully consolidated subsidiaries in the building and civil engineering sector		
Arthur Invest	Czech Republic	100
Campenon Saigon Builders	Vietnam	100
Constructora VCGP Chile SA	Chile	100
Dumez Jaya SDN BHD	Malaysia	100
Félicia Invest	Romania	100
Hydroplus	France	100
Janin Atlas Inc.	Canada	100
OEA Grands Projets	Libya	65
S.C Grupo 3	Chile	100
Soconac	Romania	100
Victoria Belinvest	Belgium	100
VINCI Construction Technology	France	100
Water Management International	France	100
3/ Proportionately consolidated subsidiaries in the building and civil engineering sector		
Socaso	France	67
QDVC	Qatar	49
Socatop	France	42
Socaly	France	24

Notes to the consolidated IFRS financial statements

at 31 December 2007

4/ Proportionately consolidated partnerships and economic interest groupings formed to carry out major projects

Brightwater tunnels	USA	60
Budapest metro	Hungary	35
Cairo metro, line 3	Egypt	29
Chernobyl containment shelter	Ukraine	50
Eastern port	La Réunion	40
EIB building	Luxembourg	50
Goro Nickel port	New Caledonia	28
Grande Ravine bridge	La Réunion	50
Hallandsås tunnels	Sweden	40
Kincardine bridge	Scotland	50
M1 motorway	UK	50
Magenta storage unit	France	33
Mitholz tunnel	Switzerland	25
Naga Hammadi dam	Egypt	33
Soyuz launch pad and ground infrastructure	French Guiana	80
VTV office building	Vietnam	51
Wadi Dayqah dam	Sultanate of Oman	50

Report of the statutory auditors on the consolidated financial statements

Year ended 31 December 2007

In accordance with our appointment as Statutory Auditors by your Shareholders General Meeting, we have audited the accompanying consolidated financial statements of VINCI Construction Grands Projets – SAS for the year ended 31 December 2007.

Your Chairman is responsible for preparation of the consolidated financial statements. Our role is to express an opinion on these financial statements, based on our audit.

1 > Opinion on the consolidated financial statements

We conducted our audit in accordance with the professional standards applicable in France. Those standards require that we plan and perform the audit in such a way as to obtain reasonable assurance that the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion expressed below.

In our opinion, the consolidated financial statements for the period give a true and fair view of the financial position, the assets and liabilities and the results of the operations of the persons and entities included in the consolidation, in accordance with the International Financial Reporting Standards as endorsed by the European Union.

2 > Justification of our assessments

As required by Article L.823-9 of the French Code of Commerce regarding disclosure of the reasons for our conclusions, we inform you of the following:

As shown in Note 3.4 to the financial statements entitled “Construction contracts”, the Group recognises income from long-term contracts using the percentage of completion method on the basis of the best available estimates of the final outcome of contracts. We have assessed the reasonableness of the assumptions used and the resulting evaluations.

These conclusions were formed as part of our audit of the consolidated financial statements taken as a whole and have therefore contributed to the formation of our opinion, given in the first part of this report.

3 > Specific verification

We have also verified the information contained in the Group Directors’ Report, in accordance with the professional standards applicable in France. We have no comments to make as to its fair presentation and its conformity with the consolidated financial statements.

Paris La Défense and Neuilly-sur-Seine, 15 April 2008

The Statutory Auditors

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A member of KPMG International

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