Consolidated
financial statements
2011

CONTENT

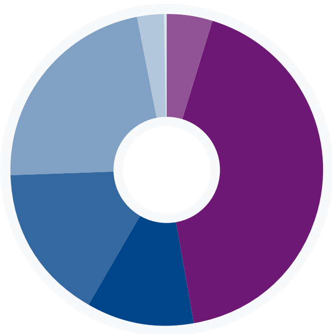
2011 Key figures
(including jointly controlled entities)

51 projects | operations in **29** country | **3,587** employees worldwide

REVENUE
in euros millions

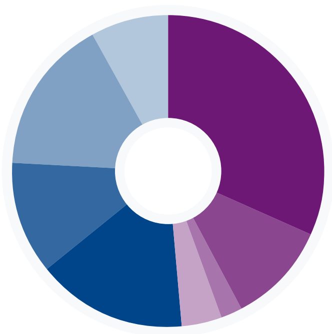
€ 624.7 M

BY GEOGRAPHICAL MARKET



France	29.7
Europe	265.6
The Americas	69.6
Africa	102.1
Middle East	139.2
Asia	17.4
Australia	1.1

BY BUSINESS LINE

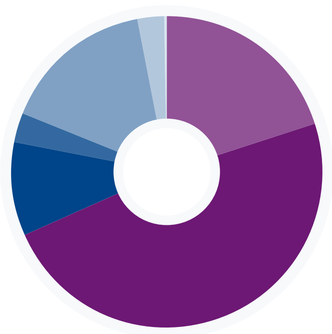


Tunnels	198.4
Roads	65.6
Bridges	15.2
Other	25.8
Total transport infrastructure	305.0
Hydraulics works	97.5
Energy	71.8
Building	101.1
Majors Facilities	49.3

ORDER BOOK
in euros millions

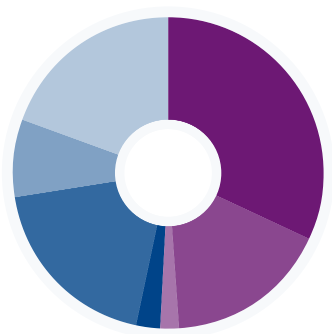
€ 2,041.5 M

BY GEOGRAPHICAL MARKET



France	405.7
Europe	990.7
The Americas	198.7
Africa	64.3
Middle East	323.4
Asia	57.8
Australia	0.9

BY BUSINESS LINE



Tunnels	654.8
Roads	346.7
Other	38.1
Total transport infrastructure	1,039.6
Hydraulics works	51.1
Energy	388.2
Building	165.8
Majors Facilities	396.8

2011 Key figures

(including jointly controlled entities)

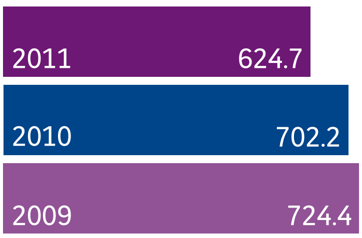
€ 624.7 M
of revenue

€ 29.0 M
of operating profit from ordinary activities

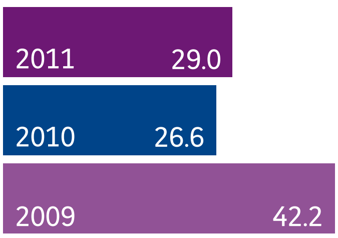
€ 23.2 M
of net profit attributable to equity holders of the parent

KEY FIGURES
in euros millions

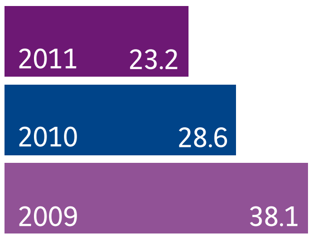
REVENUE



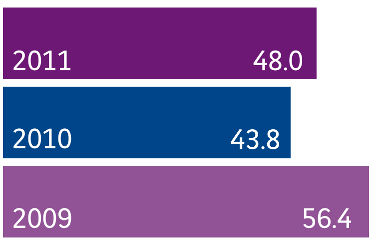
OPERATING PROFIT
FROM ORDINARY ACTIVITIES



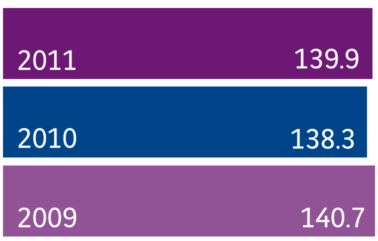
NET INCOME
AFTER TAX



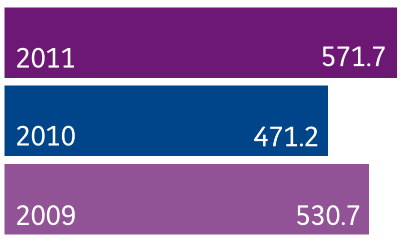
CASH FLOWS
FROM OPERATIONS
before tax and financing costs



EQUITY
INCLUDING NON-CONTROLLING INTEREST



CASH



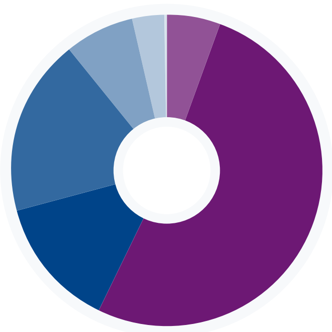
2011 Key figures

46 projects | operations in **28** country | **2,526** employees worldwide

REVENUE
in euros millions

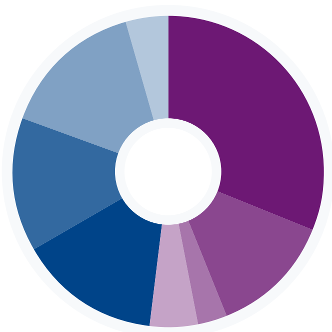
€ 514.6 M

BY GEOGRAPHICAL MARKET



France	29.7
Europe	265.6
The Americas	69.6
Africa	95.1
Middle East	36.1
Asia	17.4
Australia	1.1

BY BUSINESS LINE

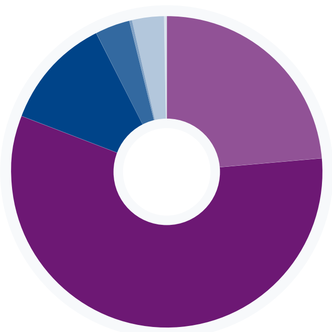


Tunnels	161.3
Roads	65.6
Bridges	15.2
Other	25.8
Total transport infrastructure	267.9
Hydraulics works	75.9
Energy	71.8
Building	77.2
Majors Facilities	21.8

ORDER BOOK
in euros millions

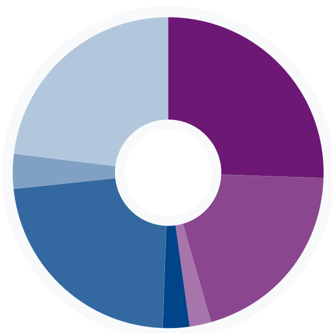
€ 1,721.9 M

BY GEOGRAPHICAL MARKET



France	405.7
Europe	990.6
The Americas	198.7
Africa	64.3
Middle East	3.9
Asia	57.8
Australia	0.9

BY BUSINESS LINE



Tunnels	441.6
Roads	346.7
Other	38.1
Total transport infrastructure	826.4
Hydraulics works	48.6
Energy	388.2
Building	62.6
Majors Facilities	396.1

2011 Key figures

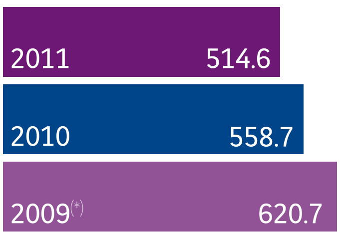
€ 514.6 M
of revenue

€ 22.9 M
of operating profit from ordinary activities

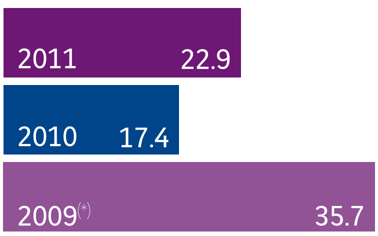
€ 23.2 M
of net profit attributable to equity holders of the parent

KEY FIGURES
in euros millions

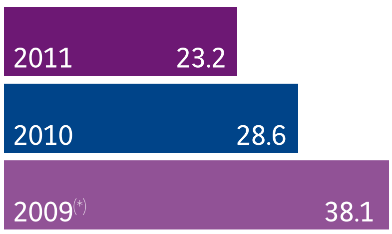
REVENUE



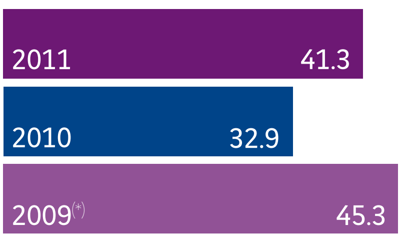
OPERATING PROFIT
FROM ORDINARY ACTIVITIES



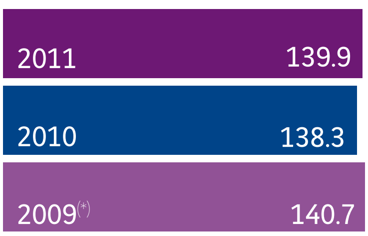
NET INCOME
AFTER TAX



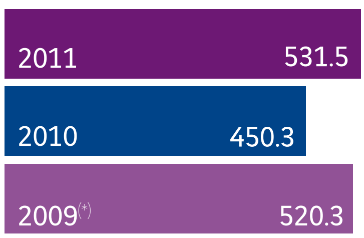
CASH FLOWS
FROM OPERATIONS
before tax and financing costs



EQUITY
INCLUDING NON-CONTROLLING INTEREST



CASH



(*) Restated following IAS 31 change of method: election for equity accounting of jointly controlled entities.

Consolidated IFRS balance sheet
at 31 December 2011

ASSETS		2011			2010
in € thousands	NOTES	Gross	Amortisation and provisions	Net	Net
Non-current assets					
Intangible assets	1	9,021	8,694	327	147
Goodwill		263	263	-	-
Property, plant and equipment	2	120,679	76,066	44,613	48,389
Investments in equity-accounted companies	3	14,419	-	14,419	13,257
Other non-current financial assets	4	16,258	4,189	12,069	11,054
Non-current deferred tax assets	16	9,117	-	9,117	7,397
Total non-current assets		**169,757**	**89,212**	**80,545**	**80,244**
Current assets					
Inventories and work in progress	6	18,430	473	17,957	24,493
Trade receivables and related accounts	6	270,399	9,488	260,911	305,305
Other operating receivables	6	293,273	29,595	263,678	177,703
Other current assets	6	32,296	121	32,175	29,171
Current tax assets	6	1,411	-	1,411	1,102
Current deferred tax assets	16	130	-	130	1,369
Cash management financial assets	5-9	410,300	139	410,161	379,028
Cash and cash equivalents	5-9	137,025	-	137,025	94,372
Total current assets		**1,163,264**	**39,816**	**1,123,448**	**1,012,543**
TOTAL ASSETS		**1,333,021**	**129,028**	**1,203,993**	**1,092,787**

Consolidated IFRS balance sheet
at 31 December 2011

EQUITY AND LIABILITIES

in € thousands	NOTES	2011	2010
Equity			
Share capital		67,854	67,854
Share premium		19,252	19,252
Consolidated reserves		29,614	27,630
Net income for the period		23,154	28,602
Interim dividend		-	(5,021)
Equity attributable to owners of the parent		**139,874**	**138,317**
Non-controlling interests		-	-
Total equity		**139,874**	**138,317**
Non-current liabilities			
Retirement and other employee benefit obligations	7	9,472	8,880
Non-current provisions	8	10,592	9,498
Other non-current liabilities		2,133	-
Non-current deferred tax liabilities	16	951	950
Total non-current liabilities		**23,148**	**19,328**
Current liabilities			
Current provisions	6-8	200,155	188,356
Trade payables	6	259,876	240,948
Current tax liabilities	6	2,090	2,049
Current deferred tax liabilities	16	130	1,369
Current borrowings	9	15,655	23,069
Other current payables	6-10	563,065	479,351
Total current liabilities		**1,040,971**	**935,142**
TOTAL EQUITY AND LIABILITIES		**1,203,993**	**1,092,787**

Consolidated IFRS income statement

for the period 1 January to 31 December 2011

in € thousands	NOTES	2011	2010
Revenue	12	**514,566**	**558,719**
Revenue from ancillary activities		1,153	4,534
Revenue and other operating income	13	**515,719**	**563,253**
Purchases consumed		(156,744)	(229,564)
Subcontracting and other external expenses		(114,023)	(137,100)
Employment costs	20	(173,537)	(178,092)
Taxes and levies		(7,165)	(8,589)
Other operating income and expense		(1,217)	(472)
Net depreciation, amortisation and provision expenses		(40,128)	8,000
OPERATING PROFIT FROM ORDINARY ACTIVITIES	13	**22,905**	**17,436**
(as % of revenue)		*4.45%*	*3.12%*
Share-based payment expense	14	(2,940)	(2,003)
Profit/(loss) of equity-accounted companies		5,964	9,794
OPERATING INCOME		**25,929**	**25,227**
(as % of revenue)		*5.04%*	*4.52%*
Cost of gross financial debt		(340)	(919)
Financial income from cash investments		4,754	3,507
COST OF NET FINANCIAL DEBT		**4,414**	**2,588**
Other financial income and expense	15	(3,210)	943
Income tax expense	16	(3,493)	(2,091)
NET INCOME FOR THE PERIOD		**23,640**	**26,667**
Net income attributable to non-controlling interests		486	(1,935)
NET INCOME FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT		**23,154**	**28,602**
(as % of revenue)		*4.50%*	*5.12%*
Number of shares		4,523,591	4,523,591
EARNINGS PER SHARE *(in euros)*		**5.12**	**6.32**

Consolidated statement of comprehensive income

in € thousands	2011	2010
NET INCOME FOR THE PERIOD (including non-controlling interests)	**23,640**	**26,667**
Currency translation differences	(485)	1,335
Income and expense recognised directly in equity	**(485)**	**1,335**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**23,155**	**28,002**
of which: Attributable to owners of the parent	22,733	29,906
Net income attributable to non-controlling interests	422	(1,904)

Consolidated IFRS cash flow statement
at 31 December 2011

in € thousands	2011	2010
Consolidated net income for the period (including non-controlling interests)	23,640	26,667
Depreciation and amortisation	21,083	18,947
Net increase / decrease in provisions	1,819	451
Share-based payments (IFRS 2)	(665)	(1,621)
Gain or loss on disposal	2,296	(344)
Dividends received from unconsolidated companies and profit or loss of equity-accounted companies	(5,964)	(9,794)
Change in fair value of foreign exchange derivative financial instruments and other	(17)	(897)
Cost of net financial debt recognised	(4,414)	(2,588)
Current and deferred tax expense recognised	3,493	2,091
Cash flows (used in) / from operations before tax and financing costs	**41,271**	**32,912**
Change in operating working capital requirement (including debts related to employee benefits)	65,881	(30,471)
Change in current provisions	7,995	(19,363)
Income taxes paid	(4,357)	(2,749)
Net interest paid (including finance lease interest)	4,734	2,387
Dividends received from unconsolidated and equity-accounted companies	5,116	3,908
Cash flows (used in) / from operating activities (I)	**120,640**	**(13,376)**
Purchases of property, plant and equipment, and intangible assets	(22,543)	(27,764)
Proceeds from sales of property, plant and equipment, and intangible assets	5,334	5,105
Purchases of non-current financial assets	(231)	-
Proceeds from sales of non-current financial assets	178	-
Net effect of changes in scope of consolidation	(101)	170
Change in non-current financial assets and liabilities	425	(8,566)
Net cash flows (used in) / from investing activities (II)	**(16,938)**	**(31,055)**
Dividends paid by the parent company	(21,216)	(29,038)
Change in loans and other financial liabilities	(201)	(10,969)
Change in cash management assets and liabilities	(35,063)	63,478
Net cash flows (used in) / from financing activities (III)	**(56,480)**	**23,471**
CHANGE IN NET CASH (I+II+III)	**47,222**	**(20,960)**
Net cash and cash equivalents at beginning of period	75,265	95,705
Effect of changes in foreign exchange rates	384	520
NET CASH AND CASH EQUIVALENTS AT END OF PERIOD	**122,871**	**75,265**

Net cash and cash equivalents at end of period	122,871	75,265
Cash management financial assets	*410,161*	*379,028*
Other current and non-current financial debt (excluding bank overdrafts)	*(1,501)*	*(3,962)*
NET FINANCIAL SURPLUS AT THE END OF THE PERIOD	**531,531**	**450,331**

Statement of changes in consolidated equity
at 31 December 2011

in € thousands	SHARE CAPITAL	PREMIUMS AND RESERVES	CURRENCY TRANSLATION DIFFERENCES	NET INCOME	NET INCOME RECOGNISED DIRECTLY IN EQUITY	**TOTAL ATTRIBUTABLE TO HOLDERS OF THE PARENT**	NON-CONTROLLING INTERESTS	TOTAL
At 31 December 2009	**67,854**	**31,194**	**2,210**	**38,056**	-	**139,314**	**1,375**	**140,689**
Allocation of net income of previous period	-	38,056	-	(38,056)	-	-	-	-
Currency translation differences and miscellaneous	-	(869)	1,304	-	-	435	628	1,063
Interim dividend	-	(5,021)	-	-	-	(5,021)	-	(5,021)
Dividend payments	-	(24,017)	-	-	-	(24,017)	(68)	(24,085)
Share-based payments (IFRS 2)	-	(996)	-	-	-	(996)	-	(996)
Net income for the period	-	-	-	28,602	-	28 602	(1,935)	26,667
At 31 December 2010	**67,854**	**38,347**	**3,514**	**28,602**	-	**138,317**	-	**138,317**
Allocation of net income of previous period	-	28,602	-	(28,602)	-	-	-	-
Currency translation differences and miscellaneous	-	145	(424)	-	-	(279)	238	(41)
Interim dividend	-	-	-	-	-	-	-	-
Dividend payments	-	(21,216)	-	-	-	(21,216)	(724)	(21,940)
Share-based payments (IFRS 2)	-	(102)	-	-	-	(102)	-	(102)
Net income for the period	-	-	-	23,154	-	23,154	486	23,640
At 31 December 2011	**67,854**	**45,776**	**3,090**	**23,154**	-	**139,874**	-	**139,874**

At 31 December 2011, the parent company's share capital was represented by 4,523,591 shares of €15 nominal.

Notes to the IFRS consolidated financial statements
at 31 December 2011

CONTENT

Notes to the consolidated IFRS financial statements
at 31 December 2011

I ACCOUNTING POLICIES AND MEASUREMENT

1. GENERAL PRINCIPLES

In application of Regulation (EC) No 1606/2002 of 19 July 2002, the Group's consolidated financial statements for the year ended 31 December 2011 have been prepared under the International Financial Reporting Standards (IFRS) as adopted by the European Union at 31 December 2011.

The accounting policies used at 31 December 2011 are the same as those used in preparing the consolidated financial statements at 31 December 2010, except for the Standards and Interpretations adopted by the European Union applicable as from 1 January 2011 (see Note I.1.1. *New Standards and Interpretations applicable from 1 January 2011*).

1.1 NEW STANDARDS AND INTERPRETATIONS APPLICABLE FROM 1 JANUARY 2011

The new Standards and Interpretations applicable from 1 January 2011 have no material impact on VINCI Construction Grands Projets' financial statements at 31 December 2011. These are mainly:

- Amendment to IAS 24 *Related Party Disclosures*
- Amendment to IAS 32 *Classification of Rights Issues*
- Amendment to IFRIC 14 *Prepayments of a Minimum Funding Requirement*
- IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments*
- The Amendments published in May 2010 under the IFRS annual improvements procedure.

1.2 STANDARDS AND INTERPRETATIONS ADOPTED BY THE IASB BUT NOT YET APPLICABLE AT 31 DECEMBER 2011

The Group has not applied early the following Standards and Interpretations of which application is not mandatory at 1 January 2011:

Standards on consolidation methods:
- IFRS 10 *Consolidated Financial Statements*
- IFRS 11 *Joint Arrangements*
- IFRS 12 *Disclosure of Interests in Other Entities*
- IAS 27 Revised *Consolidated and Separate Financial Statements*
- IAS 28 Revised *Investments in Associates and Joint Ventures*

Other Standards:
- IFRS 7 Amended *Disclosures—Transfers of Financial Assets*
- IFRS 9 *Financial Instruments*
- IFRS 13 *Fair Value Measurement*
- IAS 1 Amended *Presentation of Items of Other Comprehensive Income*
- IAS 12 Amended *Deferred Tax: Recovery of Underlying Assets*
- IAS 19 Amended *Employee Benefits*.

VINCI Construction Grands Projets is currently analysing the impacts and practical consequences of the application of these Standards and Interpretations.

Notes to the consolidated IFRS financial statements
at 31 December 2011

2. CONSOLIDATION METHODS

2.1 CONSOLIDATION SCOPE

Companies in which the Group holds, whether directly or indirectly, the majority of voting rights exercises de facto control, are fully consolidated.
Companies over which VINCI Construction Grands Projets exercises significant influence, and jointly controlled companies, are accounted for using the equity method.
Jointly controlled operations and assets are recognised on the basis of the Group's share of the assets, liabilities, income and expenses. This mainly relates to construction work carried out as a member of a consortium or partnership, which represents a major part of the Group's revenue and balance sheet accounts.

Consolidation scope by reporting method	31 December 2011			31 December 2010		
number of companies	**Total**	France	Foreign	**Total**	France	Foreign
Full consolidation	**22**	8	14	**28**	8	20
Equity method	**1**	-	1	**1**	-	1
TOTAL	**23**	**8**	**15**	**29**	**8**	**21**

2.2 INTRAGROUP TRANSACTIONS

Reciprocal operations and transactions relating to assets and liabilities, income and expenses between companies that are consolidated or equity-accounted are eliminated in the consolidated financial statements. This is done:
- for the full amount if the transaction is between two controlled subsidiaries;
- 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 companies and establishments is their local currency.

The financial statements of foreign companies presented in a currency other than that used in preparing the Group's consolidated financial statements are translated at the closing rate method.

Balance sheet items are translated at the exchange rate at the balance sheet date and income statement items are translated using the average rate for the period (which represents the best estimate currency 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 expense* 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 currency translation differences in equity.

2.5 BUSINESS COMBINATIONS

Business combinations completed between 1 January 2004 and 31 December 2009 have been recognised applying the provisions of the previous version of IFRS 3.

Business combinations completed from 1 January 2010 onwards are recognised in accordance with IFRS 3 Revised. This Standard is applied prospectively. It therefore does not

Notes to the consolidated IFRS financial statements
at 31 December 2011

affect business combinations made before 1 January 2010. In application of this revised Standard, the Group recognises the identifiable assets, liabilities and some 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 the assets given, liabilities assumed, 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 valuation 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 acquiree's identifiable assets, liabilities assumed and contingent liabilities at their fair value at that date, except for assets or asset groups classified as held for sale under IFRS 5, which are recognised at their fair value less costs to sell. The positive difference between the cost of acquisition, as defined above, and the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities is recognised as goodwill.

The Group has twelve months from the date of acquisition to finalise the accounting for business combinations.

2.6 TRANSACTIONS BETWEEN SHAREHOLDERS

In accordance with IAS 27 Revised, acquisitions or disposals of non-controlling interests, with no change of control, are considered as transactions with the Group's shareholders.

Under this approach, the difference between the consideration paid to increase the percentage shareholding in an already-controlled entity and the supplementary share of equity thus acquired is recorded under consolidated equity. Similarly, a decrease in the Group's percentage interest in an entity that continues to be controlled is booked in the accounts through equity, with no impact on profit or loss.

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 those 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.

The consequences of the financial crisis in the eurozone, in particular financial markets volatility, access to finance and economic growth make it difficult to assess businesses' medium term outlook. The consolidated financial statements for the period have therefore been prepared with reference to this immediate environment, in particular as regards the estimates given below.

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

Revenue and profit or loss to recognise are determined on the basis of a large number of estimates based on monitoring of the work performed and using the benefit of experience to take account of unforeseen circumstances. In consequence, adjustments may be made to initial estimates throughout the contract and may materially affect future results.

3.1.2 MEASUREMENT OF SHARE-BASED PAYMENT EXPENSES UNDER IFRS 2

The Group recognises a share-based payment expense relating to the granting to its employees of share options (offers to subscribe to or purchase shares), VINCI performance share plans and VINCI shares under the VINCI Group Savings Scheme. This expense is measured on the basis of actuarial calculations using estimated behavioural assumptions based on observation of past behaviour.

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

These assumptions are generally updated annually. Details of the assumptions used and how they are determined are given in Note II .7 *Provisions for employee benefits*.

The Group considers that the actuarial assumptions used are appropriate and justified in the current conditions. Obligations may, however, change if assumptions change.

3.1.4 MEASUREMENT OF PROVISIONS

The factors that materially influence the amount of provisions relate to:
- the estimates made on the basis of 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 (see Note 3.4. *Construction contracts*);
- the discount rates used to determine the present value of these provisions.

3.1.5 MEASUREMENT OF FINANCIAL INSTRUMENTS AT FAIR VALUE

Whenever financial instruments are not listed on a market, the Group uses, in assessing their fair value, measurement models based on assumptions that give preference to the use of observable inputs.

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 operations and assets on the basis of the Group's share. This relates to construction work carried out through partnerships.

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 expense 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 assesment. 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 SHARE-BASED PAYMENTS

The measurement and recognition methods for share subscription and purchase plans, Group savings schemes and performance share plans, are defined by IFRS 2 *Share-based Payment*.

The granting of share options, VINCI performance shares and offers to subscribe to the VINCI Group Savings Scheme represent a benefit granted to their beneficiaries and therefore constitute supplementary remuneration borne by VINCI Construction Grands Projets. Because such transactions do not give rise to monetary transactions, the benefits granted in this way are recognised as expenses in the period in which the rights are acquired, with a corresponding increase in equity. Benefits are measured on the basis of the fair value at the grant date of the equity instruments granted.

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Benefits granted under share option plans, performance share plans and the Group Savings Scheme are implemented as decided by VINCI's Board of Directors after approval by the Shareholders' General Meeting, and are not, in general, systematically renewed. As their measurement is not directly linked to the business lines' operations, VINCI has considered it appropriate not to include the corresponding expense in the operating income from ordinary activities, which is an indicator of business lines' performance, but to report it on a separate line, labelled *Share-based payment expense* (*IFRS 2*), in operating income.

3.5.1 SHARE SUBSCRIPTION OR PURCHASE OPTION PLANS

Options to subscribe to or purchase VINCI shares have been granted to Group employees and Company officers. For some of these plans, definitive vesting of share subscription or purchase option plans is conditional on performance conditions, stock market performance or financial criteria, being met. The fair value of options is determined, at grant date, using the *Monte Carlo* valuation model, taking account of the impact of the market performance condition if applicable. The *Monte Carlo* model allows a larger number of scenarios to be modelled, by including in particular the valuation of assumptions about beneficiaries' behaviour on the basis of observation of historical data.

3.5.2 PERFORMANCE SHARE PLANS

Performance shares subject to vesting conditions have been granted to Group employees and Company officers. As these are plans under which the final vesting of performance shares is dependent on the realisation of stock market performance and/or financial criteria, the fair value of the VINCI performance shares has been estimated, at grant date, taking account of the likelihood of the financial criteria being met, as recommended by IFRS 2.

The number of performance shares measured at fair value in the calculation of the IFRS 2 expense is adjusted at each balance sheet date for the impact of the change in the likelihood of the financial criteria being met since the share grant date.

3.5.3 GROUP SAVINGS SCHEMES

Under the Group Savings Scheme, VINCI issues new shares in France reserved for its employees three times a year with a subscription price that includes a discount of 10% 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 announces a plan to the employees. As certain restrictions apply to the shares acquired by VINCI Construction Grands Projets employees under these plans regarding their sale or transfer, the fair value of the benefit to the employee takes account of the fact that the shares acquired cannot be freely disposed of for five years, other than in certain specific circumstances.

The Group recognises the benefits granted in this way to its employees as an expense over the vesting period, with a corresponding increase in consolidated equity.

3.6 COST OF NET FINANCIAL DEBT

The cost of net financial debt comprises:
- the cost of gross financial debt, which includes the interest expense calculated at the effective interest rate, gains and losses on hedges of gross debt, and net changes in the fair value of derivatives related to debt, except for those taken to equity;
- the line item *Financial income from cash management investments*, which comprises the return on investments of cash and cash equivalents (interest income, dividends from UCITS, disposal gains and losses, etc.), the impacts of interest-rate hedges associated with these investments and changes in their fair value.

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3.7 OTHER FINANCIAL INCOME AND EXPENSES

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

3.8 INCOME TAX

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

In accordance with IAS 12, deferred tax is recognised on the temporary differences between the carrying amount and the tax base of assets and liabilities. It is calculated using the latest tax rates enacted or substantially enacted at the date of closing the accounts. 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.

3.9 EARNINGS PER SHARE

Earnings per share is the net profit for the period after non-controlling interests, 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.

3.10 INTANGIBLE ASSETS

Intangible assets are mainly 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.

3.11 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 in fully consolidated subsidiaries is recognised under *Goodwill* in consolidated assets. Goodwill relating to equity-accounted companies is included in the line-item *Investments in equity-accounted companies*.

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 amount is recognised in operating income in the period and is not reversible.

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

Following adoption of IFRS 3 Revised, an option is available to measure non-controlling interests at acquisition date either at fair value (the full goodwill method), or for the portion of the net assets acquired that they represent (the partial goodwill method). The choice can be made for each business combination.

3.12 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 and constructions, each component of the asset is recognised separately and depreciated over its own period of use.

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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**

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

3.13 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, with recognition of a corresponding financial liability. Assets held under finance leases are depreciated over their period of use.

3.14 IMPAIRMENT OF NON-FINANCIAL NON-CURRENT ASSETS

Under certain circumstances, impairment tests must be performed on intangible and tangible fixed assets. For intangible assets with an indefinite useful life, which is the case of 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.

3.15 INVESTMENTS IN EQUITY-ACCOUNTED COMPAGNIES

The Group's equity-accounted investments 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 entity'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 company, these losses are not recognised unless the Group has entered into a commitment to recapitalise the company or has made payments on its behalf.

If there is an indication that an investment may be impaired, its recoverable value is tested as described in Note I.3.14 *Impairment of non-financial non-current assets*. Impairment losses shown by these impairment tests are recognised as a deduction from the carrying amount of the corresponding investments.

In order to present operational performance in the best way possible, the profit or loss of equity-accounted companies is reported on a specific line, between the lines *Operating income from ordinary activities* and *Operating income*.

These shareholdings are those in companies in which the Group has significant influence and jointly controlled entities.

3.16 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 companies.

At the balance sheet date, available-for-sale securities are measured at their fair value. The fair value of shares in listed companies 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 comprises 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 impairment of these assets, 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.

3.17 INVENTORIES AND WORK IN PROGRESS

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

3.18 TRADE AND OTHER OPERATING ASSETS

Trade and other operating receivables are current financial assets and are 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. An estimate of the likelihood of non-recovery is made at each balance sheet date in the light of payment delays and guarantees obtained and an impairment loss is recognised if necessary.

3.19 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.

3.20 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 and certificates of deposit with maturities not exceeding three months at the origin. Bank overdrafts are not included in cash and are reported under current financial liabilities.

The Group measures at fair value through profit or loss.

3.21 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 from defined benefit retirement plans, for both current and former employees (people with deferred rights or who have retired). These provisions are determined using the projected unit credit method on the basis of actuarial assessments made at each 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 if 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 profit or loss.

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 income 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 expense*.

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*.

3.22 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 losses on completion of contracts and construction project liabilities are made mainly when end-of-contract projections, based on the most likely estimated

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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, subcontractors, 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 period end.

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

3.23 FINANCIAL DEBT (CURRENT AND NON-CURRENT)

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

3.24 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 and shares). 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 the income statement. 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.

Derivative instruments may be designated as hedging instruments in three cases:
- a **fair value hedge** enables the exposure to the risk of a change in the 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** enables exposure to variability in cash flows associated with an 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 exchange rate 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.

3.25 OFF-BALANCE SHEET COMMITMENTS

The Group's off-balance sheet commitments are monitored through specific annual and six-monthly reports.

Off-balance sheet commitments are reported in the appropriate Notes, as dictated by their nature.

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II NOTES TO THE BALANCE SHEET AND INCOME STATEMENT

1. NET INTANGIBLE ASSETS

in € thousands	31.12.2010	INCREASE	DECREASE	CURRENCY TRANSLATION DIFFERENCES AND OTHER CHANGES	31.12.2011
Gross	9,032	298	(336)	27	9,021
Amortisation and provisions	(8,885)	(156)	330	17	(8,694)
TOTAL NET	**147**	**142**	**(6)**	**44**	**327**

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 2011.

2. PROPERTY, PLANT AND EQUIPMENT

2.1 CHANGE IN THE PERIOD

in € thousands	31.12.2010	INCREASE	DECREASE	CURRENCY TRANSLATION DIFFERENCES AND OTHER CHANGES	31.12.2011
Gross	123,530	22,245	(24,768)	(328)	120,679
Amortisation and provisions	(75,141)	(22,078)	20,370	783	(76,066)
TOTAL NET	**48,389**	**167**	**(4,398)**	**455**	**44,613**

There has been no acquisition or reversal of depreciation through a business combination in the period. No impairment losses have been recognised or reversed at 31 December 2011.

2.2 BREAKDOWN BY TYPE OF ASSET

in € thousands	GROSS	DEPRECIATION	NET
Lands	734	-	734
Buildings	2,108	(876)	1,232
Plant and equipment	90,118	(59,819)	30,299
Vehicles	7,447	(5,296)	2,151
Office furniture, computer equipment, fixtures and fittings	12,335	(10,075)	2,260
Non-current assets under construction	7,937	-	7,937
TOTAL	**120,679**	**(76,066)**	**44,613**

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2.3 INVESTMENTS IN THE PERIOD

in € thousands	31.12.2011
Lands	-
Buildings	929
Plant and equipment	11,907
Vehicles	478
Office furniture, computer equipment, fixtures and fittings	1,291
Non-current assets under construction	7,640
TOTAL INVESTMENTS	**22,245**

3. INVESTMENTS IN EQUITY-ACCOUNTED COMPANIES

3.1 CHANGE IN THE PERIOD

in € thousands	31.12.2010	31.12.2011
Value of shares at start of the period	**6,827**	**13,257**
Share capital increases of equity-accounted companies	-	-
Group share of profit, (loss) for the period	9,794	5,964
Dividends paid	(3,906)	(5,116)
Changes in consolidation scope, foreign currency translation differences and other	542	314
TOTAL NET	**13,257**	**14,419**

3.2 FINANCIAL INFORMATION ON EQUITY-ACCOUNTED COMPANIES

Investments in equity-accounted companies break down as follows:

	% HELD	31.12.2010	31.12.2011
QDVC	**49.00**	**13,257**	**14,419**

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The main financial data on equity-accounted companies are as follows (Group share):

in € thousands	31.12.2010	31.12.2011
Income statement		
Revenue	143,432	110,130
Operating income	9,212	6,118
Net income	9,794	5,964
Balance sheet		
Equity	13,257	14,419
Current assets	59,284	80,271
Non-current assets	5,547	6,190
Current liabilities	51,574	72,042
Non-current liabilities	-	-

4. OTHER NON-CURRENT FINANCIAL ASSETS

in € thousands	GROSS	PROVISIONS	NET
Investments in subsidiaries	4,480	(2,033)	2,447
Other available-for-sale financial assets	373	(213)	160
Other non-current financial assets	12,417	(1,943)	10,474
Equity value of de-consolidated companies	(755)	-	(755)
Discounting of non-current financial assets	(257)	-	(257)
TOTAL NET	**16,258**	**(4,189)**	**12,069**

There has been no acquisition or reversal of depreciation through a business combination in the period. No impairment losses have been recognised or reversed at 31 December 2011.

At 31 December 2011, the main unconsolidated companies were:

in € thousands	*% HELD*	*NET*
GTM Europe	*100.00*	*762*
Sitec	*99.68*	*275*
Société centrale de matériel	*99.99*	*152*

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5. CASH MANAGEMENT FINANCIAL ASSETS

Cash management financial assets break down as follows:

in € thousands	31.12.2010	31.12.2011
CASH MANAGEMENT FINANCIAL ASSETS	**379,028**	**410,161**
UCITS	84,198	123,143
Cash	10,174	13,882
CASH AND CASH EQUIVALENTS	**94,372**	**137,025**

Cash management financial assets comprise investments with parent companies, attracting interest at rates close to market rates, for €390,200 thousand.

6. WORKING CAPITAL REQUIREMENT/(SURPLUS)

in € thousands	31.12.2010	31.12.2011
Inventories and work in progress (net)	24,493	17,957
Trade receivables and related accounts	305,305	260,911
Other operating receivables	177,703	263,678
Other current assets	29,171	32,175
Current tax assets	1,102	1,411
Inventories and operating receivables (I)	**537,774**	**576,132**
Trade payables	240,948	259,876
Other current payables	479,351	563,065
Current tax liabilities	2,049	2,090
Trade and other operating payables (II)	**722,348**	**825,031**
WORKING CAPITAL REQUIREMENT (I - II)	**(184,574)**	**(248,899)**
Current provisions	*(188,356)*	*(200,155)*
WORKING CAPITAL REQUIREMENT (after current provisions)	**(372,930)**	**(449,054)**

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7. PROVISIONS FOR EMPLOYEE BENEFITS

RETIREMENT BENEFIT OBLIGATIONS

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

	31.12.2010	31.12.2011
Discount rate	4.35%	5.00%
Inflation rate	1.9%	2.2%
Rate of salary increases	2.9%	3.2%
Average remaining working life of employees	10 - 15 ans	10 - 15 ans

Retirement benefit commitments relate to contractual lump sums on retirement. They are calculated using the prospective actuarial method and are fully provided for in the balance sheet.

in € thousands	
TOTAL OBLIGATIONS COVERED BY PROVISIONS	**9,611**
Of which, due within one year 1,075	

RECONCILIATION OF OBLIGATIONS AND PROVISIONS IN THE BALANCE SHEET

in € thousands	31.12.2011
Present value of retirement benefit obligations	15,769
Fair value of plan assets	-
Provisions recognised in balance sheet	9,611
Items not recognised in balance sheet:	
- actuarial gains and losses	4,142
- past service cost	2,016

EXPENSES RECOGNISED IN RESPECT OF DEFINED CONTRIBUTION PLANS

VINCI Construction Grands Projets contributes to basic State pension plans, for which the expense recognised is the amount of the contributions called by the State bodies. Basic State pension plans are considered as being defined contribution plans. Depending on the country, the proportion of the contributions paid that relates to pensions may not be clearly identifiable.

The amount of retirement benefit contributions taken as an expense in the period in respect of defined contribution plans (excluding basic State plans) was €6.6 million at 31 December 2011 (€6.8 million at 31 December 2010). This includes the contributions paid to the external multi-employer fund (CNPO) in respect of obligations in respect of lump sums paid on retirement to building workers.

OTHER EMPLOYEE BENEFITS

in € thousands	
TOTAL OBLIGATIONS COVERED BY PROVISIONS	**1,028**
Of which, due within one year 92	

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8. OTHER PROVISIONS

in € thousands	31.12.2010	PROVISIONS EXPENSE	REVERSALS	REVERSALS OF UNUSED PROVISIONS	CURRENCY TRANSLATION DIFFERENCES AND OTHER CHANGES	31.12.2011
Warranties given to customers	33,019	4,383	(2,846)	(5,845)	(24)	28,687
Site restoration	1,671	22	(983)	(322)	(130)	258
Losses on completion	91,789	23,806	(21,382)	-	(183)	94,030
Disputes	20,382	20,778	(4,391)	(2,319)	1,257	35,707
Restructuring costs	5,210	1,408	(3,724)	(308)	(7)	2,579
Other current provisions	1,287	8	(290)	-	(245)	760
Discounting of current provisions	(201)	-	-	-	-	(201)
Reclassification of the part at less than one year of non-current provisions	35,199	-	-	-	3,136	38,335
Current provisions	**188,356**	**50,405**	**(33,616)**	**(8,794)**	**3,804**	**200,155**
Financial risks	790	135	(3)	-	1,124	2,046
Other non-current provisions	44,781	14,753	(8,709)	(2,947)	(123)	47,755
Discounting of non-current provisions	(874)	-	-	-	-	(874)
Reclassification of the part at less than one year of non-current provisions	(35,199)	-	-	-	(3,136)	(38,335)
Non-current provisions	**9,498**	**14,888**	**(8,712)**	**(2,947)**	**(2,135)**	**10,592**
TOTAL	**197,854**	**65,293**	**(42,328)**	**(11,741)**	**1,669**	**210,747**

The types of provision are defined in Notes I.3.21 *Non-current provisions* and I.3.22 *Current provisions*.

9. FINANCIAL SURPLUS/(DEBT)

At the balance sheet date the Group had a net cash surplus of €531,531 thousand, breaking down as follows:

in € thousands	31.12.2010	31.12.2011
Cash management current account liabilities	(2,430)	(171)
Other current financial liabilities	(1,531)	(1,330)
Bank overdrafts	(19,108)	(14,154)
Current borrowings	**(23,069)**	**(15,655)**
GROSS DEBT	**(23,069)**	**(15,655)**
Cash management financial assets	379,028	410,161
Cash and cash equivalents	94,372	137,025
NET FINANCIAL SURPLUS	**450,331**	**531,531**

Debts guaranteed by collateral: none.

Notes to the consolidated IFRS financial statements
at 31 December 2011

10. OTHER CURRENT PAYABLES

Other current payables represent a working capital resource of €563,065 thousand and break down as follows:

in € thousands	31.12.2010	31.12.2011
Trade receivables - Advances received on work	142,438	225,273
Deferred income	78,800	119,053
Operating current accounts	92,954	67,570
Tax, employment and social benefit liabilities	24,127	37,629
Other current liabilities	141,032	113,540
OTHER CURRENT PAYABLES	**479,351**	**563,065**

11. REVENUE INCLUDING JOINTLY CONTROLLED ENTITIES

The effect of VINCI's election for the method available under IAS 31 *Interests in Joint Ventures* consisting in accounting for jointly controlled entities using the equity method is that the true volume of business handled by VINCI Construction Grands Projets is not reflected.

in € millions	31.12.2011	31.12.2010
CONSOLIDATED REVENUE	**514.6**	**558.7**
Revenue of jointly controlled entities	110.1	143.4
REVENUE INCLUDING JOINTLY CONTROLLED ENTITIES	**624.7**	**702.1**

12. REVENUE

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

in € millions	31.12.2011	31.12.2010
Revenue for the period of which:	**514.6**	**558.7**
- impact of changes of consolidation scope	-	-
- impact of foreign exchange fluctuations	-	(4.2)
REVENUE AT CONSTANT CONSOLIDATION SCOPE AND EXCHANGE RATES	**514.6**	**554.5**

On a comparable scope and exchange rate basis, revenue was down 7.2% from the previous year.

Notes to the consolidated IFRS financial statements
at 31 December 2011

REVENUE BY GEOGRAPHICAL MARKET *(by destination)*

in € millions	31.12.2011	31.12.2010
France	29.7	35.3
Europe	265.6	309.3
The Americas	69.6	70.1
Africa	95.1	55.0
Asia	17.4	11.9
Middle-East	36.1	76.8
Other	1.1	0.3
TOTAL	**514.6**	**558.7**

13. OPERATING INCOME FROM ORDINARY ACTIVITIES

in € thousands	31.12.2011	31.12.2010
Revenue	514,566	558,719
Revenue from ancillary activities	1,153	4,534
Revenue and other operating income	**515,719**	**563,253**
Purchases consumed	(156,744)	(229,564)
Subcontracting and other external expenses	(114,023)	(137,100)
Employment costs	(173,537)	(178,092)
Taxes and levies	(7,165)	(8,589)
Other operating income and expenses	(1,217)	(472)
Depreciation and amortisation	(21,083)	(18,947)
Net provision expenses:		
- Impairment of property, plant and equipment, and net intangible assets	1,127	(4)
- Impairment of assets	(10,129)	7,563
- Retirement and other benefit obligations	288	638
- Current and non-current provisions	(10,331)	18,750
OPERATING INCOME FROM ORDINARY ACTIVITIES	**22,905**	**17,436**

Revenue from ancillary activities amounted to €1.2 million at 31 December 2011 and mainly related to sales of study work and equipment, and rental income.

Notes to the consolidated IFRS financial statements
at 31 December 2011

14. SHARE-BASED PAYMENTS

The expense relating to employee benefits has been assessed at €2.9 million before tax. It comprises Group Savings Plan share option plans and performance share plans.

14.1 GROUP SAVINGS SCHEMES

VINCI's Board of Directors defines the conditions for subscribing to the Group Savings Scheme in accordance with the authorisations granted to it by the Shareholders' General Meeting.

For France, VINCI issues new shares reserved for employees three times a year at a subscription price that includes a discount of 10% against the average stock market price over 20 trading days. Subscribers benefit from an employer's contribution with an annual maximum of €3,500 per person. The benefits granted in this way to employees of the Group are recognised in profit or loss and are valued in accordance with IFRS 2 on the basis of the following assumptions:
- length of subscription period: 4 months;
- length of period during which funds are frozen: 5 years from the end of the subscription period.

14.2 SHARE SUBSCRIPTION AND PURCHASE OPTIONS

On 2 May 2011, VINCI's Board of Directors set up a new share option plan with effect from 2 May 2011.

The fair values of the options have been calculated at their respective grant dates by an external actuary using a binomial valuation model of the "*Monte Carlo*" type.

The validity period of the options included in the model is the contractual validity period adjusted to take account of behavioural assumptions (employee turnover, early exercise) based on past observations.

The main assumptions used to determine the fair values of the options in question, in accordance with IFRS 2, were:

Plan	02.05.11	09.07.10	15.09.09
Volatility (*)	26.93%	34.22%	32.91%
Expected return on share	8.29%	7.24%	8.01%
Risk-free rate of return (**)	2.62%	1.59%	2.38%
Dividend distribution rate hoped-for (***)	4.05%	4.99%	4.21%
FAIR VALUE OF THE OPTION (in euros)	**7.66**	**4.43**	**5.65**

(*) Volatility estimated using a multi-criteria approach.

(**) Rate at five years of French government bonds.

(***) Average return expected by financial analysts over the three years following the grant date adjusted by a theoretical annual growth rate beyond that period.

Notes to the consolidated IFRS financial statements
at 31 December 2011

14.3 PERFORMANCE SHARES

The fair value of the performance shares has been estimated by an external actuary. The main assumptions used for these assessments are:

	2011 PLAN	2010 PLAN	2009 PLAN
Price of VINCI share on date plan was announced *(in euros)*	44.870	35.440	37.425
Fair value of performance share at grant date *(in euros)*	36.90	28.30	31.17
Fair value of share price at grant date *(in percentage)*	82.25%	79.85%	83.29%
Original maturity *(in years)* - vesting period	2 years	2 years	2 years
Risk-free interest rate	1.81%	0.97%	1.75%

These plans provide that the shares will only be definitively allocated after a two-year vesting period subject to VINCI's stock market and financial performance criteria being met. In accordance with IFRS 2, the number of performance shares measured at fair value in the calculation of the IFRS 2 expense is adjusted at each balance sheet date for the impact of the change since the grant date of the shares in the likelihood of the financial criteria being met.

15. OTHER FINANCIAL INCOME AND EXPENSES

in € thousands	31.12.2011	31.12.2010
Foreign exchange gains and losses	(2,281)	993
Effect of discounting to present value	(705)	(803)
Other financial income and expense	(224)	753
OTHER FINANCIAL INCOME AND EXPENSE, NET	**(3,210)**	**943**

16. INCOME TAX EXPENSE

16.1 BREAKDOWN OF NET TAX EXPENSE

in € thousands	31.12.2011	31.12.2010
Current tax	(5,212)	(5,631)
Deferred tax	1,719	3,540
TOTAL	**(3,493)**	**(2,091)**

16.2 EFFECTIVE TAX RATE

in € thousands	
Taxable income	**21,169**
Theoretical tax rate	34.43%
EXPECTED TAX CHARGE	**(7,288)**
Tax rate differences (foreign countries)	19,695
Creation (use) of carryforward tax losses not having given rise to deferred tax	(1,458)
Fixed-sum and other additional taxes	(1,647)
Permanent differences and miscellaneous	(12,795)
TAX CHARGE RECOGNISED	**(3,493)**
Effective tax rate	16.50%

16.3 ANALYSIS OF DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities arise from temporary differences and break down as follows at the balance sheet date:

in € thousands	Assets	Liabilities	Net
	9,247	1,081	8,166

16.4 UNRECOGNISED DEFERRED TAX ASSETS

Deferred tax assets unrecognised because their recovery is uncertain amounted to €16.4 million at 31 December 2011.

17. 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 exercises significant influence or joint control.

These transactions are conducted on the basis of market prices.

17.1 REMUNERATION OF MEMBERS OF THE MANAGEMENT COMMITTEE

The share falling to VINCI Construction Grands Projets of remuneration paid to the members of the Management Committee amounted to €2,963,021 in 2011.

17.2 OTHER

The information on equity-accounted companies is given in Note II.3.2. *Financial information on equity-accounted companies.*

Notes to the consolidated IFRS financial statements
at 31 December 2011

18. FINANCIAL INFORMATION ON CONSTRUCTION CONTRACTS

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

Advances are the amounts received before the corresponding work has been performed. Repayment terms depend on the terms of each individual contract.

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

in € thousands	31.12.2011	31.12.2010
Construction contracts in progress - assets	55,039	45,655
Construction contracts in progress - liabilities	(154,304)	(126,059)
Construction contracts in progress	**(99,265)**	**(80,404)**
Costs incurred plus profits recognised, less losses recognised to date	1,964,948	1,613,049
Less invoices issued	(2,064,213)	(1,693,453)
Construction contracts in progress before advances received from customers	**(99,265)**	**(80,404)**
Advances received from customers	(121,146)	(109,033)
Construction contracts in progress, net	**(220,411)**	**(189,437)**

19. OFF-BALANCE SHEET COMMITMENTS

Off-balance sheet commitments break down as follows:

in € thousands	COMMITMENTS GIVEN	COMMITMENTS RECEIVED
Performance guarantees and performance bonds	441,717	70,998
Retention payments	55,066	6,217
Deferred payments to subcontractors	6,020	311
Balance sheet warranties given	12,165	-
Bid bonds	6,783	-
Tax and customs bonds	425	-
Other commitments	52,641	17,049
TOTAL	**574,817**	**94,575**

Notes to the consolidated IFRS financial statements
at 31 December 2011

20. EMPLOYMENT COSTS AND NUMBERS EMPLOYED

Number of employees	31.12.2011	31.12.2010
Engineers and managers	904	990
Non-management	1,955	2,312
TOTAL	**2,859**	**3,302**

Employment costs for all companies in the Group amounted to €173,537 thousand.

EMPLOYEE TRAINING RIGHTS

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 41,000 hours of such training at 31 December 2011.

21. OTHER INFORMATION

DISPUTES AND ARBITRATION

King County (headquarters in Seattle) is in dispute with a consortium in which VINCI Construction Grands Projets has a 60% share in connection with the construction of a tunnel called Brightwater Central. As a result of geological difficulties encountered on the site, which resulted in delays and extra costs, the consortium sought application of the contract whereas King County considers that the construction consortium had defaulted on its obligations, which the consortium disputes.

The parties have launched a mediation procedure while the consortium has followed the contractual dispute resolution procedure. King County has however decided to take the case before the Seattle Court. The construction consortium is claiming initial compensation of approximately $100 million, while King County is claiming an amount of the order of $130 million from the consortium. In view of the current situation, the Group considers that this dispute will not have a material effect on its financial situation.

22. MAIN CONSOLIDATED COMPANIES AT 31 DECEMBER 2011

	COUNTRY	PERCENTAGE HOLDING
1. Parent		
VINCI Construction Grands Projets	France	100

Notes to the consolidated IFRS financial statements
at 31 December 2011

	COUNTRY	PERCENTAGE HOLDING
2. Fully consolidated subsidiaries in the construction and civil engineering sector		
Campenon Saïgon Builders	Vietnam	100
Constructora VCGP Chile SA	Chile	100
Dumez Jaya SDN BHD	Malaisia	100
Hydroplus	France	100
Janin Atlas Inc.	Canada	100
OEA Grands Projets	Libya	65
S.C Grupo 3	Chile	100
Victoria Belinvest	Belgium	100
VINCI Construction Technology	France	100
Water Management International	France	100
3. Equity-accounted subsidiaries in the construction and civil engineering sector		
QDVC	Qatar	49
4. Percentage in subsidiaries active in construction and civil engineering		
CTM Chili	Chile	60
Socaso	France	67
Socatop	France	42
Socaly	France	24
5. Percentage in partnerships and economic interest groupings formed to carry out major projects		
Brightwater tunnels	USA	60
Cairo Metro, line 3	Egypt	29
Chernobyl containment shelter	Ukraine	50
Coentunnel	Netherlands	19
Crossrail	England	27
Doha Pumping Station	Qatar	30
Evacuation tunnel at Flamanville EPR	France	50
Hallandsås tunnels	Sweden	40
Lee Tunnel	England	30
Liefkenshoek rail link	Belgium	25
M1 Motorway	England	33
Maliakos - Kleidi motorway	Greece	11
Moscow - St Petersburg motorway	Russia	44
Patras - Corinth motorway	Greece	27
South Europe Atlantic high-speed railway line (SEA).	France	10
Soyuz launch pad and ground infrastructure	French Guyana	80

Report of the Statutory Auditors on the Consolidated Financial Statements at 31 December 2011

To the Sole Shareholder,

In accordance with our appointment as Statutory Auditors by your Shareholders' General Meeting, we hereby report to you for the year ended 31 December 2011 on:
- the audit of the accompanying consolidated financial statements of VINCI Construction Grands Projets S.A.S;
- the justification of our assessments;
- the specific verification required by law.

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 consists in examining, by sampling or other selection methods, evidence supporting the amounts and disclosures in the consolidated financial statements. It also consists in assessing the accounting principles used, significant estimates made and the overall presentation of the financial statements. We believe that the information that we have collected provides a sufficient and appropriate basis for our opinion.

In our opinion, the consolidated financial statements for the period have been correctly prepared and give a true and fair view of the financial position, the assets and liabilities and the results of the operations of the group formed by 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 Commercial Code relating to the justification of our assessments, we inform you of the following:

As stated in Note I.3.1, the VINCI Construction Grands Projets group uses estimates prepared on the basis available at the time of preparing its consolidated financial statements, in a context of financial crisis in the Eurozone, where the medium-term outlook for business is difficult to assess due to the impacts on financial market volatility, access to financing and economic growth.

These estimates relate in particular to construction contracts: the VINCI Construction Grands Projets Group recognises income from its long-term contracts using the percentage of completion method on the basis of the best available estimates of the final outcome of contracts, as stated in Note I.3.1.1. We have assessed the assumptions used and reviewed your Company's calculations.

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

3. SPECIFIC VERIFICATION

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

Paris La Défense and Neuilly-sur-Seine, 15 February 2012
The Statutory Auditors

KPMG AUDIT	DELOITTE & ASSOCIES
A Department of KPMG S.A.	
Philippe BOURHIS	Marc de VILLARTAY

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