



VINCI 
CONSTRUCTION
GRANDS PROJETS

Annual
report | **2003**

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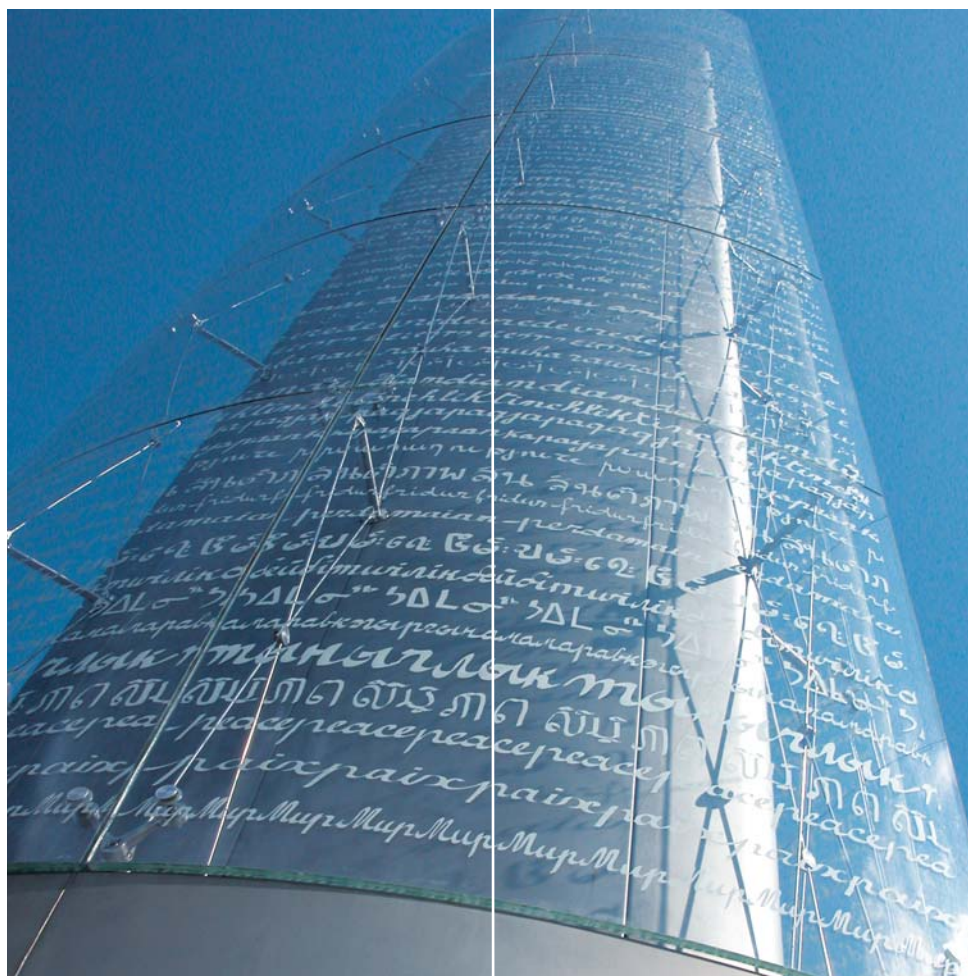
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CONSOLIDATED FINANCIAL STATEMENTS



_ VINCI Construction Grands Projets performed the civil engineering work and coordinated the design studies and other work on the Peace Tower in Saint Petersburg, built to commemorate the city's tricentennial.

Highlights

JANUARY

As part of the four extensions of the Athens metro now under construction, and on the strength of the technical experience it acquired on lines 1 and 2, VINCI Construction Grands Projets subsidiary VINCI Hellas has won the negotiated contract to coordinate design studies for the extensions. The contract covers, more specifically, verification of the functionality of the

various systems and coordination of the various building trades involved in the project. ■



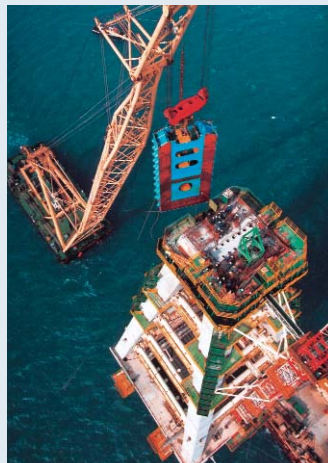
FEBRUARY



On 20 February, VINCI Construction Grands Projets completed boring operations on the Lefortovo tunnel along the route of the third urban ring road in Moscow. The 2.2 km tunnel was bored using a mud pressure tunnel boring machine with a boring diameter of 14.2 metres, the world's largest urban site tunnelling machine. ■

MARCH

The first metal stay-cable anchor head was installed on 1 March on one of the four pylons of the Rion-Antirion bridge in Greece. The 200 tonne, 35 metre high element was installed at a height of 131 metres above sea level by a powerful floating crane. The upper anchors of the cable stays supporting the deck will be installed in this metal head. ■



APRIL

VINCI Construction Grands Projets has received ISO 9001:2000 certification, covering design and construction of major infrastructure and turnkey facilities. It is one of the first French construction companies to receive ISO 9001:2000 certification for the full range of its activities. ■



MAY



VINCI won the Grand Prize in the 2003 Siemens Innovation Awards in the building and civil engineering category for

the patent filed by VINCI Construction Grands Projets covering dual-layer fire-resistant tunnel arch liners. Thanks to this invention, safety systems can be installed in tunnels in a single operation - the first layer provides structural safety and the second provides fire protection. The solution has also proved far less costly than in-situ spraying of a refractory material. ■

JUNE

VINCI Construction Grands Projets won several trophies in the regional 2003 VINCI Innovation Awards. These prizes, awarded to projects focused on safety, profitability and efficiency, confirm the company's commitment to ongoing innovation. ■



JULY



The official handover for the Berjaya Times Square project in Kuala Lumpur took place on 1 July at a ceremony attended by the Malaysian Minister for Public Works. The Berjaya Times Square project is the largest residential and shopping complex in Asia. With its surface area of 700,000 square metres, it is also the largest single building ever constructed by VINCI Construction Grands Projets. ■

AUGUST

VINCI Construction Technology and VINCI Construction Grands Projets signed three support

contracts with the Moscow city authorities as part of the Silver Forest tunnel project. The contracts cover, respectively, verification, analysis and validation of tunnelling machine refurbishment programmes; provision of qualified staff; and compressed air system design studies, ventilation optimisation and geological studies along the route. ■



SEPTEMBER

The Orhideea shopping centre built by VINCI Construction Grands Projets in Bucharest, Rumania, was inaugurated on 22 September and opened to the public on 24 September. The 28,800 square metre centre includes an 8,500 square metre Carrefour hypermarket and 56 shops, all of which were sold prior to opening. ■



OCTOBER

In 2003, VINCI Construction Grands Projets launched an accident-prevention and safety competition as part of the zero-accident objective applying to all Group entities. The competition was also a logical extension of the "Safety First" campaign aimed at raising safety awareness among teams at all levels in order to foster behavioural change. ■



NOVEMBER



The Newport bypass and CTRL 310 projects were awarded prizes in the 2003 Green Apple

Awards in the United Kingdom, in particular for the widespread use of recycled materials on these two projects. The Newport bypass was named "National Winner", the highest distinction, and the CTRL 310 received the title of "Gold Winner". ■

DECEMBER

On 27 December, for the second time in history (the first was during construction of the Aswan High Dam in the 1960s), the Nile, the world's longest river, was diverted from its natural course into a channel built on its left bank as part of the construction work on the Naga Hammadi dam in Egypt. The project is located some 150 km north of Luxor and is



designed to regulate the flow of the river, provide irrigation and generate electricity. ■

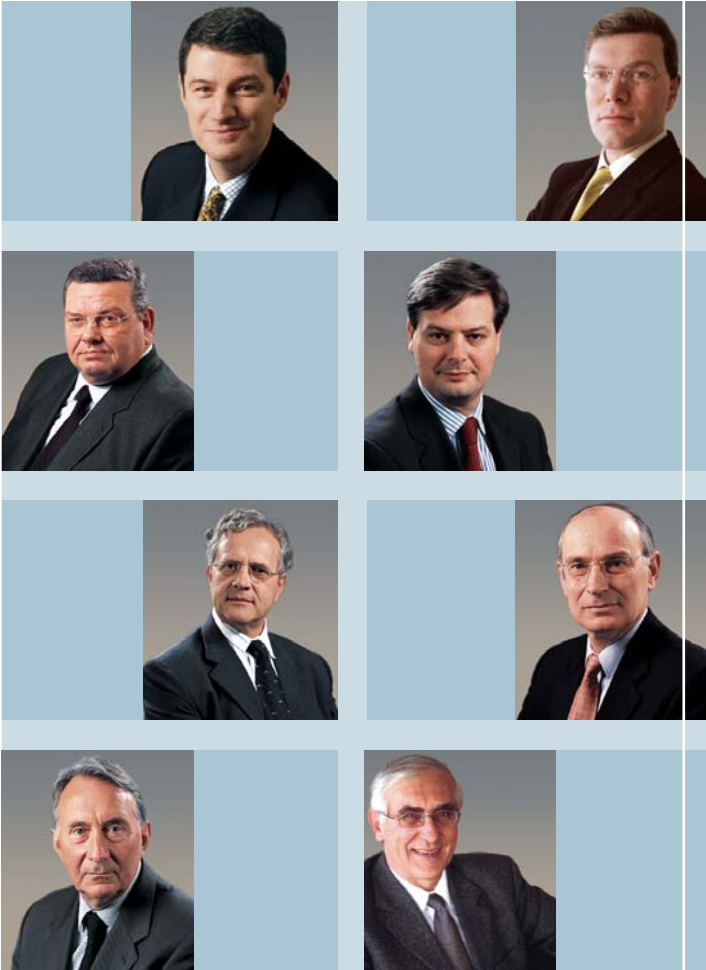
Profile

VINCI Construction Grands Projets operates internationally in all segments of the building and civil engineering industry, from public and private sector functional buildings to transport infrastructure and major industrial and energy-related facilities.

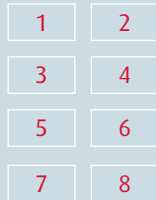
As heir to companies that have an impressive hundred-year track record in France and abroad, VINCI Construction Grands Projets covers the full range of skills needed to build complex structures. Its high level of expertise and strong engineering and project management capabilities combine with its responsive organisational structure and its policy of forging partnerships with local companies to enable the company to provide solutions that are both global and modular and that meet the diverse needs — ranging from technical support to turnkey project construction and maintenance — of both public and private sector customers.

The breadth and diversity of this expertise is well-illustrated in the major projects now under way. They include the Hallandsas railway tunnel in Sweden, the Soumagne railway tunnel in Belgium and the Mitholz railway tunnel in Switzerland, the Lefortovo road tunnel in Russia and Heathrow road tunnel in the United Kingdom, the Saint Petersburg metro in Russia, the Rion-Antirion bridge in Greece, the Newport road project in Wales, the Naga Hammadi dam and the Idku LNG tanks in Egypt, the pumping stations in Libya and the demolition of the Triton nuclear facility in France.





- 1 | Philippe RATYNSKI
- 2 | Pierre BERGER
- 3 | Hubert BAUR
- 4 | Patrick BÉCHAUX
- 5 | Alain BOURDEAUX
- 6 | Jean-François RAVIX
- 7 | Christian SIMON
- 8 | Jean VOLFF



Henri Stouff was Chairman and CEO of VINCI Construction Grands Projets from its inception in June 2001 until the first quarter of 2004, when he was appointed Chairman and CEO of VINCI subsidiary Cofiroute.

EXECUTIVE COMMITTEE

Philippe Ratynski, Pierre Berger, Hubert Baur, Patrick Béchaux, Alain Bourdeaux, Jean-François Ravix, Christian Simon, Jean Volff

ORGANISATION

Philippe Ratynski
Chairman
Pierre Berger
Chief Executive Officer

Operating Divisions

Pierre Berger
Vice-President, Eastern Europe – Africa – Asia
Jean-François Ravix
Vice-President France – Europe – Americas
Cofiroute : Socaso and Socatop
Jean Volff
Vice-President, Bâtiment Export

Engineering Sector

Hubert Baur
Engineering and Technical Capabilities Director
Jean-Louis Le Mao
3D Department Director
Jean-Claude Amet
Underground Works Engineering Director
Michel Bernard
Hydroplus Chairman

Functional Divisions

Christian Simon
Chief Financial Officer
Alain Bourdeaux
Director of Legal Affairs
Patrick Béchaux
Human Resources Director

Editorial

CREATIVITY, THE KEY TO PERFORMANCE

VINCI Construction Grands Projets reported a net sales increase of 7% in 2003 and net income close to 5%, giving it a profitability level far above the sector norm.

The company's economic performance has been steadily rising year by year, and it reflects an uncompromising focus on selectivity and added value aimed at making the most of the outstanding expertise offered by VINCI Construction Grands Projets. The performance is also the direct result of the company's management model and culture, which enable VINCI Construction Grands Projets to respond flexibly and speedily to customer needs and to adapt to very different configurations with the mobility required by constantly changing markets.

Because of this, the company has been able to cope with cyclical swings in its markets. VINCI Construction Grands Projets thus anticipates a marked reduction in its business activity in 2004, nevertheless projecting a substantial recovery in order intake during the year. Against this backdrop, VINCI Construction Grands Projets will be stepping up its sales and marketing efforts, focusing on contracts which meet its selectivity and risk management criteria and will, to this end, be developing synergies with the various entities of the VINCI Group. These efforts will be particularly concentrated on the United Kingdom and the countries of Central Europe, where there are major transport infrastructure needs. With the end of the economic crisis in Asia, major investment programmes can now be resumed. A recovery is also expected in the countries of the Mediterranean rim. Finally, VINCI Construction Grands Projets' expertise in natural gas storage and treatment infrastructure should enable it to take advantage of the strong growth of this market sector.

By creatively devising the new solutions its customers expect, by optimising its tooling, fine-tuning its organisations and making the most of its indisputable assets, VINCI Construction Grands Projets will be continuing its exemplary development in 2004 and confirming its status as a benchmark in its sector.

Philippe Ratynski
Chairman
of VINCI Construction Grands Projets



Philippe RATYNSKI

Key figures

NET SALES

_By geographic sector

In millions of euros	2001	2002	2003
France	156.2	121.3	114.0
Europe	220.0	341.9	400.1
Africa	12.9	21.0	88.9
Middle East	15.0	4.2	1.0
Asia	101.5	95.2	34.2
America	87.7	41.7	30.6
Australia	1.8	0.7	0.1
TOTAL	595.1	626.0	668.9

_By business line

In millions of euros	2001	2002	2003
Private-sector functional building	62.0	130.0	76.9
Public-sector functional building	45.0	13.0	4.7
BUILDING TOTAL	107.0	143.0	81.6
Energy	1.0	11.0	57.0
Environment	32.0	44.0	80.3
Transport	416.0	416.0	442.5
Major facilities	39.0	12.0	7.5
CIVIL ENGINEERING TOTAL	488.0	483.0	587.3
TOTAL	595.0	626.0	668.9

WORKFORCE

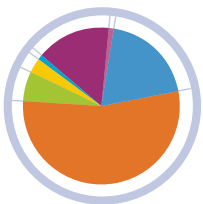
As at 1 January 2004

2,949

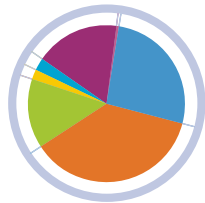
ORDER BACKLOG

_By geographic area

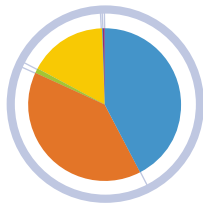
- France
- Europe
- Americas
- Africa
- Middle East
- Asia
- Australia



2002: 1,524 M€



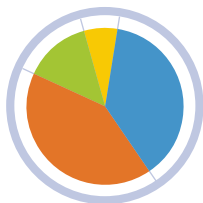
2001: 1,378 M€



2003: 1,090 M€

_By type of contract

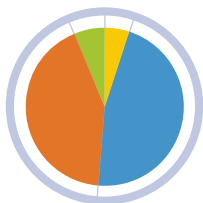
- Concessions
- Design & Build
- Build
- Other: property development



2002: 1,524 M€



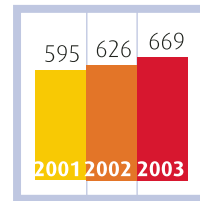
2001: 1,378 M€



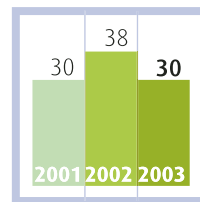
2003: 1,090 M€

KEY FIGURES

In millions of euros



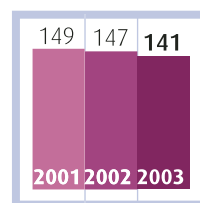
_Net sales



_Gross operating revenues



_Net income, group share



_Equity and minority interests



_Cash

A company operating world-wide

MAJOR PROJECTS CURRENTLY UNDER WAY ACROSS THE WORLD

1_ France

- › Andra underground laboratory
- › Dismantling of the Brennilis power station
- › A28 highway
- › A10 highway
- › A85 highway
- › A86 west completion
- › Demolition of the Triton facility
- › Aquitaine bridge

2_ Monaco

- › La Condamine harbour

3_ Belgium

- › Soumagne tunnel

4_ Switzerland

- › Mitholz tunnel

5_ Netherlands

- › Thalys IV railway line
- › Pannerdensch Kanaal tunnel

6_ United Kingdom

- › Heathrow airport tunnels
- › CTRL 310
- › Royal Victoria Dock hotel project
- › Newport road project

7_ Ireland

- › Cork waste water treatment plant

8_ Sweden

- › Hallandsas tunnel

9_ Russia

- › Saint Petersburg metro
- › Peace tower - Saint Petersburg
- › Lefortovo road tunnel
- › Silver forest tunnels

10_ Ukraine

- › Chernobyl storage unit

11_ Czech Republic

- › Palac Tesnov office building
- › IBC office building (reconstruction)
- › Florenc office building
- › Four Seasons hotel in Prague (reconstruction)

12_ Rumania

- › Victory Square tower
- › Orhideea shopping centre

13_ Turkey

- › Istanbul stadium

14_ Greece

- › Rion-Antirion bridge
- › Athens metro

15_ Libya

- › Al Gardabiya Assdada pumping stations

16_ Egypt

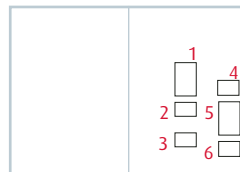
- › Naga Hammadi dam
- › Idku liquefied natural gas tanks
- › Cairo metro - 2C

17_ Lebanon

- › Chabrouh dam

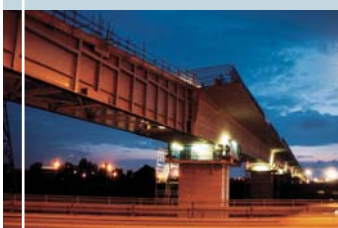
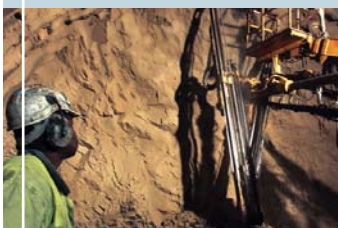
18_ China

- › Beijing Olympic stadium



- 1_ Tunnels at Heathrow Airport – United Kingdom.
- 2_ Soumagne railway tunnel – Belgium.
- 3_ CTRL 310 – United Kingdom.
- 4_ Cork purification plant – Ireland.
- 5_ Berjaya Times Square shopping and residential complex – Malaysia.
- 6_ Rion-Antirion bridge – Greece.

- 18_ Malaysia
 - > Berjaya Times Square shopping and residential complex
- 19_ Australia
 - > Dartmouth dam
- 20_ Canada
 - > Eastmain hydroelectric power scheme
 - > Toulnostouc power station
- 21_ USA
 - > Terminus dam
- 22_ Chile
 - > Chillan-Collipulli motorway
 - > Three prisons



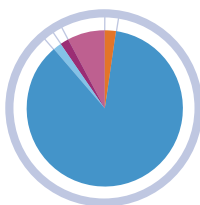
France – Europe Americas

PROFILE

The France Europe Americas Division, headed by Jean-François Ravix, focuses on the European Union, Switzerland, Central Europe, Canada and Latin America. It operates essentially on the market for transport infrastructure – bridges (Rion-Antirion bridge in Greece), rail infrastructure (Soumagne tunnel in Belgium, Mitholz tunnel in Switzerland and Pannerdensch Kanaal tunnel in the Netherlands; Thalys IV and CRTL 310 high-speed rail links in the Netherlands and the United Kingdom respectively), motorways (Newport bypass in Wales) and road tunnels (Airside Road Tunnel at Heathrow in the United Kingdom).

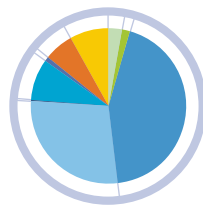
The France Europe Americas Division targets first and foremost design and build projects requiring know-how combining high technical and innovative capabilities, particularly in areas where local skills cannot meet market needs. Building on its European roots and its reputation on the main markets in Europe, it is a leading player in major European projects, able to win clients with recurring business and to establish partnerships with the large local companies. Its 2003 net sales amounted to 378 million euros, an all-time record.

SEGMENTATION OF NET SALES:
378 million euros



Private-sector functional building
Transport
Major facilities
Environment
Energy

BREAKDOWN
BY GEOGRAPHIC AREA



France
Belgium
United Kingdom
Greece
Italy
Netherlands
Sweden
Switzerland
Canada

ACTIVITY

France

Repair work on the Aquitaine bridge in Bordeaux focused, in 2003, on fitting and finishing and on the contractual suspension loading test, which was successfully carried out on 18 May 2003. Thirty-six 26-tonne trucks were placed on the bridge for nearly 3 hours to test the strength of the new suspension and measure the behaviour of the bridge under the heavy loads expected (daily traffic is estimated at 75,000 vehicles). Acceptance was issued on 9 October 2003. The work, comprising replacement of the bridge suspension and widening of the deck from four to six lanes without interrupting traffic, was completed in 41 months.

Work to extend the port of La Condamine in Monaco, which got under way in October 1999, was completed in April 2003, enabling the Principality to begin partial operation of the structure in the spring. A 200 metre ship was launched from the floating pier. The dock has been used starting on 1 June to welcome cruise passengers attending the 2003 Formula 1 Grand Prix. The new infrastructure has enabled the Principality to reclaim 24 hectares from the sea, i.e. 60% of the port surface area. The port has now become one of the largest marinas in the Mediterranean and can accommodate luxury cruise liners.

Belgium

VINCI Construction Grands Projets, in a consortium with CFE (the Belgian subsidiary of VINCI Construction) continued construction work in 2003 on the Soumagne railway tunnel along the future Brussels-Cologne high-speed rail line. The single tube, 6 km long tunnel is the largest project ever carried out for the Belgian high-speed rail network. It is being drilled by blasting from four headings. Joining of two headings took place on 25 June 2003. Miners will complete the drilling work at the end of 2004 and the tunnel will be handed over in August 2005.

		1
		2
		3

- 1_ The Mitholz tunnel in Switzerland is, with its three 8 km long tubes, the longest section of the Lötschberg tunnel built in the heart of the German-speaking Alps to supplement the Swiss railway network between Northern Europe and Italy.
- 2_ The single-tube Soumagne railway tunnel in Belgium, 5,940 metres long and with a cross-section of 110 square metres, is being built as part of the future high-speed rail line linking Brussels and Cologne.
- 3_ The Thalys IV project involves the construction of a 16 km section on the Amsterdam-Brussels high-speed rail line and includes two submerged tunnels, a composite bridge and cut-and-cover tunnels.

Netherlands – Belgium

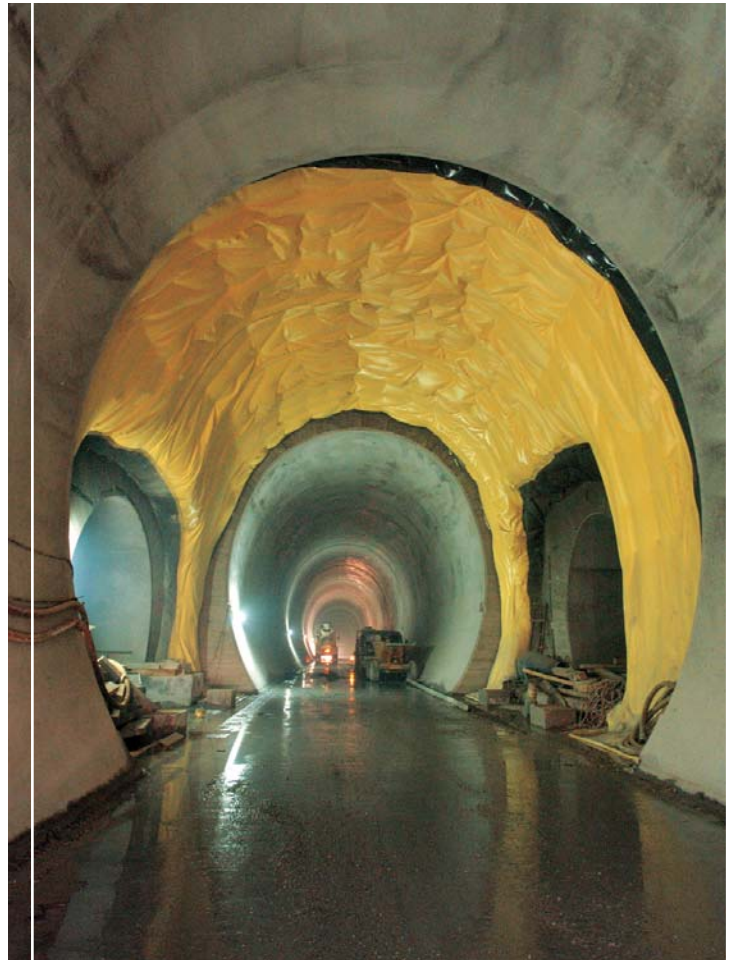
In 2003, the seven caissons of the Oude Maas tunnel were sunk. The tunnel is part of works package IV of the Thalys high-speed rail link between Amsterdam and Brussels. Sinking operations took place according to schedule between 23 August 2003 and 19 October 2003. Since then it has been possible to walk from one end to the other of the 1,050 metre tunnel. The project comprises a second submerged tunnel – the Dordtsche Kil tunnel – likewise with a length of 1,050 metres. The first of its seven caissons was sunk in early November 2003. Work continues in parallel on the composite bridge, access viaducts and cut-and-cover trenches along this 16 km section. The work is scheduled for completion in May 2005.

Netherlands

Following the breakthrough of the second tube of the Pannerdensch Kanaal rail tunnel in December 2002, the tunnel boring machine was disassembled and transferred in February 2003. The dual-tube, 2 x 1,615 metre tunnel was designed for double-decker trains and is part of the new wide-gauge rail line, the Betuwe Route, to be used to carry freight between the port of Rotterdam and Germany. A ceremony marking the completion of boring operations and work on the interconnections was held on 27 June and was attended by the client and the management of the Betuwe Route. Provisional acceptance of the work done under the main contract has been scheduled for March 2004. Additional work will be completed on the noise barriers in May 2004 and on the tracks in September 2004. Handover of the project as a whole is expected to take place in August 2005.

Switzerland

Breakthrough was achieved on the north-west heading of the Mitholz railway tunnel on 4 May 2003, 169 days ahead of the contractual schedule. The breakthrough ceremony for this 7,024 metre section took place on 14 May 2003. The project comprises three blast-excavated tubes with an average length of 8,000 metres each, totalling





VINCI Construction Grands Projets and its partner Morgan=Est, were recognized in the 2003 Green Apple Awards in the UK, which honour companies and institutions for the quality of their environmental protection activities. The Newport bypass project, on which 95.6% of the earthmoving and roads materials used are recycled, was named "National Winner". The CRTL 310 was named "Gold Winner", in particular for the use of several tonnes of inert waste as backfill for the slab pavement supports and worksite roads.

24 km of tunnelling work to be completed in 72 months. Total progress on all fronts amounted to 21,000 metres, i.e. 78% of the length to be excavated, at the end of December. Thanks to the productivity achieved, and to the fact that work is 8 months ahead of schedule, the consortium was awarded additional work, consisting in excavating 2 x 1,000 metres of tunnel. The Mitholz tunnel is the longest section in the Lötschberg high-speed rail tunnel which, when it is inaugurated in 2007, will be the fourth longest rail tunnel in the world. With its link to the existing Simplon tunnel it will constitute the main north-south route across the Alps. Switzerland will thus become the main rail traffic hub in Europe. The work is scheduled for completion in April 2006.

Ireland

In July 2001, VINCI Construction Grands Projets won the contract to design and perform the civil engineering work on the waste water treatment plant in Cork. The project comprises construction of 16 tanks, 5 buildings and landscaping. In October 2003, the entire set of basins and other hydraulic facilities were accepted by the client, followed a few weeks later by the buildings. Outdoor work and landscaping will be completed in early 2004 and handover of work will take place in April 2004.

Wales

Construction work on the bypass at the city of Newport continued with the start of deck launching operations on 26 June 2003 and the successive lifting of the components forming the arch of the bowstring viaduct, with the 650 tonne central part placed in its final position on 24 October. In addition, 3 km of new pavements were opened to traffic on 18 August 2003. Construction work covers a 2 x 2 lane road and the Usk River crossing, consisting of a main bowstring viaduct with a span of 195 metres and two access viaducts with lengths of 87 and 72 metres respectively. The consortium plans to hand over the entire set of structures at the end of June 2004, 27 months after the start of work instead of the 36 months provided for in the contract.

United Kingdom

Work on works package 310 of the Channel Tunnel Rail Link connecting the tunnel and London, which got under way in January 2002, continued on schedule in 2003. The project involves a further 13.8 km section of high-speed rail line in the eastern suburbs of London and includes construction of a 1,025 metre bridge, two viaducts with lengths of 675 and 454 metres respectively, 6,700 metres of track on slabs and 14 miscellaneous structures (rail bridges, pedestrian and road overpasses and underpasses, earthmoving, etc.). In 2003,



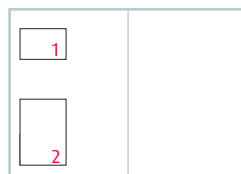
the incremental launching of the Thurrock viaduct was completed on 30 October 2003, one year to the day after the first of its 23 spans was launched. The entire project is scheduled for handover in December 2004.

Boring operations on the first tube of the Airside Road tunnel at Heathrow were completed in 2002 and in 2003 work continued with the dismantling, transfer and reassembly of the tunnel boring machine and the start of work on the second tube on 23 February; breakthrough took place on 26 June 2003, 4 weeks ahead of schedule. The contract provides for the boring of a dual-tube road tunnel with a total length of 2,540 metres to provide access to Terminal 5 at Heathrow airport. All work will be completed by March 2004. Meanwhile work continued on the other works packages of the Heathrow airport extension contract. The construction of the rainwater discharge pipe (a 4,100 metre long single tube) was completed on 26 August 2003, 4 weeks ahead of the contractual schedule. Boring of the tunnel extending the Piccadilly Line (a 3,300 metre long dual tube) got under way on 29 October 2003. The excavation of the tunnel machine assembly chamber for the extension tunnel of the Heathrow Express underground (a 3,200 metre dual tube) also started in December 2003, with the tunnelling machine installed at the end of January 2004. In addition, work was carried out on the tunnels connecting the Piccadilly Line with existing tunnels and on the service tunnels. The entire project is to be handed over in September 2006.

In December 2001, VINCI Construction Grands Projets won the contract to design and build the Royal Victoria Dock hotel project comprising a 257-room Novotel and a 278-room Ibis hotel, car parks, restaurants, cafés and meeting rooms in a 27,000 square metre, 12-storey complex. The Ibis hotel was handed over to Accor on 17 December 2003, 14 days ahead of schedule. It was opened to the public in early January. Handover of the Novotel is scheduled for February 2004, 6 weeks ahead of the contractual deadline.

Sweden

Following publication of the Supreme Water Court ruling on 17 October 2003 authorising the implementation of the project, VINCI Construction Grands Projets signed a protocol with Banverket, the client, on 19 December 2003 setting out preliminary construction work on the Hallandsas rail tunnel on the Gothenburg-Malmö line. Work started in January 2004. Final entry into force of the contract is scheduled for March 2004. It will be immediately followed by the placing of the order for the tunnel boring machine on which final adjustments



1. The Cork purification plant in Ireland is part of a vast sewer project which will collect the city's waste water and channel it to the neighbouring estuary for treatment.
2. Earthmoving and roads on the Newport road bypass project were built with 95.6% recycled materials.

were completed in 2003. The project comprises design and construction of two 5.6 km tunnels with an inside diameter of 9.04 metres and tube connections every 500 metres. The work is to be carried out in a consortium with Skanska and to be completed by March 2011.

Greece

As part of the four extensions of the Athens metro now under construction, and on the strength of the technical experience it acquired on lines 1 and 2, VINCI Construction Grands Projets subsidiary VINCI Hellas has won the negotiated contract to coordinate design studies for the extensions. The contract covers, more specifically, verification of the functionality of the various systems and coordination of the various building trades involved in the project.

Highlights of the work on the Rion-Antirion bridge in 2003 included noticeable progress on construction of the four piers and installation of the deck and cable stays. On Wednesday, 29 January, the first preliminary pylon legs closure slab, a 175 tonne element, was installed 130 metres above sea level. The first 200-tonne cable stay anchor head was installed on 1 March 2003 and the first segment of the deck was laid on 8 April 2003. These operations continued throughout 2003, culminating in the completion of a half-bridge at the end of January 2004. Meanwhile, VINCI Construction Grands Projets continued construction work on the access roads and viaducts as well as the toll platform, which is scheduled for completion in early November 2004. The 2,883 metre long Rion-Antirion bridge will connect the Peloponnese with mainland Greece across the Gulf of Corinth at the end of 2004.



- 1_ The excavation and construction operations on the Toulnostouc hydroelectric power plant in Canada were carried out under rigorous climatic conditions, with temperatures ranging between -20°C and -38°C .
- 2_ Work on the Chillan-Collipulli motorway in Chile required the construction of 80 civil engineering works and 600 drainage structures.
- 3_ The Rion-Antirion bridge in Greece, the longest multi-span cable stayed bridge in the world, took 5 years to build and used 250,000 m³ of concrete and 17,200 tonnes of metal frames, nearly twice the amount used in the Eiffel Tower.

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Canada

In June 2002, VINCI Construction Grands Projets subsidiary Janin-Atlas won the contract to carry out the concrete work at the Toulnostouc power station. Beyond worksite preparatory work, 2003 saw the partial commissioning of the gantry and the assembly of the metal frame which will make possible the closure of the plant on 18 December 2003. Work is being carried out as part of the construction of a new 480 MW hydroelectric plant in northeastern Quebec. Work includes excavation of the spillway, concrete work on the plant and installation of the electrical and mechanical equipment. Work is scheduled for completion in July 2005.

Chile

Following handover of the last (24 km long) section of the Chillan-Collipulli motorway in July 2002, the concession owner notified the concession holder of final acceptance of all work on 11 June 2003. The project involved the upgrade to motorway standards and the capacity extension of a 165 km section of the Ruta 5 Sur, the Chilean link of the Pan-American highway which runs from Alaska to Tierra del Fuego. The Chillan-Collipulli motorway was built by VINCI Construction Grands Projets in three years.



OUTLOOK

Order intake in 2003, for the most part contract renewals and riders to existing contracts, amounted to 91.2 million euros. The order backlog stands at 408.6 million euros. A good number of bids having been postponed in both Europe and Latin America, 2004 should see the sales and marketing efforts of 2003 bear fruit.

Socaso Socatop



Breakthrough on the first section of the A86 East tunnel between Rueil-Malmaison and the A13 motorway took place on 14 October 2003, two years after the work got under way.

PROFILE

Socaso and Socatop, respectively wholly-owned and two-thirds subsidiaries of the VINCI Group, are headed by Jean-François Ravix.

Socaso is a consortium in which VINCI Construction Grands Projets holds a two-thirds share and Eurovia makes up the remaining third. It works for Cofiroute in the field of motorway project design, project management and turnkey construction. Socaso designs, builds, widens and maintains a 900 km network of interurban motorways in the West of France.

Socatop – Société de Construction de l'Autoroute de Traversée de l'Ouest Parisien – is a consortium made up of the largest French civil engineering and building contractors. Socatop is in charge of design studies and construction on the A86 West motorway, the largest underground works project in Europe.

OUTLOOK

Socaso's 2004 business activity will be impacted by the accelerated scheduling of the sections of the Cofiroute network remaining to be built. It will therefore concentrate on the continued work on the two sections of the A28 motorway (Ecommoy / Montabon and Montabon / Dissay-sous-Courcillon), on the preparatory work and the first engineering structures on the Chezelles viaduct / Esvres section of the A85, on design studies, network detours and the first engineering structures on the A11 motorway Angers North bypass and on continued widening work on the A10. In addition there are the 2004 pavement maintenance programme, the engineering structure repair programme, the completion of the Sorigny interchange and possibly the start of work on the Langeais bypass on the A85 motorway.

These contracts enable Socaso to establish a budget forecast for 2004 that is estimated at approximately 100 million euros.

In 2004, Socatop plans to step up the second phase of civil engineering work on the first A86 section: completion of the transfer staircases in the tunnel, construction of the underground interchanges with the A13 in Vaucresson and the RN13 in Rueil-Malmaison and boring of the Bois de l'État shaft.

Preparatory work on the second section is also scheduled to get under way.

Socaso

With net sales of 90 million euros in 2003, Socaso's business development was focused on three major projects:

- the A85 motorway, with the completion of the 32 km Villefranche-sur-Cher / Saint-Romain-sur-Cher section which was opened to traffic on 12 December 2003;
- the A28 motorway, with the continuation of work on the 10 km Montabon / Dissay-sous-Courcillon section, which includes the viaduct on the Loire, and the start of the 15 km Ecommoy / Montabon section. The opening of these two sections in the spring of 2006 will complete the Le Mans / Tours motorway link;
- the A10 motorway widening to a 2 x 3 lane carriageway between Blois and Tours. The Blois to Château-Renault section was opened to traffic in June 2003 and the Monnaie section in Tours North was opened in December 2003.

Socaso also continues the construction of the new interchange on the A10 in Sorigny south of Tours, the completion of structure pier reinforcement work on the A10 motorway and maintenance work on Cofiroute network pavements.

In July 2003, Socaso obtained ISO 9001: 2000 certification for its engineering and project management activities on turnkey motorway construction, development and maintenance activities.

In 2003, Socaso posted net sales of 89.7 million euros.

Socatop

The A86 completion project west of Paris comprises the construction of a 10 km tunnel reserved for light vehicles. The boring of the first 4.5 km section between Rueil-Malmaison and the A13 motorway was completed on 14 October 2003, then disassembly and transfer operations to Jouy-en-Josas began, with a view to construction of the second 5.5 km section linking the Colbert bridge with the A13 motorway. The lower traffic slab has been completed over the section as a whole, and civil engineering work on the Hauts Bénards and Place Berthet emergency shafts has been completed. The Butard ventilation shaft has been bored and remains to be connected to the tunnel.

Eastern Europe – Africa - Asia

PROFILE

The Eastern Europe – Africa – Asia Division, headed by Pierre Berger, focuses on Eastern Europe, Africa (in conjunction with VINCI Construction subsidiaries), the Middle East and Asia. It covers the entire range of civil engineering sectors - transport infrastructure (Cairo metro, Saint Petersburg metro, Silver Forest road tunnel in Moscow), environmental facilities (Chernobyl storage unit in Ukraine, pumping station and drinking water regulation system in Libya), major infrastructure (Beijing stadium), energy production (Idku liquefied natural gas tanks and Naga Hammadi dam in Egypt, Emile Lahoud dam in Lebanon) and major functional building construction (Berjaya Times Square residential and shopping complex in Malaysia). The Eastern Europe – Africa – Asia Division builds major infrastructure in sensitive regions requiring sophisticated technical expertise, ability to manage major projects alone or in conjunction with partners, expertise in financial and legal engineering and a stringent selective order-taking policy. Its net sales amounted to 143.2 million euros in 2003.

ACTIVITY

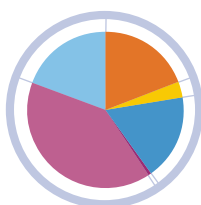
Russia

The breakthrough of the Lefortovo road tunnel along the route of the third ring road in Moscow took place on 20 February. The boring operation took 60 weeks, with peak boring rates reaching 64 metres per week. The 2,200 metre long tunnel was bored with a 14.2 boring diameter mud pressure boring machine, the world's largest urban area tunnel boring machine. The construction of the Lefortovo tunnel had to ensure comprehensive preservation of historic buildings and structures and of the entire architectural heritage of the historic Lefortovo district. Work started in November 2001 and the tunnel was inaugurated and opened to traffic on 5 December.

Construction work on the Saint Petersburg metro proceeded on schedule. The project comprises two 6.4 metre diameter, 840 metre long tunnels bored at a depth of 70 metres by tunnelling machine. Despite the particularly harsh winter, boring work proceeded at a good pace, with breakthrough of the first tube taking place on 4 May. Following the turnaround of the tunnelling machine and its trailers in an underground chamber – a tricky operation in such a small space - boring work resumed on 4 September on the second tube, which was completed three months later. The breakthrough ceremony took place on 28 November. This section of the metro is scheduled to begin operating on 27 May 2004.

During the third quarter 2003, VINCI Construction Grands Projets and VINCI Construction Technology signed three assistance contracts with the Moscow city authorities as part of the Silver Forest road tunnels project. The contracts cover, respectively, verification, analysis and validation of tunnel boring machine refurbishment programmes; provision of qualified staff; and compressed air network design studies, ventilation system optimisation and geological studies along the route. The tunnelling machine used in the construction of the Lefortovo tunnel was brought to the site by barge during the summer. Assembly of the machine started on 1 December and continues.

SEGMENTATION OF NET SALES:
143.2 million euros



Private-sector functional building
Public-sector functional building
Transport
Major facilities
Environment
Energy

BREAKDOWN
BY GEOGRAPHIC AREA



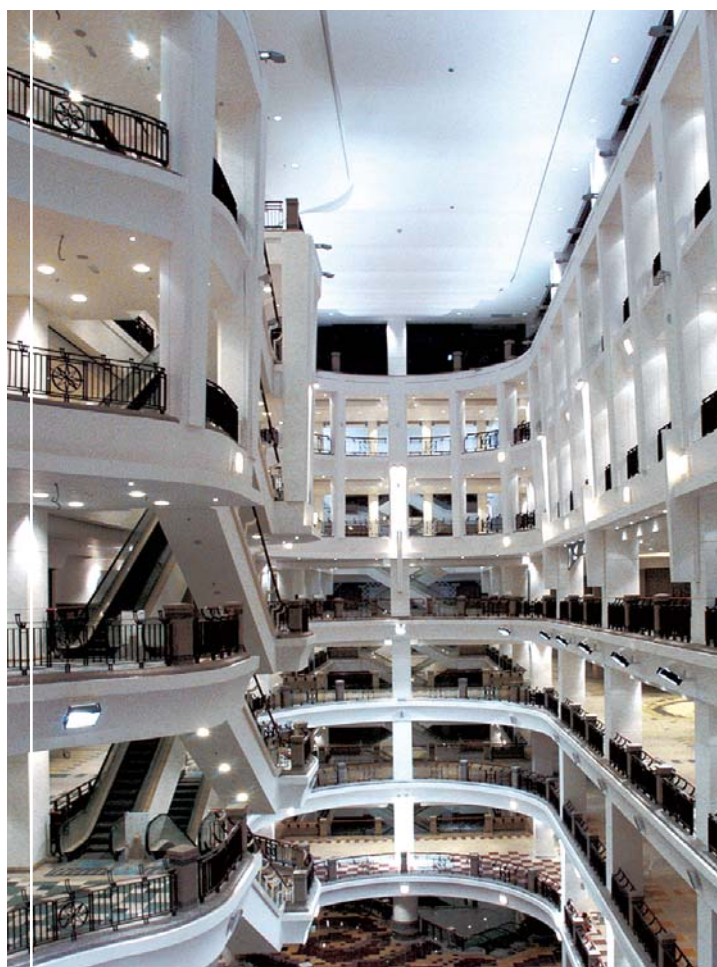
Russia
Ukraine
Malaysia
Pakistan
Singapore
Vietnam
Egypt
Libya
Lebanon

		1
		2
		3

- 1_ With its 700,000 square metres surface area, the Berjaya Times Square project in Kuala Lumpur, Malaysia, is the largest residential and shopping complex in Asia.
- 2_ The Chabrouh dam in Lebanon is designed to supply drinking water to the Kesrouane and Metn regions, both lying north of Beirut.
- 3_ The Ataturk stadium in Istanbul is the flagship sports facility in the Turkish capital. It seats 80,000; 48,500 of the seats are covered.

Malaysia

The Berjaya Times Square project was handed over on 30 June. It is Asia's largest residential and shopping complex and the largest continuous building ever built by VINCI Construction Grands Projets. It comprises two 200 metre, 46-storey towers linked by a 15-storey, 250 metre long facade. Its 700,000 square metres of floor space accommodate over 800 shops, 1,200 apartments, 50 restaurants, 48 lifts, 5,000 parking spaces, a 56-lane bowling alley, cinemas and an indoor amusement park with a 800 metre long roller coaster. It was opened to the public on 30 September and is expected to welcome three million visitors per month.



Turkey

VINCI Construction Grands Projets received the final acceptance certificate for the Atatürk stadium in Istanbul on 13 January. The project involved the construction of a stadium with 80,000 seats, 48,500 of them covered, permanent athletics facilities, a 50,000 square metre, 6-level building, a 300-seat amphitheatre, two ancillary stadiums for training, ring roads and car parks. The Istanbul stadium was commissioned in 2002.



Lebanon

In October 2002, VINCI Construction Grands Projets won the contract to build the Chabrouh dam, now officially named the Emile Lahoud dam. In 2003, the Chabrouh river was diverted on its right bank to accommodate the dam excavation work on the left bank, the construction of the various tunnels and the start of work on the dam fill. The project comprises construction of a 1.5 million cubic metre rockfill dam, an 8 million cubic metre reservoir and a drinking water treatment station with a daily capacity of 60,000 cubic meters. VINCI Construction Grands Projets is providing technical assistance to its Lebanese partner on this project. Work is scheduled for completion in October 2005.





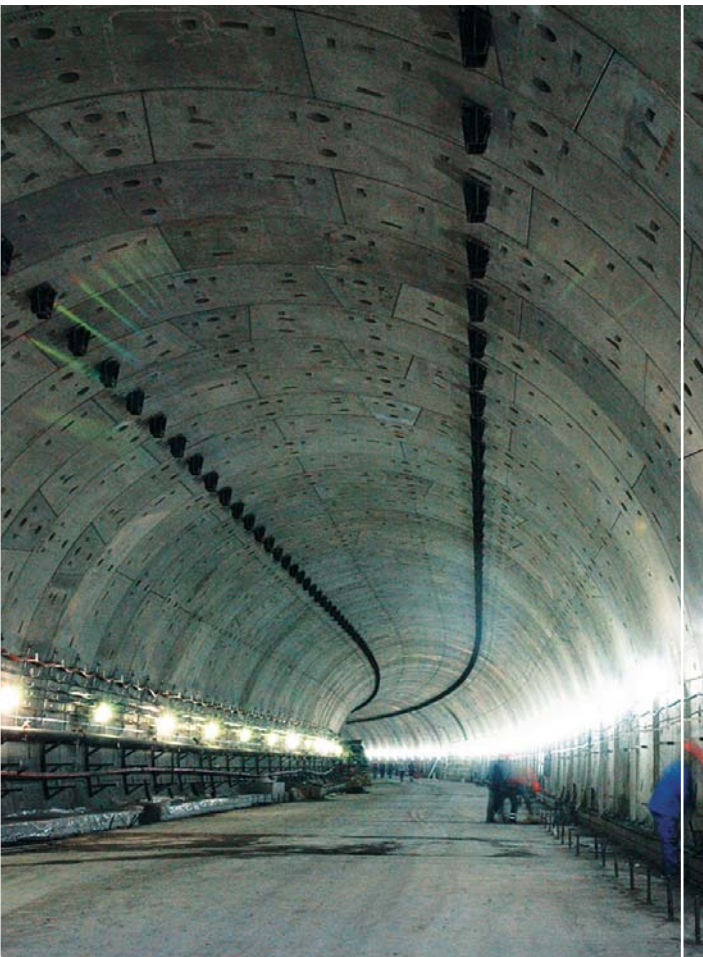
The worksite team at the LNG tank project in Egypt is volunteering its services on a project aimed at enhancing an ancient cistern buried in the centre of Alexandria which goes back to the 9th century. The project, devised by Jean-Yves Empereur, an archaeologist specialising in ancient Alexandria, plans to rehabilitate the cistern to make it more accessible to the public and to build a museum tracing 2,300 years of the history of water in Alexandria. VINCI Construction Grands Projets is taking part in the design studies for the new building which is being constructed partly over the cistern, in particular making sure that the new building transmits minimum stresses to the old structure.

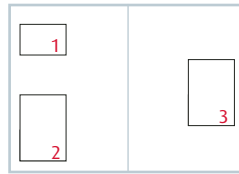
Egypt

In October 2002, VINCI Construction Grands Projets won the contract to build two liquefied gas tanks with a capacity of 140,000 cubic metres each in Idku, which lies on the Mediterranean coast 50 km from Alexandria. In 2003, work on the design studies and foundation work was completed and above-ground construction of the two tanks got under way. At the end of December the project passed the 2.5 million hours worked mark without a single lost-time accident. Work started immediately after contract signature and is to be completed by June 2005.

Construction work on the Naga Hammadi dam, which began in 2002, continued according to schedule. Following completion of the worksite installation and living quarters, the Nile was diverted on 27 December 2003. For the second time in history – the first was during construction of the Aswan High Dam in the 1960s – the Nile, the longest river in the world, was diverted from its natural course, into a canal built on its left bank. The Naga Hammadi dam is located approximately 150 km north of Luxor. It will replace an existing dam built early in the last century, which lies 2 km upstream and will be kept within the future reservoir. The dam will regulate the course of the Nile, provide water for irrigation and generate electricity. It will have two locks to accommodate river traffic. Work is scheduled for completion in June 2008.

VINCI Construction Grands Projets continued work in 2003 on the fifth and last phase (2C) of line 2 of the Cairo metro, comprising in particular the completion of stations foundations and the diversion of ENR (the Egyptian National Railways) tracks on the line between Cairo and Upper Egypt, made necessary by the interference between the route of the metro and the existing rail line. This extension of line 2 toward the southern part of the city will reduce public surface transport in the city centre. It includes the 3.3 km extension of the line and the construction of two new stations. Work is scheduled for completion in May 2004.





- 1_ LNG tanks like the Idku tanks built by VINCI Construction Grands Projets in Egypt, optimise storage of liquefied natural gas, a non-polluting source of energy with reserves greater than those of oil.
- 2_ Boring of the Lefortovo road tunnel in Moscow, Russia, was completed in a record 60 weeks with the help of the largest tunnel boring machine ever employed in an urban setting.
- 3_ The Chernobyl storage unit, the world's largest, is designed to condition and store the 3,000 tonnes of spent fuel from the generating units that have been shut down.

Libya

On 14 February 2002, VINCI Construction Grands Projets won the contract to build two pumping stations with a unit capacity of 1 million cubic metres per day as well as a drinking water regulation system as part of a project aimed at developing an artificial river to support an irrigation system for new agricultural land and a drinking water system. Following a long development period, the project got up to full speed in 2003. The two living-quarter bases at Al Gardabiya and Assdada were built and the teams deployed. The civil engineering work at the first site (Al Gardabiya) is nearly 50% complete. Work on the other two sites (Assdada and Wadi Wishkah) got under way in early 2004. The project is scheduled for handover in October 2005.

Ukraine

In 2003, following structural work on the conditioning and storage module building in 2002, VINCI Construction Grands Projets continued finishing work on what will be the world's largest storage unit. The unit will have a capacity of 3,000 tonnes of spent fuel from the Chernobyl nuclear power station, which has been shut down for good. The project includes design and construction of a processing facility to condition the fuel and a 340 metre by 24 metre storage area. It is to be handed over at the end of 2004.



OUTLOOK

The Eastern Europe – Africa – Asia Division targets major facilities requiring high added value and technical and managerial competencies. Its ongoing development policy is based on leveraging its design and build expertise in turnkey infrastructure, in partnership with local and international companies where necessary. The Eastern Europe – Africa – Asia Division ended 2003 with a 190 million euro order backlog.

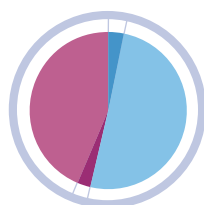
Bâtiment Export



PROFILE

The Bâtiment Export Division, headed by Jean Volff, works primarily on the market for private-sector non-residential projects (shopping centres, hotels, offices) under development-construction contracts. Such contracts cover the entire property development operation and require the involvement of multi-disciplinary teams able to handle the various stages of the project – land search, structure design, administrative permit procedures, construction, handover to users and, in many cases, marketing. Its customers are for the most part investors seeking guaranteed results and a single company to work with. The Bâtiment Export Division has been a constant player in Eastern Europe for many years now, especially in the Czech Republic, Rumania and Slovakia, where it has carried out a large number of projects for ranking customers. Further developments are under consideration for such companies as CDC IXIS, Groupe Carrefour, Quinlan, Société Générale, etc. Net sales in 2003 amounted to 40.8 million euros.

**BREAKDOWN
BY GEOGRAPHIC AREA**
NET SALES: 40.8 million euros



■ Hungary
■ Rumania
■ Slovakia
■ Czech Republic

ACTIVITY

Czech Republic

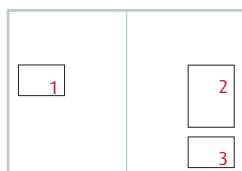
The Florenc office building project in Prague, started in June 2001 and interrupted after flooding ravaged the city's historic centre in August 2002, was handed over in March 2003. The contract provided for turnkey construction of a 15,075 square metre building with eight storeys and three underground car-park levels.

Handover of the repair work performed on the IBC – International Business Centre – building in Prague was signed on 24 April 2003. The contract was awarded to VINCI Construction Grands Projets in September 2002, following the flooding in Prague. The 37,000 square metre building was built on a turnkey basis by VINCI Construction Grands Projets between 1991 and 1993.

In May 2003, VINCI Construction Grands Projets completed reconstruction work on the Four Seasons hotel in Prague, which was severely damaged during the flooding in August 2002. The contract, awarded in October 2002, involved the repair of the building on a general contracting basis. VINCI Construction Grands Projets designed and built the 157-room luxury hotel between December 1998 and January 2001.

Rumania

On 22 September 2003, one year after work got under way, VINCI Construction Grands Projets inaugurated the Orhideea shopping centre in Bucharest. It was opened to the public on 24 September and proved successful beyond all expectations. The shopping centre has a surface area of 28,800 square metres and includes an 8,500 square metres Carrefour hypermarket and 56 retail spaces (shops, medium-sized stores, restaurants), all of which had been sold prior to opening.



- 1_ Turnkey construction of the Florenc office building was carried out by VINCI Construction Grands Projets in the Karlin district in Prague, Czech Republic.
- 2_ The high-rise building on Victory Square in Bucharest, Romania, classified as an office tower, houses the head office of the Société Générale's Romanian subsidiary.
- 3_ The Orhideea shopping centre in Bucharest, Romania, was built in one year. It includes an 8,500 square metres Carrefour hypermarket and 56 shops and restaurants.

Acceptance of the Victory Square tower in Bucharest took place on 3 February 2003, 23 months after work got under way. The project involved design and construction of an office building with a surface area of some 35,000 square metres for the Société Générale and more particularly its BRPD (Banca Romana Pentru Dezvoltare) subsidiary. The building comprises 3 underground levels, 1 ground floor, 18 storeys and technical premises.

OUTLOOK

The good economic results achieved by the Bâtiment Export Division in 2003 with the handover of completed projects (the Société Générale office building in Bucharest, Florenc office building in Prague, Orhideea shopping centre in Bucharest, etc.) went hand-in-hand with a decline in order intake. Negotiations are nearing completion for a number of operations which should be finalised in the first half of 2004. The Bâtiment Export Division ended 2003 with a 36.4 million euro order backlog.



Engineering Sector

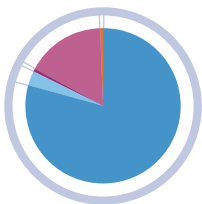


PROFILE

The Engineering Sector brings together the expertise of VINCI Construction Grands Projets' Engineering and Technical Capabilities Division and of the specialised entities – VINCI Construction Technology, the Underground Works Engineering Division, the 3D (Decontamination-Dismantling-Deconstruction) Department and the Hydroplus company.

VINCI Construction Grands Projets builds on its Engineering Division to obtain high-added-value contracts.

BREAKDOWN BY GEOGRAPHIC AREA
NET SALES: 16.4 million euros



- France
- Ukraine
- USA
- Algeria
- Australia

ACTIVITY

Engineering and Technical Capabilities Division

In 2003, the Engineering and Technical Capabilities Division, headed by Hubert Baur, was primarily focused on successive bids on technical support contracts for the Olympic Stadium in Beijing. The Building Technical Division joined the Bâtiment Export teams on the SKK project in Saint Petersburg and the entire Division was involved in the pumping station project in Libya, coordinating the civil engineering and electromechanical works and carrying out structure execution and general studies. In addition, the Engineering and Technical Capabilities Division actively participated in detailed preliminary studies for the Achères purification plant.

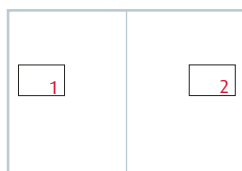
It also developed the adjustment for cable-stayed bridges under construction, using an application for the Rion-Antirion bridge.

In 2003, research and development activities were concentrated on three areas:

- materials: research on new self-placing concretes continued within the company and in the National Project working groups headed by VINCI Construction;
- high-performance concrete: a variety of studies were carried out at the request of Vicat and Campenon Bernard Régions (roofing for a paper mill, belfry with 29 bells, urban furniture for the Saint-Étienne city hall);
- civil engineering works: within the National Mikti (composite bridges) Project, VINCI Construction Grands Projets is taking part in the new working group on the design of ultra-high-strength bridge masonry of fibre concrete. Working with Campenon Bernard Régions' Grenoble agency, VINCI Construction Grands Projets bid on a tender for testing a masonry for prefabricated composite bridges and prestressed anchor blocks.

VINCI Construction Technology

During the year, business activity at VINCI Construction Technology, the engineering subsidiary of VINCI Construction Grands Projets headed by Hubert Baur which brings together



- 1_ It took two years for the technicians and engineers of the design offices, assisted by seismologists, to work out the techniques to be used to build the extraordinary Rion-Antirion bridge in Greece.
- 2_ Thanks to VINCI Construction Grands Projets' comprehensive expertise in radioactive and contaminated waste, it will now be possible, for the first time in France, to landfill all the uncontaminated structural parts and concrete recovered during the dismantling of the Triton facility.

the various entities of the Engineering Sector, expanded in the following three areas:

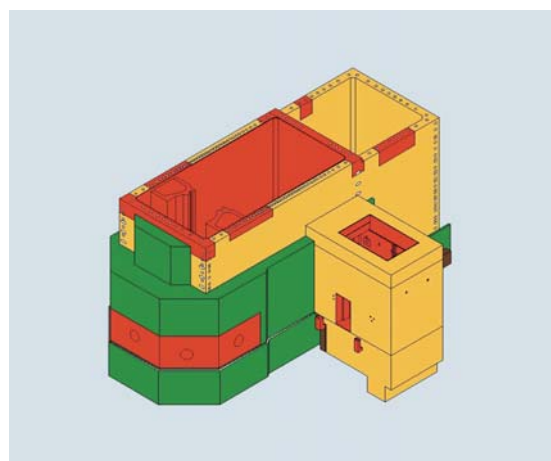
- technical assistance and expertise for the VINCI Construction network (materials, design studies for structures, controlled landfills, etc.), with two contracts signed in 2003 as part of the Silver Forest tunnel project in Russia;
- contracting authority support and technical audits for VINCI, especially VINCI Airports (Cambodia, Mexico);
- project management in building and civil engineering design (two contracts for the tunnels under the Neva in Saint Petersburg).

Underground Works Engineering Division

In 2003 the Underground Works Engineering Division, headed by Jean-Claude Amet, carried out borehole execution and underground laboratory acceptance studies for Andra and niche and borehole studies for Socatop. It completed the design studies for the works package 2 boreholes on the Toulouse metro. On the Hallandsas tunnel project in Sweden, it is also providing tunnelling machine development and boring logistics technical support. The Underground Works Engineering Division also worked on a variety of projects such as the Saint Petersburg metro, the Lefortovo tunnel and the Silver Forest tunnels in Russia and continues to provide studies and works technical assistance to the underground projects being carried out by the Sogea and GTM Construction networks.

Decontamination-Dismantling-Demolition (3D) Department

The business activity of the 3D Department was focused in 2003 on the completion of work on the Brennilis power station and the start of work on the Triton facility in Fontenay-aux-Roses. Work on the demolition of the Triton facility, which until 1981 contained two Pool Test Reactors, got under way in 2003 for the CEA atomic energy commission. This is the first Level 3 nuclear facility decommissioning operation – in which the facility is restored to the initial state without added radioactivity – which will enable the CEA to re-use



the building with no radiological constraints. The project is being carried out by Salvarem, a subsidiary of VINCI Construction Grands Projets, in 14 separate phases including 7 phases in a controlled area. The work includes conventional phases and phases in an ionising environment. Site installation took place in early 2003 and work started in June. By the end of 2003, the 5 first phases had been completed, including the first hot cell demolition phase (removal of contaminated parts). Work had also begun on phase 6 - the main phase, involving demolition of the Triton / Nereïde pool by sawing and removal of the contaminated or radioactive blocks. Work is to be completed in 16 months. Salvarem also continued its work on clean-up and decontamination in ionising environments, mainly at the Cogema site in La Hague, the CEA sites in Saclay / Moronvilliers and Marcoules / Pierrelatte and the EDF power plants in Saint-Laurent, Chinon, Nogent and Flamanville. The Salvarem head office was moved to La Hague where the company generates 50% of its net sales. Salvarem has expanded its provision of services to the nuclear industry (Cogema, CEA, etc.) and has concentrated its research on the development of decontaminating foams. This recent technique makes it possible



VINCI Construction Grands Projets won two of the ten 2003 VINCI Innovation Awards. The company was awarded the special Safety prize for the "Fire Protection in a Tunnel" project: a device installed behind the tunnelling machine that sprays fine droplets of water to cool the fumes and prevent them from propagating in a fire; the special Sustainable Development prize for the "Machine to Decontaminate Contaminated Concrete": a remotely controlled machine used in nuclear power station dismantling operations, which is fitted with dust vacuuming devices to enable operators to plane contaminated surfaces without being exposed to radiation or atmospheric pollution. Also noteworthy is the special Synergies prize for "Integrated Landscaping for Motorways" which went to Socaso, a subsidiary of VINCI Construction Grands Projets.



to reduce the cost of decontamination treatment. Foam decontamination is particularly well suited to voluminous, complex and high-surface-area facilities. Foam is advantageous in nuclear decontamination operations because:

- foam expands, enabling it to reach all the interstices of the component being treated;
- the amount of liquid effluents is lower with foam than with conventional processes;
- treatment time and hence personnel dosimetry are reduced;
- foam is more reactive than conventional decontamination liquids, gels and powders.

The Fornet, Foral & Forac foams (whose formulation and preparation are perfectly mastered) have been successfully tested at Cogema-La Hague and on a number of EDF nuclear sites and have now received Cogema qualification and PMUC (EDF) approval.

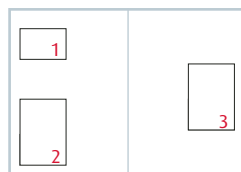
A first contract was negotiated at the La Hague site and a forthcoming EDF order should enable VINCI Construction Grands Projets to become a fully-fledged player in recurring nuclear reactor vessel opening/closing operations in French facilities.

In 2003 the 3D Department also continued to work with the Eastern Europe - Africa - Asia Division on the construction of the conditioning plant and storage unit in Chernobyl, Ukraine. The ISF finishing work is continuing at a reduced pace pending the last modifications of the process.

Hydroplus

Since 1991 Hydroplus, headed by Michel Bernard, has been developing and marketing a patented fusegate process designed to increase the capacity and safety of dams. Hydroplus operates in South Africa, North and South America, Asia, Europe and Oceania through correspondents and local offices. In 2003, Hydroplus was very active in Australia. Ten 3.3 metre high, 5.8 metre wide fusegates were installed on the Dartmouth dam, increasing its storage capacity by 70%. The rehabilitation will better regulate the flow generated by the hydroelectric generating plant upstream and efficiently meet the needs of the population. The project was accepted on 23 October.

Throughout 2003, the height increase of the Terminus dam in California took shape.



- 1_ The Underground Works Engineering Division took part in the Saint Petersburg metro construction project in Russia, which comprises two 840 metre long tunnels with a diameter of 6.4 metres, bored at a depth of 70 metres by tunnelling machine.
- 2_ The Hydroplus process involving joined, independent modules installed at the crest of dam spillways, enables low to moderate floodwaters to overflow the dam while large floodwaters are controlled through the progressive tipping of the necessary number of modules.
- 3_ The Dartmouth dam in Australia was handed over on schedule on 23 October. Ten Hydroplus fusegates were installed on the dam to increase its storage capacity by 70%.

Six concrete fusegates – the largest in the world to date – were built on the crest of the spillway. Each is 11.7 metres wide, 6.5 metres high and 13 metres deep and weighs 410 tonnes. The project increases the reservoir’s capacity by 51.8 M m³ and raises the downstream flood protection level from 46 to 70 years. The project will be accepted in mid-February 2004, nine months after the start of work. The Hydroplus system was chosen over conventional techniques based on its economic and environmental benefits.

Research and development remain the core focus of the company. The concept of recoverable fusegates is being investigated in conjunction with the NIIES scientific research institute of energy structures in Russia. Hydroplus is also studying the application of the fusegate concept to control high water in rivers and is examining this possibility in Italy.

OUTLOOK

The Engineering and Technical Capabilities Department will be stepping up its participation in design and/or external monitoring studies for the entire range of construction division companies through VINCI Construction Technology. It will also become involved, through research and development activities, structure design studies and construction tools, in priority Group activities in the areas of safety and sustainable development. It will be continuing its cooperation with other Group entities while enhancing its opening outside the Group and thus its development potential.



Implantations

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Consolidated financial statements 2003

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Comments on the 2003 financial statements

in millions of euros

Assets

>> Intangible assets

Changes in intangible assets were as follows, in millions of euros:

Acquisitions	1.4
Amortisations	(0.6)
Net disposals and retirements	(0.5)
Translation differences and changes in consolidation scope	(0.1)
NET INCREASE	0.2

>> Tangible fixed assets

Changes in tangible fixed assets were as follows, in millions of euros:

Acquisitions	27.5
Amortisations	(17.5)
Net disposals and retirements	(3.5)
Translation differences and changes in consolidation scope	3.4
NET INCREASE	9.9

>> Financial assets

The net value of investments in subsidiaries and affiliates decreased by 0.3 million euros. This item relates to shares in companies that do not have a significant impact on the Group's activities or earnings.

>> Current assets

The decrease of 41.7 million euros during the period mainly relates to items comprising the net cash position.

Equity and liabilities

>> Provisions for liabilities and charges

Provisions for liabilities and charges amounted to 188 million euros in total, after a net reversal of 10 million euros which breaks down as follows, in millions of euros:

Net reversals of operating provisions	(1.6)
Net reversals of financial provisions	(7.0)
Net reversal of exceptional provisions	(0.9)
Changes in consolidation scope and other	(0.5)
NET REVERSAL	(10.0)

>> Current liabilities

The decrease of 19.9 million euros during the period relates to operating and financial liabilities in equal proportions.

Statement of income

Net sales amounted to 669 million euros.

Sales were made in France for 17%, other European countries for 60%, outside Europe for 23%.

Operating income amounted to 29.7 million euros, after net operating amortisation, depreciation and provision charges of 14.7 million euros.

Net financial income, before provision charges, was 9.5 million euros.

The net exceptional expense of 14.6 million euros breaks down as follows:

Net cost of restructuring operations	(12.4)
Net cost of disputes and miscellaneous exceptional liabilities	(3.0)
Net gains from asset disposals	0.8
NET EXCEPTIONAL EXPENSE	(14.6)

Net income after minority interest was a profit of 33.1 million euros.

Consolidated balance sheet

at December 31, 2003

Assets

(in thousands of euros)	Notes	2003			2002
		Gross	Amort. dep'n and prov.	Net	Net
Intangible assets	2	14,330	10,633	3,697	3,468
Goodwill		4,173	4,173		
Tangible assets	3	113,239	61,759	51,480	41,548
Financial assets					
– Investments in subsidiaries and affiliates	4	14,632	12,734	1,898	2,221
– Long-term interest-bearing receivables	11	5,048		5,048	4,759
– Other financial assets	5	12,653	1,571	11,082	14,936
TOTAL FIXED ASSETS		164,075	90,870	73,205	66,932
Inventories and work in progress	6-7	10,096	484	9,612	6,345
Trade and other operating receivables	7	522,952	36,578	486,374	461,720
Short-term financial receivables	8-11	232,818	539	232,279	275,984
Marketable securities	8-11	99,560		99,560	110,831
Cash	11	41,193	4	41,189	55,814
TOTAL CURRENT ASSETS		906,619	37,605	869,014	910,694
TOTAL ASSETS		1,070,694	128,475	942,219	977,626

Equity and liabilities

(in thousands of euros)	Notes	2003	2002
Capital stock		67,854	67,854
Consolidated reserves		55,792	60,009
Net income for the period after minority interest		33,130	30,927
Interim dividend		(15,380)	(14,928)
Shareholders' equity		141,396	143,862
Minority interest	9	22	3,238
Provisions for liabilities and charges	10	188,036	198,060
Long and medium-term debt			
– Other debt at more than one year	11	203	
TOTAL EQUITY AND LONG-TERM DEBT		329,657	345,160
Trade and other operating payables	7	600,744	611,618
Short-term debt	11	11,818	20,848
TOTAL CURRENT LIABILITIES		612,562	632,466
TOTAL EQUITY AND LIABILITIES		942,219	977,626

Consolidated statement of income

for the period 1 January to 31 December 2003

(in thousands of euros)	Notes	2003	2002
Net sales	12	668,917	626,005
Other revenue	13	72,627	84,591
OPERATING INCOME		741,544	710,596
Operating expenses	14	(697,184)	(674,039)
GROSS OPERATING SURPLUS		44,360	36,557
Amortisation, depreciation and provisions	14	(14,676)	1,797
OPERATING INCOME		29,684	38,354
Net income from financing activities		10,540	13,049
Net foreign exchange gains / (losses)		6,037	(5,052)
Other financial income and expenses, net		2,853	862
NET FINANCIAL INCOME / (EXPENSE)	15	19,430	8,859
OPERATING INCOME AFTER NET FINANCIAL INCOME / (EXPENSE)		49,114	47,213
Exceptional income and expenses, net		(9,590)	(18,662)
Exceptional amortisation, depreciation and provisions		(4,996)	11,485
NET EXCEPTIONAL INCOME / (EXPENSE)	16	(14,586)	(7,177)
Income tax	17	435	(2,873)
Net profit of consolidated entities before amortisation of goodwill		34,963	37,163
Amortisation of goodwill		65	(3,305)
Net income of consolidated entities		35,028	33,858
Share in net earnings of companies accounted for by the equity method		(6)	(11)
Net consolidated income		35,022	33,847
Minority interest		(1,892)	(2,920)
NET INCOME		33,130	30,927
Number of shares		4,523,591	4,523,591
Earnings per share (in euros)		7.32	6.84

Cash flow statement

at 31 December 2003

(in thousands of euros)	31.12.2003	31.12.2002
Operating activities		
Gross operating surplus	44,360	36,557
Financial transactions, exceptional items and write-downs of current assets	3,120	9,022
Tax and statutory profit-sharing	(7,281)	(3,444)
Cash flow from operations (excluding dividends received from companies accounted for by the equity method)	40,199	42,135
Net change in working capital requirement	(49,257)	28,999
TOTAL (I)	(9,058)	71,134
Investing activities		
Acquisition of industrial assets	(28,407)	(16,166)
Disposals of fixed assets	3,846	5,707
Net investment in industrial assets	(24,561)	(10,459)
Acquisition of investments and securities	(31)	(416)
Proceeds from disposal of shares	833	33
Net financial investments	802	(383)
Net change in other financial fixed assets	6,770	(2,973)
TOTAL (II)	(16,989)	(13,815)
Financing activities		
Dividends paid by VINCI Construction Grands Projets	(34,832)	(25,785)
Dividends paid to minority interests in subsidiaries	(1,990)	(1,383)
TOTAL (III)	(36,822)	(27,168)
TOTAL CASH FLOWS FOR THE PERIOD (I + II + III)	(62,869)	30,151
Net cash at the start of the period	426,540	398,158
Impact of exchange rate fluctuations, changes in scope of consolidation and other	2,384	(1,769)
Net cash at the end of the period	366,055	426,540

Changes in shareholders' equity

at 31 December 2003

Shareholders' equity (in thousands of euros)	Share capital	Premiums and reserves	Interim dividend	Translation differences	Retained income	Total
AT 31 DECEMBER 2001	67,854	57,520		(2,451)	22,965	145,888
Appropriation of net income for previous period		22,965			(22,965)	
Currency differences and miscellaneous		2,412		(9,574)		(7,162)
Interim dividend			(14,928)			(14,928)
Dividends paid		(10,863)				(10,863)
Net income for the year after minority interest					30,927	30,927
AT 31 DECEMBER 2002	67,854	72,034	(14,928)	(12,025)	30,927	143,862
Appropriation of net income for previous period		30,927			(30,927)	
Currency differences and miscellaneous		(2,219)		2,426		207
Interim dividend			(15,380)			(15,380)
Dividends paid		(19,450)				(19,450)
Change in methods		(973)				(973)
Net income for the year after minority interest					33,130	33,130
AT 31 DECEMBER 2003	67,854	80,319	(30,308)	(9,599)	33,130	141,396

At 31 December 2003, the share capital of the parent company was represented by 4,523,591 shares of 15 euros nominal value. In accordance with CNC Recommendation 2003-R.01 of 1 April 2003 and the COB Recommendation of 28 October 2003 relating to preparation of the 2003 financial statements, VINCI Construction Grands Projets has recognised a provision for its commitments in respect of long-service bonuses in its 2003 financial statements. The net effect after tax of this change in method has been recognised against shareholders' equity in the opening balance sheet for 973 thousand euros.

Notes to the consolidated financial statements

at 31 December 2003

1 Accounting policies and valuation methods

General principles

The consolidated financial statements of VINCI Construction Grands Projets, themselves consolidated in the financial statements of VINCI, have been prepared in accordance with Regulation 99-02 of the French Accounting Regulation Committee dated 29 April 1999 relating to the consolidated financial statements of commercial companies and enterprises.

» 1.1 Changes of method

In accordance with CNC Recommendation 2003-R.01 of 1 April 2003 and the COB Recommendation of 28 October 2003 relating to preparation of the 2003 financial statements, VINCI Construction Grands Projets has recognised a provision for its commitments in respect of long-service bonuses in its 2003 financial statements. The net effect after tax of this change in method has been recognised against shareholders' equity in the opening balance sheet for 973 thousand euros.

» 1.2 Consolidation methods and scope of consolidation

The consolidated financial statements include the financial statements of all the companies with net sales greater than 2 million euros, as well as those of subsidiaries whose net sales are lower than this figure but whose impact on the Group's financial statements is material.

Companies over which VINCI Construction Grands Projets exercises majority control are fully consolidated. Those in which VINCI Construction Grands Projets exercises significant influence are accounted for by the equity method.

Proportionate consolidation is used for partnerships whenever the share of net sales or the balance sheet is material for the Group, and for joint venture companies over which VINCI Construction Grands Projets exercises joint control.

Other joint ventures are consolidated according to a semi-proportionate method that involves recording only the

Group's share of net sales and expenses in the income statement, but the full current accounts of associates in the balance sheet.

Scope of consolidation can be broken down by consolidation method as follows:

	France	Foreign	Total
Full consolidation	13	30	43
Proportionate consolidation	11	31	42
Equity method		1	1
TOTAL	24	62	86

The main changes in consolidation scope were as follows: Full consolidation of Victoria Belinvest (Belgium), an entity carrying the Bâtiment Export division operations, in particular in Slovakia and Romania.

The Group sold its shares in the Malaysian company MMC Bina Sama on 30 June 2003.

» 1.3 Accounting treatment of asset contribution transactions undertaken as part of the reorganisation of the VINCI group construction division

Regulation CRC 99-02 provides that the acquisition cost and the initial value in the consolidated financial statements of identifiable assets and liabilities should be measured at their fair value.

During 2001, various entities entered the consolidation scope of VINCI Construction Grands Projets through asset contribution transactions in connection with the reorganisation of the VINCI Group Construction Division.

It was decided that the entities entering the consolidation scope would be recognised in the accounts of VINCI Construction Grands Projets for the carrying amount of their assets and liabilities in the consolidated financial statements of VINCI, after having taken account of any deferred tax and provisions for lump-sums payable to employees on retirement. The differences arising between the acquisition cost of the shares at fair value, as adopted in the asset transfer agreements to set the share exchange ratios, and these carrying amounts have been taken to shareholders' equity for 17.3 million euros.

This exception to the application of the accounting rules provided for by Regulation CRC 99-02 was made, in accordance with article L.123-14 of the new French Code of Commerce, in order to give a true and fair view of the net assets, financial position and earnings of the VINCI Construction Grands Projets group and to ensure consistency with the consolidated financial statements published by VINCI by treating these asset contributions as intragroup transactions.

» 1.4 Translation of the financial statements of foreign subsidiaries and establishments

The financial statements of consolidated foreign companies and establishments are translated using the closing-rate method:

- all monetary and non-monetary assets and liabilities are translated at the year-end exchange rate;
- income and expenses (including depreciation, amortisation and provision charges) are translated at the average rate for the period.

Translation gains and losses are recognised under "translation differences" in the consolidated reserves.

» 1.5 Items denominated in foreign currency

Items shown in the consolidated balance sheet and denominated in foreign currency are translated at the year-end rate. Only unrealised losses resulting from that presentation are recognised in the income statement for the period.

The Group has not adopted the preferential method consisting in recognising unrealised translation gains and losses.

» 1.6 Foreign exchange financial instruments

In its management of exchange rate risks on its commercial transactions, the Group uses derivative financial instruments, mainly forward sales and purchases of foreign currency.

Whenever exchange contracts are considered to be hedging transactions, any gains and losses on these contracts are recognised in the same period as the item hedged.

If this is not the case, whenever the market value is lower than the initial value of the contract, the unrealised loss is recognised as a provision for liabilities, a provision for loss in value, or both.

In so far as possible, contracts invoiced in foreign currencies give rise to expenses in the same currency. This applies particularly to construction sites abroad, for which subcontracting and supply costs in the local currency greatly

exceed costs in euros. In consequence, the Group's exposure to exchange rate risks on commercial transactions is slight.

» 1.7 Goodwill on acquisition

Goodwill on first consolidation, which represents the difference between the acquisition cost of shares in consolidated companies and the corresponding share of equity at the date of acquisition, is allocated to the various assets and liabilities of the acquired entity.

The unallocated balance is recognised under consolidated assets as goodwill on acquisition and amortised over a period not exceeding twenty years, unless faster amortisation is warranted by particular circumstances.

» 1.8 Intangible and tangible fixed assets

Intangible assets (start-up costs, business goodwill, concessions, patents, software, etc.)

Intangible fixed assets are valued at acquisition cost.

Tangible fixed assets

Land, buildings, plant and equipment are valued at their acquisition cost.

Depreciation charges are calculated using the straight-line or diminishing balance method over the expected useful life. Depreciation periods are those habitually used in the industry, namely:

Buildings	from 20 to 30 years
Civil engineering equipment	from 3 to 10 years
Vehicles	from 3 to 5 years
Fixtures and fittings	from 5 to 10 years
Office furniture and equipment	from 3 to 10 years

Capital leases and operating leases

Fixed assets financed through leasing arrangements are recorded as capital expenditure whenever the terms of the contract are those of a capital lease. A capital lease is an arrangement under which the lessor conveys to the lessee in return for payment or a series of payments the right to use an asset for an agreed period of time, and under which the lessor transfers substantially all risks and rewards incident to ownership of the asset to the lessee.

Such fixed assets are included in assets at their historical cost and depreciated over the same periods as assets owned outright by or made fully available to the company.

Leases that do not meet the definition of a capital lease are recognised as operating leases and only the rental payments are accounted for as expenses.

» 1.9 Financial fixed assets

The gross value of shares in unconsolidated entities corresponds to their acquisition cost. If this value is greater than the value in use, a provision for impairment is taken equal to the difference.

The value in use of such shares is determined on the basis of the proportion of the shareholders' equity of the entities concerned, adjusted if necessary, in the case of recently acquired entities, to take account of their strategic importance and their prospects for growth and capital appreciation.

Long-term loans are not discounted and are shown in the balance sheet at their nominal value.

» 1.10 Provisions for employee benefits

Retirement benefit commitments

Pension commitments (both lump-sum payments on retirement and supplementary pension benefits) are assessed by means of an actuarial forecasting method (the projected unit credit method) and are covered by balance sheet provisions, for both current and retired employees.

Actuarial differences that exceed 10% of commitments or of the market value of investments are amortised over the average expected duration of the residual working life of employees covered by the pension provisions.

Provisions are made in respect of autonomous subsidiaries' retirement commitments on the basis of local regulations in force.

However, commitments relating to lump-sum payments on retirement for manual construction workers met by contributions to an insurance scheme are accounted for as an expense as and when contributions become due.

In accordance with Opinion 2004-A adopted by the CNC Urgent Issues Committee on 21 January 2004, the impact of Act 2003-775 of 21 July 2003 (the Fillon Act) relating to lump-sums payable on retirement is recognised and will be amortised through the income statement over the average remaining working life of beneficiaries. The effect of the change in the scheme amounted to 934 thousand euros at 31 December 2003 and represents a gain over a full year of 62 thousand euros.

Other employee benefits

Provisions have been taken in respect of long-service bonus commitments. This provision is calculated on the basis of employees in service within the Group at the year end. It is measured using the projected unit credit method applied to all types of potential bonus.

» 1.11 Recognition of profits and losses

The Group recognises profits and losses on its long-term contracts using the percentage of completion method as defined by CRC Regulation 99-08. Unless there is a justified exception and for construction projects in which the Group's share is less than 10 million euros, it is considered that the net income recognised is in line with that determined on a percentage of completion basis.

If the estimate of the ultimate out-turn of a contract indicates a loss, and regardless of the recognition method, a provision is made for the loss on completion including, where applicable, rights to additional revenue or claims, based on a reasonable assessment.

» 1.12 Profit or loss on disposal of site plant

Profit or loss on disposal of site equipment is recognised under "Other operating revenue".

» 1.13 Research and development expenses

Research and development expenses are recognised in the period in which they are incurred.

» 1.14 Deferred tax

Deferred tax is recognised on all temporary differences and is calculated using the liability method.

Deferred tax assets resulting from these temporary differences are only taken into account up to the amount of their likely recovery against future taxable profits.

This likelihood is assessed at the year end on the basis of forecasts of the future tax position.

» 1.15 Executive remuneration

The share falling to VINCI Construction Grands Projets of remuneration paid to members of the Executive Committee in 2003 amounted to 2,031,639 euros.

2_ Intangible assets, net in thousands of euros

	31.12.2002	Increase	Decrease	Translation diff. and changes in consolidation scope	31.12.2003
Gross	13,756	889	230	(85)	14,330
Amortisation and provisions	(10,288)	(567)	(214)	8	(10,633)
TOTAL NET	3,468	322	16	(77)	3,697

Intangible fixed assets mainly comprise business goodwill (i.e. other than goodwill on acquisition).

3_ Tangible fixed assets, net in thousands of euros

>> 3.1 Change in the period

	31.12.2002	Increase	Decrease	Translation diff. and changes in consolidation scope	31.12.2003
Gross	107,323	27,518	25,572	3,970	113,239
Depreciation and provisions	(65,775)	(18,120)	(22,703)	(567)	(61,759)
TOTAL NET	41,548	9,398	2,869	3,403	51,480

>> 3.2 Breakdown by type of asset

	Gross	Depreciation	Net
Land	7,342		7,342
Buildings	25,398	(4,051)	21,347
Plant and equipment	52,126	(37,168)	14,958
Vehicles	17,021	(10,708)	6,313
Office furniture, computer equipment, fixtures and fittings	11,088	(9,832)	1,256
Assets under construction	264		264
TOTAL NET	113,239	(61,759)	51,480

>> 3.3 Investments in the period

	31.12.2003
Buildings	13,893
Plant and equipment	9,050
Vehicles	3,205
Office furniture, computer equipment, fixtures and fittings	1,122
Assets under construction	248
TOTAL INVESTMENTS	27,518

4_ Investments in subsidiaries and affiliates in thousands of euros

	31.12.2002	31.12.2003
Gross	16,743	14,632
Amortisation and provisions	(14,522)	(12,734)
TOTAL NET	2,221	1,898

This item includes shares in unconsolidated companies controlled by the Group but whose impact on its activities or earnings is not material.

At 31 December 2003, the main unconsolidated companies were:

	% held	Net book value
Soverema	99.31	801
Dumez-GTM SA	100.00	500
Société Centrale de Matériel	99.99	152
Forneron	99.99	122

5_ Other financial fixed assets, net in thousands of euros

This heading comprises long-term loans and receivables that are financial in nature, and deposits and guarantees.

	31.12.2002	Change	31.12.2003
Deposits and other financial fixed assets	14,213	(3,854)	10,359
Other securities	723		723
TOTAL NET	14,936	(3,854)	11,082

6_ Inventories and work in progress, net in thousands of euros

At the year end, "Inventories and work in progress" comprised stocks of materials and spare parts.

	31.12.2002	31.12.2003
Inventories	6,345	9,612
TOTAL NET	6,345	9,612

7_ Working capital requirement (surplus) in thousands of euros

	31.12.2002	31.12.2003
Inventories and work in progress (net)	6,345	9,612
Trade and other operating receivables	500,147	522,952
Provisions against operating receivables	(38,427)	(36,578)
INVENTORIES AND OPERATING RECEIVABLES (I)	468,065	495,986
Trade and other operating payables	611,618	600,744
OPERATING PAYABLES (II)	611,618	600,744
WORKING CAPITAL REQUIREMENT (I - II)	(143,553)	(104,758)

8 Short-term financial receivables and other marketable securities in thousands of euros

	31.12.2002	31.12.2003
Marketable securities	110,831	99,560
Other short-term financial receivables	275,984	232,279
TOTAL NET	386,815	331,839

"Marketable securities" mainly comprises negotiable debt securities, shares in unit trusts or treasury funds (SICAVs). Their book value corresponds to their market value.

9 Minority interest in thousands of euros

Movements in minority interest during the period were as follows:

	31.12.2002	31.12.2003
OPENING BALANCE	3,169	3,238
Changes in consolidation scope and miscellaneous	1,162	(1,151)
Finance provided by minority interests	(4,013)	(3,956)
Minority interest in net profit or loss for the period	2,920	1,891
CLOSING BALANCE	3,238	22

10 Provisions for liabilities and charges in thousands of euros

	31.12.2002	Changes in consolidation scope and miscellaneous	Charges	Reversals	Reversals of unused provisions	31.12.2003
Warranties given to customers	37,050	(389)	8,842	3,351	6,379	35,773
Losses on completion	56,490	(5)	30,559	28,695		58,349
Disputes	25,313	(213)	10,052	1,901	10,638	22,613
Other provisions	19,001	542	3,679	3,449	313	19,460
Operating provisions	137,854	(65)	53,132	37,396	17,330	136,195
Financial provisions	9,296		753	2,048	5,739	2,262
Exceptional provisions	50,910	(445)	26,328	12,856	14,358	49,579
TOTAL	198,060	(510)	80,213	52,300	37,427	188,036

Provisions for after-sales service expenses cover the commitments of Group enterprises under contractual warranties and statutory ten-year or two-year warranties on construction projects. They are estimated statistically on the basis of observations of expenses for previous years or individually on the basis of identified defects.

Provisions for losses on completion mainly concern provisions taken whenever an estimate of the final out-turn indicates a loss, on the basis of the most probable estimate of income.

Provisions for litigation and other operating liabilities mainly concern disputes with customers, that generally extend beyond the end of the period.

"Exceptional provisions" relate to provisions intended to cover non-recurrent liabilities, in particular restructuring costs and liabilities relating to litigation of an exceptional nature.

11_ Net cash position in thousands of euros

At the year end the Group had a net cash **surplus** of 366,055,000 euros which breaks down as follows:

	31.12.2002	31.12.2003
Long-term financial receivables	4,759	5,048
TOTAL LONG-TERM FINANCIAL RECEIVABLES	4,759	5,048
Portion of other loans and debt payable in more than one year		(203)
TOTAL LONG AND MEDIUM-TERM DEBT		(203)
Portion of long-term debt payable in less than one year	(12,234)	(1,669)
Bank overdrafts and other short-term debt	(8,615)	(10,149)
GROSS DEBT	(16,090)	(6,973)
Marketable securities	110,831	99,560
Short-term financial receivables	275,984	232,279
Cash	55,815	41,189
NET CASH POSITION	426,540	366,055

Financial receivables comprise an investment of 213,913,000 euros with the parent companies, attracting interest at conditions close to those prevailing in the market.

Debts also bear interest at rates close to market rates.

Debts guaranteed by collateral: nil.

12_ Net sales in millions of euros

Net consolidated sales exclude miscellaneous income and services, as well as services to unconsolidated entities, which are included under other operating revenue.

Year-on-year changes in sales also take account of changes in consolidation scope.

Net sales break down as follows:

	31.12.2002	31.12.2003
NET SALES FOR THE PERIOD	626.0	668.9
of which:		
– Net sales of companies consolidated for the first time in 2003	–	(0.5)
– Net sales of companies no longer consolidated in 2003	(1.7)	–
NET SALES AT CONSTANT CONSOLIDATION SCOPE	624.3	668.4

At constant consolidation scope, net sales show an increase of approximately 7% against the previous period.

>> Breakdown by geographical area (by recipient country)

	31.12.2002	31.12.2003
France	121.3	114.0
Europe	341.9	400.1
Middle East	4.2	1.0
North and South America	41.7	30.6
Africa	21.0	88.9
Asia	95.2	34.2
Other	0.7	0.1
TOTAL	626.0	668.9

13_ Other revenue in thousands of euros

	31.12.2002	31.12.2003
Income from joint ventures	3,285	(3,392)
Operating grants and subsidies	27	32
Other operating revenue	81,279	75,987
TOTAL	84,591	72,627

"Other operating revenue" relates to revenue not directly connected with operational activities, such as plant hire, insurance settlements, sale of goods, etc.

14_ Operating expenses in thousands of euros

Operating expenses, of 711,860,000 euros, can be broken down as follows:

	31.12.2002	31.12.2003
Purchases consumed	(157,476)	(195,412)
Subcontracting	(195,211)	(166,503)
External personnel	(38,678)	(62,691)
Wages, salaries and benefits	(128,724)	(126,633)
Taxes and levies	(14,128)	(6,437)
Other operating expenses	(139,822)	(139,508)
Net amortisation, depreciation, and provisions	1,797	(14,676)
TOTAL	(672,242)	(711,860)

Net operating amortisation, depreciation and provision charges can be broken down as follows:

NET AMORTISATION, DEPRECIATION, AND PROVISIONS		
Intangible fixed assets	(1,542)	(567)
Tangible fixed assets	(22,503)	(17,494)
TOTAL	(24,045)	(18,061)
NET PROVISION CHARGES		
Impairment of current assets	11,608	1,789
Operating liabilities and charges	14,234	1,596
TOTAL	25,842	3,385
TOTAL AMORTISATION, DEPRECIATION AND PROVISIONS	1,797	(14,676)

15_ Net financial income / (expense) in thousands of euros

Financial income and expenses can be broken down as follows:

	31.12.2002	31.12.2003
Net income from financing activities	13,049	10,540
Dividends	140	
Net foreign exchange gain / (loss)	(5,052)	6,037
Other financial income and expenses, net	722	2,853
TOTAL	8,859	19,430

16_ Net exceptional income / (expense) in thousands of euros

Exceptional income and expenses relate to non-recurrent items such as restructuring costs, costs related to disposals, the impact of asset disposals (except when this forms part of normal business activities), costs of closing enterprises or sites, and debt-forgiveness.

	31.12.2002	31.12.2003
Gain on disposals	2,549	(678)
Exceptional income and expenses from operating transactions	(21,211)	(8,912)
Net provision charges for impairment and exceptional liabilities	11,485	(4,996)
TOTAL	(7,177)	(14,586)

17_ Income tax in thousands of euros

» 17.1 Breakdown of net tax expense

	31.12.2002	31.12.2003
Current tax	(2,818)	709
Deferred tax	(55)	(274)
TOTAL	(2,873)	435

» 17.2 Effective tax rate

Net income before tax and amortisation of goodwill	32,630
Theoretical tax rate	35.43%
EXPECTED TAX CHARGE	11,561
Effect of earnings being taxed at reduced rate	(505)
Tax rate differential between current and previous year	201
Tax rate differences (foreign countries)	(1,318)
Creation (use) of carryforward losses not giving rise to deferred tax	891
Fixed-sum and other additional taxes	(13,298)
Other	2,033
TAX CHARGE RECOGNISED	(435)
EFFECTIVE TAX RATE	-1.33%

» 17.3 Analysis of deferred tax assets and liabilities

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

Assets	Liabilities	Net
21,692	(7,381)	14,311

» 17.4 Unrecognised deferred tax assets

Deferred tax assets unrecognised because their recovery is uncertain amounted to 17.9 million euros at 31 December 2003.

18 Off balance sheet commitments in thousands of euros

Off balance sheet commitments break down as follows:

	Commitments given	Commitments received
Performance guarantees	191,334	7,835
Retention payments	33,264	3,561
Deferred payments to subcontractors	35,119	1,494
Joint and several guarantees of partnerships	2,738	
Bid bonds	7,414	
Return of progress payments	41,036	1,362
Overdrafts	2,983	
Operating leases	580	
Other commitments	33,528	1,114
TOTAL	347,996	15,366

19 Provisions for employee benefits in thousands of euros

>> Retirement benefit commitments

Retirement benefit commitments covered by provisions mainly relate to France and are calculated on the basis of the following assumptions:

	31.12.2002	31.12.2003
Discount rate	5.5%	4.75%
Inflation rate	1.5% – 2.0%	2.0%
Rate of salary increases	2.0% – 3.0%	3.0%
Rate of benefit increases	1.5% – 2.0%	2.5%
Amortisation period of initial actuarial liability	10 to 15 years	10 to 15 years

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

TOTAL COMMITMENTS COVERED BY PROVISIONS	8,314
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>> Other employee benefits

TOTAL COMMITMENTS COVERED BY PROVISIONS	1,038
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20_ Employment costs and numbers employed

Number of employees	31.12.2002	31.12.2003
Engineers and managers	660	596
Non-management	2,035	2,014
TOTAL	2,695	2,610

Total employment costs for all companies in the Group amounted to 126,633,000 euros.

21_ Other disclosures

>> Disputes and arbitration

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

22_ Main entities consolidated at 31 December 2003

	Country	% holding
1/ Parent		
VINCI Construction Grands Projets		100
2/ Fully consolidated subsidiaries in the construction and public works sector		
Arcola	Slovakia	100
Constructora Dumez-GTM Ltda	Brazil	100
Constructora Dumez-GTM SA	Chile	100
Dumez SAD		100
Dumez Jaya SDN BHD	Malaysia	100
Hydroplus		100
Hydroplus Inc.	USA	100
Janin-Atlas Inc.	Canada	100
JV Berjaya Star City Fieldwork	Malaysia	50
Pochentong Airport Construction	Cambodia	70
Saduc	Saudi Arabia	100
Salvarem		100
Soconac	Romania	100
Victoria Belinvest	Belgium	100
VINCI Construction Technology		100

	Country	% holding
3/ Proportionately consolidated subsidiaries in the construction and public works sector		
Socaso		67
Socatop		42
4/ Proportionately consolidated partnerships and economic interest groupings formed to carry out major projects		
Andra		10
Chernobyl ISF	Ukraine	50
CTRL 310	United Kingdom	50
GIE Brennilis		27
GIE Val de Rennes		28
Heathrow Airport T5	United Kingdom	50
Athens metro	Greece	33
Saint Petersburg metro	Russia	35
Novotel Leeds	United Kingdom	33
Pannerdensch Kanaal	The Netherlands	45
Rion-Antirion bridge	Greece	53
La Condamine harbour		22
Istanbul Olympic stadium	Turkey	38
Cork purification plant	Ireland	50
Thalys IV	The Netherlands	13
Mitholz tunnel	Switzerland	25
Soumagne tunnel	Belgium	13
Royal Victoria Docks	United Kingdom	33
Newport	United Kingdom	50
Naga Hammadi dam	Egypt	33
Hallandsas tunnel	Sweden	40

Report of the statutory auditors on the consolidated financial statements

year ended 31 December 2003

In accordance with our appointment as auditors by your Shareholders' General Meeting, we have audited the accompanying consolidated financial statements of VINCI Construction Grands Projets for the year ended 31 December 2003.

The Board of Directors is responsible for the preparation of the consolidated financial statements. Our role is to express an opinion on these consolidated 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 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 these financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion. In our opinion, the consolidated financial statements give a true and fair view of the financial position, the assets and liabilities and the results of the operations of the companies included in the consolidation, in accordance with accounting principles generally accepted in France. Without calling into the question the above opinion, we draw your attention to Note 1.1 to the financial statements, which describes a change in accounting method relating to the recognition of commitments in respect of long-service bonuses and to Note 1.3 which describes the accounting treatment of

asset contributions made as part of the reorganisation process within the VINCI group construction division.

» 2. Reasons for our conclusions

As required by Article L.225-235, paragraph 2, of the French Code of Commerce regarding disclosure of the reasons for our conclusions (a requirement introduced by the Financial Security Act of 1 August 2003 and applicable for the first time to this financial year), we inform you of the following:

As stated in the first part of this report, Note 1.1 to the financial statements describes a change in accounting method relating to the recognition of commitments in respect of long-service bonuses. In assessing the accounting rules and principles adopted by your company, we have satisfied ourselves that the change was justified and appropriately presented.

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 unqualified opinion, given in the first part of this report.

» 3. Specific verifications

We have also performed the procedures to verify the Group's financial information given in the report of the Board of Directors. We have no comments to make as to its fair presentation and its conformity with the consolidated financial statements.

Neuilly and Paris, 26 March 2004

The statutory auditors

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