

VINCI CONSTRUCTION 2001 ANNUAL REPORT



KEY FIGURES

€6,893m

NET SALES

41,800

WORKFORCE

€680m

NET CASH

3%

OPERATING INCOME

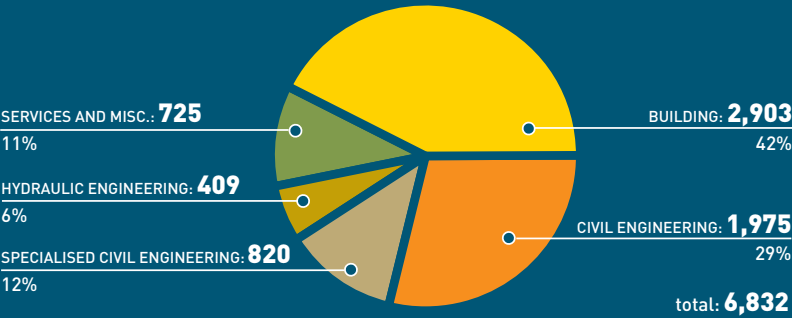
3.2%

OPERATING INCOME +
NET FINANCIAL INCOME

1.9%

NET INCOME

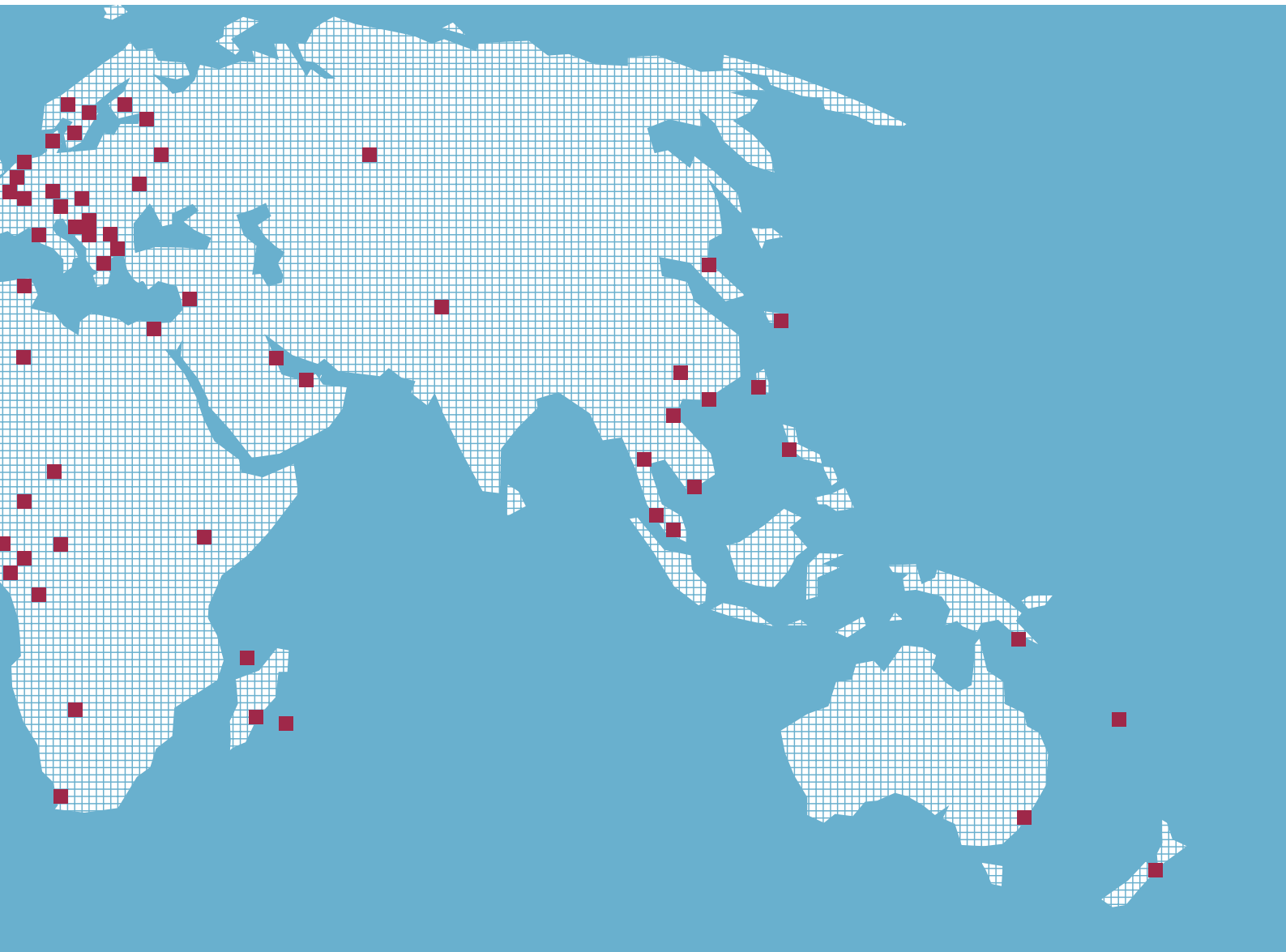
NET SALES BY BUSINESS LINE (IN MILLIONS OF EUROS)
AFTER ELIMINATION OF INTRA-GROUP TRANSACTIONS



LOCATIONS



- VINCI CONSTRUCTION GRANDS PROJETS: EUROPE, NORTH AND SOUTH AMERICA, AFRICA, ASIA
- SOGEA CONSTRUCTION: FRANCE
- GTM CONSTRUCTION: FRANCE
- FREYSSINET: EUROPE, NORTH AND SOUTH AMERICA, AFRICA, OCEANIA, ASIA
- VINCI CONSTRUCTION FILIALES INTERNATIONALES: EUROPE, NORTH AND SOUTH AMERICA, AFRICA, OCEANIA
- VINCI CONSTRUCTION UK - GERMANY - US: EUROPE, NORTH AND SOUTH AMERICA



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Philippe Ratynski
CHAIRMAN AND CEO

“We are passionately dedicated to our work as builders.”

The economic performance we achieved in VINCI Construction's first year upset the conventions in the sector and made our group the world benchmark. Our performance in 2001 has proved to be a springboard towards a new momentum driven by:

- dynamic teams that worked to put together the unique and coherent set of business lines, talents and locations which VINCI Construction has now become;
- a clear focus on achieving profitability and quality, listening to our customers and advising and supporting them, and controlling our major risks;
- our technical performance and ability to innovate.

Our group is thus poised to move into a future of somewhat more uncertain contours. Building on our shared convictions, we are determined to demonstrate that we can put the building and civil engineering industry on a sustained profitability track.

VISION

Our teams share a consistent vision of building and civil engineering, which is based on the conviction that the diversity and quality of our know-how give us optimum capability to cover our markets and enable us to gain a strong and lasting presence in our target countries and regions.

VALUES

Responsibility, transparency, responsiveness, technical creativity, excellence in production, rigour in management, an organisation based on people rather than systems, and generosity – these values, the legacy of the great historic companies that come together in VINCI Construction, underpin our common culture and our management today.

RESPONSIVENESS

Market fluctuations, new customer requirements and changing technologies force us to be ever more responsive in adapting our structures, in designing and implementing solutions, in carrying out innovation and training and in developing new business lines.

On the strength of these convictions, of our diversity and know-how, of our worldwide operations and especially of the talent of our people, our group looks forward with equanimity to the challenges of the future and pursues its work as a builder with passion.

MANAGEMENT TEAM

PROFESSION: ENTREPRENEUR

- **PHILIPPE RATYNSKI**

Chairman and CEO of VINCI Construction

Chairman and CEO of VINCI Construction Filiales Internationales

- **RENAUD BENTEGEAT**

Vice-President

- **BRUNO DUPETY**

Chairman and CEO of Freyssinet

- **ROBERT HOSSELET**

Chairman and CEO of GTM Construction

- **JEAN ROSSI**

Chairman and CEO of SOGEA Construction

- **JOHN STANION**

Chairman of VINCI Construction UK - Germany - US

and of VINCI PLC (formerly the Norwest Holst Group)

- **HENRI STOUFF**

Chairman and CEO of VINCI Construction Grands Projets

XAVIER HUILLARD, who founded VINCI Construction, served as its Chairman until May 2002 when he was appointed Co-Chief Operating Officer of VINCI and made Chairman of GTIE, VINCI's Energy and Information business line.

PROFILE

VINCI Construction is – together with VINCI Concessions, VINCI Energy and Information and VINCI Roads – one of the four divisions of VINCI, the world's leading concession, construction and associated services group.

VINCI Construction brings together a unique set of **competencies** in the building, civil engineering, hydraulic engineering and maintenance business lines. The scope of this expertise, together with an exceptionally close-knit network, especially in France and in Europe, makes the group the world leader in this sector.

Heir to companies that were landmarks in the history of the construction industry and are now **benchmarks** in their respective fields, VINCI Construction is structured in six major divisions:

- two independent networks in France: GTM Construction and Sogea Construction, with many locations, well established in local markets, working in close contact with their customers;
- VINCI Construction Filiales Internationales covering the full range of construction business lines in Africa, the French overseas departments and territories and Central Europe;
- an entity bringing together VINCI Construction's subsidiaries in Germany, the United Kingdom and the United States;
- VINCI Construction Grands Projets, dedicated to large projects in France and abroad; the CFE group, in which VINCI owns a 45% interest, reports to this division;
- Freyssinet, world number one in specialised civil engineering (bridge construction, soil reinforcement and improvement, engineering structure repair).

VINCI Construction also holds a 50% stake in Wiemer & Trachte and a 19% stake in Soletanche, two unconsolidated companies.

VINCI Construction's **management** is based on maximum responsibility vested in the entrepreneurs who make up our group and are organised as profit centres.

IN 2001, VINCI CONSTRUCTION GENERATED net sales of 6.9 billion euros, with the volume of business activity slightly down from 2000. The company's operating income grew by a spectacular 36% to 208 million euros and its net income was up 22% to 133 million euros. These results reflect the effort made to put the construction business on a sustainable profitability track and enable it to withstand cyclical downturns.

WORKSITES OF ALL TYPES

They were the hallmark of the year 2001, all over the world and in all business lines.

HUMAN RESOURCES

THE VIRTUES OF MOBILITY

On 10 and 11 October 2001, VINCI Construction held a seminar in Brussels, which brought together the group's Human Resources Managers. Their goal was to get to know each other, build a common culture and discuss the introduction of consistent methods and tools, in order, among other things, to develop mobility within the group.

IN THE HEART OF CAIRO

Inaugurated on 28 October 2001, the tunnels connect the historical centre of Cairo with its ring roads. Special user safety facilities were included: fire-resistant walls, emergency exit ramps every 100 m, etc. The consortium led by VINCI Construction Grands Projets has also been asked to provide support to the operator throughout the guarantee period.

BREAKTHROUGH

VINCI Construction continued drilling operations on the East tunnel of the A86 West Motorway in the Ile-de-France region, the prototype for a new generation of underground road structures meeting the most stringent safety standards. In August a record 145 m were bored, with 54 m completed and 27 rings installed in a single week.

PANORAMA

||||| El Azhar road tunnels |||||



||||| East tunnel on the A86 |||||



||||| Hines Towers |||||



||||| Medway viaduct |||||



||||| Aquitaine Bridge |||||

IN THE LA DEFENSE GARDEN

The PB6 Tower, a head office of the EDF, was handed over on 21 May 2001. Sogea Construction and its Bateg and Campenon Bernard Construction teams implemented the complex project in 28 and a half months: 155 m in height, with 40 storeys, put up on a particularly small property in the heart of the Paris-La Défense business district.

THE END OF THE TUNNEL

The first British high-speed train, the CTRL (Channel Tunnel Rail Link) will connect Paris and London in 2 hours and 20 minutes at 300 kph. VINCI Construction Grands Projets is in charge of building two of the line's major structures, the North Downs Tunnel and the Medway Viaduct.

2001 INNOVATION AWARD

VINCI CONSTRUCTION WINS TWO GRAND PRIZES

On 4 December 2001, the 2001 VINCI Innovation Award winners were announced at a ceremony in the Louvre Pyramid in Paris. Of the 432 entries filed by 1,200 VINCI employees, 63 projects won prizes. Two of the four Grand Prizes were awarded to VINCI Construction entities, Freyssinet and VINCI Construction Grands Projets.

REJUVENATION

GTM Construction and VINCI Construction Grands Projets are performing the complete renovation of the Aquitaine Bridge in Bordeaux, replacing the cable stays of the existing suspension and widening the deck to accommodate two additional traffic lanes. Work will be carried out without closing the bridge to traffic.

ACHIEVING THE DREAM

In 2004, the 2,883 m long Rion-Antirion Bridge will span the Gulf of Corinth, linking Peloponnesus with Western Greece. The bridge will rest on four piers set on the seafloor: M1, M2, M3 and M4. The first to come out of the dry dock in September 2000, the M3 pier, was placed in its final position on 13 May 2001. On 4 April, the M4 pier will enter its wet dock.

TECHNICAL FEAT

Norwest Holst teams put their minds and talents to grafting new structures onto the old Huntington Bridge. Located in the centre of London, the bridge will carry foot traffic between the Charing Cross, Embankment and Waterloo railway and underground stations and will contribute to urban renewal on the south bank of the Thames.

FROM CONSTRUCTION TO CONCESSION

The 22-year concession contract just awarded in South America covers construction, financing and operation of a 164.8 km section of motorway between Chillan and Collipulli south of Santiago de Chile. The operation, with a total value of €224m, will be completed in June 2002.

ACCIDENT PREVENTION-SAFETY NETWORK**SAFETY IS IMPROVING**

A network focused on promoting and fostering accident prevention and safety has been set up within VINCI Construction. The goal is to foster sharing experience in the field of occupational risk prevention among the different group subsidiaries.

||||| Rion-Antirion Bridge |||||



||||| Hungerford Bridge |||||



||||| Chillan-Collipulli Motorway |||||



||||| Atatürk Stadium in Istanbul |||||



||||| Lefortovo Tunnel (tunnelling machine) |||||



||||| Doba Road |||||

MONUMENTAL

After three years of work, VINCI Construction Grands Projets handed over Atatürk Stadium, which seats 80,000, with 48,500 of the seats covered, at the end of 2001. Designed by the co-architects of the Stade de France, Michel Macary and Aymeric Zublena, this sports monument with Olympic ambitions is recognised internationally as one of the most beautiful stadiums of its generation. The structure is semi-recessed, the pitch and the athletics tracks being set 12 m under the level of the main platform. Its curved geometry is extremely complex. The metal frame, "a project within a project", supports two roofs of differing designs.

THE RUSSIAN MARKET

VINCI Construction Grands Projets signed a €20.9m contract to provide support for the drilling of a 2.3 km long motorway tunnel at Lefortovo, the eastern district in Moscow. The project is part of the 3rd ring road in the Russian capital. Work will last for two years and will mobilise 29 expatriate staff.

SUSTAINABLE DEVELOPMENT

The construction of the Cameroon section of the access road to the Doba oilfields in Chad and the various infrastructure projects built in conjunction with the pipeline are required meet extremely demanding sustainable development standards. The specification stipulates comprehensive coverage of the social, economic and environmental aspects of the project.

SOGEA CONSTRUCTION



Jean Rossi
Chairman and CEO

"At Sogea Construction, we give priority to customer satisfaction, while ensuring profitability. By focusing on the worksite and seeking excellence in the management of teams and performance, we will achieve that.

By taking account of the requirements of our customers in terms of delivery times and quality, by helping them to design and build projects and by applying global solutions to meet their needs, we aim to be their "preferred" company - a precondition for our future success."

RECENT DEVELOPMENTS

Sogea Construction combines, in a single entity, the former Sogea and Campenon Bernard companies in mainland France. It can build on the two companies' extensive track records in building and on the more specific capabilities of Sogea in hydraulic engineering and those of Campenon Bernard in civil engineering. Sogea Construction has also expanded its operations in the area of maintenance, with the acquisition of Energilec, and in the area of the environment with the consolidation of VINCI Environment. These changes bolster Sogea Construction as a multi-disciplinary company operating through an exceptionally tight-knit network of locations working locally in close contact with customers.

HUMAN RESOURCES

For Sogea Construction, the company's primary asset is the men and women that make it up. Devoting more than 2% of wage costs to training, Sogea Construction has acquired a crucial lever to adapt its business lines to changing markets. Achieving this goal involves a series of actions: the "Job Passport" (see box on Recruitment p.10) campaign, training sessions for heads of profit centres, training sessions for site supervisors and foremen, and the opening of a training centre in Melun in early 2001 where many skilled workers will be receiving training tailored to their jobs.

TOTAL TOWER AT LA DEFENSE

A COMPREHENSIVE MAINTENANCE OFFERING

With 32 storeys and 140,000 m² of office space, the Total Tower in Paris La Défense is one of the largest maintenance contracts managed by Sogea Construction under the Manei brand.

This now brings together under a single easily-recognised banner the activities of the specialised multi-technical, multi-service maintenance subsidiaries.

Manei is emblematic of the focus on service in the maintenance business lines, offering comprehensive solutions that combine technical capability, availability, reliability and ongoing capacity to serve and reassure the customer. The Total Tower mobilises →

CHAIRMAN AND CEO JEAN ROSSI **BUSINESS LINES** BUILDING AND CIVIL ENGINEERING **SPECIALITIES** HYDRAULIC AND ENVIRONMENTAL ENGINEERING, EARTHMOVING, MARITIME AND INLAND WATERWAY WORKS, SPECIAL FOUNDATIONS, SERVICES AND MULTI-SERVICE, MULTI-TECHNICAL MAINTENANCE **MAIN BRANDS** SOGEA, CAMPENON BERNARD, CBC

KEY FIGURES IN MILLIONS OF EUROS

2000 2001

NET SALES

1,920

1,900

OPERATING INCOME

2.3%

2.8%

OPERATING INCOME + NET FINANCIAL INCOME

3.3%

3.8%

11,000

WORKFORCE

4,000

CURRENT PROJECTS

ORGANISATION

JEAN ROSSI • chairman and CEO

PIERRE-MICHEL CHAUDRU • vice-president,
building Île-de-France

JACQUES MIMRAN • vice-president, civil engineering

RICHARD FRANCIOLI • regional director

JEAN-MARC MÉDIO • civil engineering director

YVES PÉRILLAT • regional director

PIERRE BILLON • chief financial officer

HERVÉ MELLER • human resources director



some 20 full-time employees who maintain all the equipment involved in operating the tower under a performance-based contract using indicators that are tracked monthly.

ACCIDENT PREVENTION

Two main reference documents define the Sogea Construction health and safety policy. The first is focused on an accident prevention standard which amounts to a safety management system. The second, called “Charter for Life at the Worksite” sets five golden rules (“Safety must be organised, shared, seen, experienced and complied with”), together with 20 principles to be implemented on all worksites. Drafted in 2001, these tools will be implemented in 2002 as part of a broad-based awareness drive aimed primarily at worksite personnel. The programme includes a comprehensive training and communications plan with seminars on prevention, safety training courses aimed at site supervisors and foremen, a press review on prevention and a specialised newsletter (“OK Safety News”).

INNOVATION

“Building differently”: that was the theme of a symposium organised on 7 June 2001 by Sogea Construction. More than 100 people, 90 of them employees of building subsidiaries in the Ile-de-France and other French regions, took part in the event. The goal, reflecting the company’s innovation policy, was to publicise the contractual tools that make it possible to take a new approach to projects and to fully leverage the company’s know-how, based in particular on legal and financial engineering: the real estate development contract, the administrative long-term lease, sale of property not yet constructed, use of the employers’ 1% as financing – tools that provide a global and innovative response to customer needs.

SUSTAINABLE DEVELOPMENT / ENVIRONMENT

The sustainable development policy set up by the company aims to limit worksite impact on the environment. As part of this approach Sogea Construction is developing appropriate project management methods, technologies and innovative products as well as partnerships which can generate joint action in the field of the environment. In 2001, the implementation of this policy involved, in particular, waste management on “clean sites”. VINCI Environment, a subsidiary of Sogea Construction, also displayed its ability to control the waste treatment process by implementing the new Soloda-RAC process, which achieves record performance, at the Cova da Beira and Amava composting plants in Portugal. The innovation was nominated for a VINCI 2001 Innovation Award.

OUTLOOK

Sogea Construction begins 2002 with a well-filled order book and such significant projects under way as the purification plant in Valenton, the PSA design centre in Vélizy, the Toulouse metro and Port 2000 in Le Havre. Apart from these major projects, some 4,000 projects are now in progress, giving the company a solid base.

With its strong positions in the building, civil engineering, hydraulic engineering and service business lines, providing a comprehensive offering on all markets based on an exceptionally densely knit network and with its management structured to give responsibility to heads of businesses on the ground and with its focus on a service culture, Sogea Construction is well-poised to put its development on a sustainable profitability track.

RECRUITMENT

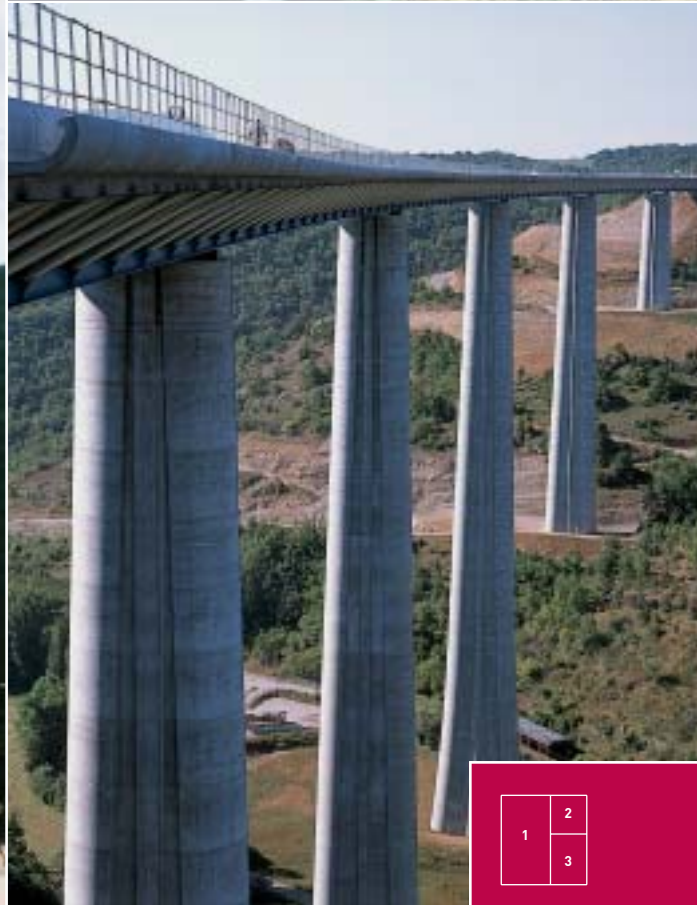
THE KEY TO A LONG-TERM CONTRACT

The recruitment and training campaign for 350 young workers called “Sogea Jobs Passport” was a milestone in human resources in 2001. This campaign was launched at the Paris region trade fair called “Building and Civil Engineering Wednesdays” attended by more than 2,800 young job-seekers. The operation, supported by a film that enhances the image of the industry, a poster campaign and a toll-free number, aims to attract young people into the company and train them in the building, civil engineering and hydraulic engineering trades. Trained in sandwich courses in the training centre and on Sogea Construction worksites, where they are supported by a mentor, these young people can be offered a long-term contract at the end of the course.

AZF PLANT

SOLIDARITY IN TOULOUSE

Sogea South-West and Bourdarios were on the spot to clear and secure the hospital and university buildings affected by the explosion of the AZF plant on 21 September in Toulouse. Approximately 100 employees of the two companies were at the site during the 24-hour period following the disaster, and Sogea Construction called for mobilisation of its other regional departments. The company was also awarded the contract to rehabilitate 400 housing units affected by the explosion.



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1	3

FLAGSHIP PROJECTS

1. Hines Tower

Bateg and CBC handed over the PB6 Tower to American developer Hines on schedule on 21 May 2001. Built on a very small property, the complex structure is 155 m high and has 40 storeys. Today it is the head office of EDF.

2. The Paris-Hendaye optical link

The 1,300 km long high-speed fibre optical link for Swedish telecommunications operator Telia was built in partnership with GTIE and showcased Sogea Construction's organisation and ability to manage major projects by working through its local structures.

3. Viaducts

After completing construction of the Barrails Viaducts on the A89 Motorway, and the Dordogne Viaduct on the A10, Campenon Bernard TP began work on the Langeais Viaduct near Tours while Dodin continued construction on the Verrières Viaduct.

Rehabilitation

Sicra and SRC handed over the Rivoli rehabilitation project in Paris in July which comprises retail space and housing. Employing advanced techniques, the project mobilised up to 100 people for 15 months.

Toulouse Metro

The SMAT (Toulouse metro company) selected the bid by Campenon Bernard to build works package 2 of Line B: a tunnel drilled over 4,790 m and seven cut-and-cover stations.

Port 2000 in Le Havre

One of the largest port investments ever made in France, which aims to double the volume of container traffic moving through Le Havre, required a preliminary mine-clearance operation, the largest ever carried out in Europe. The work was done by EMCC, Deschiron and Campenon Bernard Civil Engineering, which also won the contract for earthmoving and building engineering structures.

GTM CONSTRUCTION



Robert Hosselet
Chairman and CEO

“Our business is all aspects of civil engineering, building, hydraulic engineering and networks. We work nationwide through a network of 75 subsidiaries. Every day our employees build on the values that make up the GTM Construction label - innovation, quality, accident prevention and safety, knowledge sharing, environmental protection and sustainable development. These values are the basis of the actions that make up the Builder Enterprise 98 project backed by our entire workforce.”

RECENT DEVELOPMENTS

Overall, business activity was satisfactory at GTM in 2001. Consolidated net sales stood at 1,491 million euros, slightly down from 2000 as a result of the focus on the selective order taking policy followed by our company.

The building business lines benefited from a favourable economic situation throughout the year, including after 11 September, and represented an increasing part of GTM Construction's overall business. There was greater variability in civil engineering in 2001, with a satisfactory level of activity in the French regions and a difficult situation in the Ile-de-France and in the major projects sector. Earthmoving declined steeply (-11% against 2000) but should benefit from a more favourable economic trend in 2002, especially as the work on the TGV Est high-speed rail line gets under way.

HUMAN RESOURCES

GTM Construction continued to implement its “2000 Young People” plan (2,000 hires in four years, i.e. 4% of the workforce renewed every year) in 2001. This ambitious plan, emblematic of the proactive approach taken by master builders, aims at a dual objective:

- to shift the age pyramid downwards at GTM Construction by recruiting young people in all job descriptions, from the worker to the foreman, site supervisor and engineer;
- to help make its business lines more attractive to young people. To this end, GTM Construction will be strengthening its links with schools, enhancing the name recognition of the company in the various vocational training systems, getting young people interested, finding the most motivated and offering them an attractive way into the company by means of a system that comprises mentoring, training courses and then job offers.

CHAIRMAN AND CEO ROBERT HOSSELET **BUSINESS LINES** BUILDING, CIVIL ENGINEERING, DEMOLITION, BONDED WOOD CORE STRUCTURES, ENVIRONMENT, HYDRAULIC ENGINEERING, EARTHMOVING, DREDGING, MAINTENANCE AND SERVICES **MAIN BRANDS** GTM BTIMEMNT, GTM GCS, GTM TERRASSEMENT, DUMEZ, CHANTIERS MODERNES, TRAVAUX DU MIDI, PETIT, LAINE-DELAU, PITANCE, TMSO, DEMOLITION DELAIR, FARGEOT

KEY FIGURES IN MILLIONS OF EUROS

● 2000 ● 2001

NET SALES

1,547

1,491

OPERATING INCOME

0.3%

0.8%

OPERATING INCOME + NET FINANCIAL INCOME

1%

1.3%

10,000

WORKFORCE

> 4,000

CURRENT PROJECTS

ORGANISATION

ROBERT HOSSELET • chairman and CEO

Regional Divisions:

ALAIN BONNOT (South), **DENIS ELBEL** (East and North), **DENIS GAUTHIER** (South-West), **PHILIPPE GOULLEY** (West), **FRANÇOIS GUILLON** (Lyons), **JEAN-PAUL DELPÉRIE** (building Lyons), **ROBERT HOSSELET** (Île-de-France), **BERNARD GODINOT** (civil engineering Île-de-France).

XAVIER NEUSCHWANDER • earthmoving division

GUY RAOUL • earthmoving activities and specialised business lines

MICHEL SCHNEIDER • major building projects

BRUNO BARTHE • special projects

JEAN-PIERRE BONNET • secretary general

ERIK LELEU • human resources

DATA

AN INNOVATION DEPARTMENT

In March 2001, GTM Construction set up an Innovation, Technical and Knowledge Department with a dual purpose: to design, propose and co-ordinate the company's research, development, innovation and knowledge management policy within the company; and to provide fast solutions to the various problems that worksites can encounter in all areas.

To this end the company has the support of its advanced knowledge-sharing system, Gesco, which processed the data from 10,000 engineering studies and 3,500 worksites in one year.

ACCIDENT PREVENTION

Following the certification of its quality system in 1998-1999 and that of its environment management system in 2000, GTM Construction was awarded AFAQ (French association for quality assurance) BS8800 certification in 2001 for its safety management system. This certification will be extended in 2003 to all subsidiaries. GTM Construction is thus the first building and civil engineering company to hold all three certifications.

Safety indicators have confirmed that the company's accident prevention policy is on track. The frequency and severity rates were substantially down in 2001. The improvement does not exempt the company from making the ongoing efforts that every responsible accident prevention-safety programme requires. Among other initiatives, GTM Construction will be launching a nationwide awareness campaign in 2002 to draw attention to risks related to dismantling formwork and traffic.

INNOVATION

Innovation aimed at achieving technical and economic project optimisation has always been a priority at GTM Construction, as the company's participation in the VINCI 2001 Innovation Award bears witness: 40% of the entries in the 2001 Award came from GTM Construction teams. Among the projects that won awards were Rapidopont, a bridge for standard crossings that combines very competitive cost with excellent properties in use (fast implementation, improved safety, quality and durability, reduced maintenance);

Mygal, a new well sheathing technique to facilitate, in particular, structural reinforcement in preparation of underground car park construction; the Gesco project, a networked knowledge-sharing solution contributing to the company's "knowledge assets".

SUSTAINABLE DEVELOPMENT / ENVIRONMENT

In line with the ISO 14000 standard, the GTM Construction environment management system, already implemented in earthmoving activities, was extended to civil engineering activities in 2001. This move anticipated the 1 July 2002 deadline for applying the law on waste not only to municipalities but also to worksites. The certification will be extended to building activities in 2003 and 2004.

This improvement effort, the goal of which is to optimise environmental practice in order to boost customer satisfaction, is part and parcel of the "Builders 98" programme with its continuous improvement plan.

OUTLOOK

The GTM Construction order backlog was 1,196 million euros at the end of 2001, i.e. 9.6 months of activity, a gain of 11% over the end of 2000. This increase is primarily in the building sector.

On the strength of its expertise and market position in this field, GTM Construction intends to intensify its upstream project engineering and project structuring and downstream maintenance activities so as to be able to provide a global offering covering the full range of expertise required in a project.



ENVIRONMENT

CORPORATE CITIZENSHIP

In 2001 GTM Construction was involved in working for the environment, taking a number of initiatives. These included recycling the "grey water" of a housing project in Annecy; a diagnostic analysis of lead contained in water in the Rhône-Alpes region; using wood in the construction of bridges, especially the Crest Bridge, which was built by the Fargeot company, in the Drôme region; and the use of lasers (Lama) in preserving the architectural heritage.



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FLAGSHIP PROJECTS

1. Port 2000 in Le Havre

This major project involves embankments and maritime access to the new container port in Le Havre. The contract was awarded on the basis of local assets and competencies of GTM Terrassement as lead company in a consortium comprising a number of VINCI Construction subsidiaries.

2. Former head office of Crédit Lyonnais

GTM Building, leading a consortium, began rehabilitation work on the former head office of Crédit Lyonnais in early 2002.

3. Rehabilitation of public housing

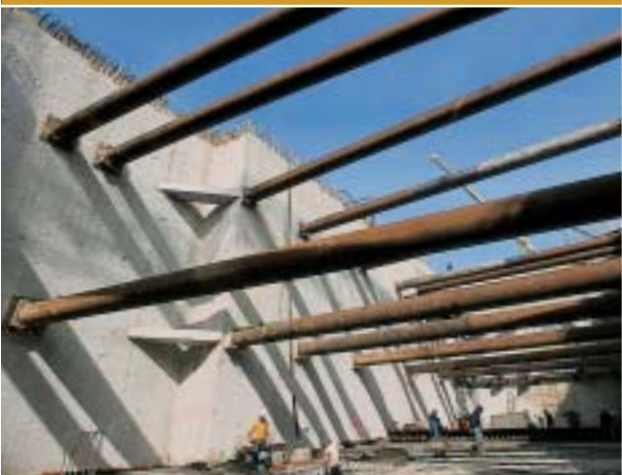
The Paris public housing authority OPAC awarded the contract to GTM Building for rehabilitation of 414 housing units at the Porte de Choisy, and the company also won the rehabilitation of 885 housing units in Noisy-le-Grand for the Emmaus Association.

4. Works package 5 of the Toulouse metro

The structures that GTM GCS will be building over a 41-month period include a circular two-track circular tunnel, a two-track rectangular tunnel, five cut-and-cover stations and four ventilation units.

Four Seasons Hotel in Tourrettes in the Var region

The contract, awarded in September 2001, for this prestigious project is to be completed to a tight 18-month schedule. It includes a main building, 115 suites in 45 bungalows, a swimming pool and an underground car park. The PACA region subsidiaries of GTM Construction will be working on this project with GTM Building's Major Projects department.



VINCI CONSTRUCTION FILIALES INTERNATIONALES



Philippe Ratynski
Chairman and CEO

“VINCI Construction Filiales Internationales operates in three markets: Central Europe, the French overseas departments and territories, and Africa. Each of these regions accounts for one third of net sales. In all three zones, VINCI Construction Filiales Internationales has local companies with longstanding local roots that make it a West Indian company in the West Indies, a Polish company in Poland and a Cameroonian company in Cameroon. A tightly meshed network, enabling competencies to be exchanged, gives the structure its meaning.”

RECENT DEVELOPMENTS

VINCI Construction Filiales Internationales had a satisfactory year in 2001 from the point of view of both net sales and income.

In Africa, business increased substantially (+36%) for Sogea-Satom and its subsidiaries. This increase was especially substantial in Central Africa where the company is involved in a large oilfield development project in Doba, Chad.

The French overseas departments and territories also experienced strong growth in their net sales (+22%). This growth was achieved as a result of three large projects in Martinique (courthouse and household waste incineration plant in Fort-de-France, container terminal in Pointe-des-Grives), buoyant activity in public housing and middle schools in Guadeloupe and a 15% increase in activity in Reunion Island and Mayotte, again in school construction. In New Caledonia the development of the Tuband project worth 12 million euros kept activity at the 2000 level.

In Central Europe, despite a sluggish economic situation, net sales were up 14%. In Poland growth stood at 17% thanks to the housing business and the ongoing policy of diversification in civil engineering. In the Czech Republic, bridge construction continued at the same level as in 2000 and building was up 40%. In Hungary, ongoing diversification made it possible to achieve equilibrium between bridges, hydraulic engineering and building activities.

CHAIRMAN AND CEO PHILIPPE RATYNSKI **BUSINESS LINES** BUILDING, HYDRAULIC ENGINEERING, EARTHMOVING AND ROADS, MARITIME WORKS AND ENGINEERING STRUCTURES **MAIN COMPANIES** SOGEA-SATOM, WARBUD, HIDEPITÖ, SMP CONSTRUCTION, FCC, SBTPC, SOGEA MARTINIQUE, SOGEA REUNION AND SOGEA MAYOTTE, GTM CARAÏBES, SIMP, DODIN GUADELOUPE, GTM GUADELOUPE, DUMEZ-GTM CALEDONIE

KEY FIGURES IN MILLIONS OF EUROS ● 2000 ● 2001

NET SALES

699

896

OPERATING INCOME + NET FINANCIAL INCOME

3.5%

5.3%

10,000

WORKFORCE
(of which more than 100 at
the head office in Rueil)

OPERATING INCOME

3.4%

5%

350

CURRENT PROJECTS

ORGANISATION

PHILIPPE RATYNSKI • chairman and CEO

BERNARD LENFANT • vice-president, Pacific and Indian Ocean, East and Southern Africa

RENAUD BENTEGEAT • vice-president, Poland, Czech Republic, Belgium except CFE, Antilles-Guyana

ROGER BEGOC • CEO Sogea-Satom

Chief Operating Officers - Subsidiaries:

JACQUES ALQUIER, **ENDRE APAHTY**, **VLADIMIR BREJCHA**, **GÉRARD BODEL**, **JEAN-LOUIS CHOULOT**, **ROGER GEORGES**, **JEAN-YVES LE PAVEC**, **MAURO LISA**, **JEAN-FRANÇOIS OZBOLT**, **JAROSLAW POPIOLEK**, **SÉBASTIEN MORANT**, **HERVÉ RONOT**, **JEAN-LOUIS SERVIRANCKX**, **CHRISTIAN VIDAL**

FRANÇOIS RAVERY • chief financial officer

JEAN-MARC FONTEYNE • human resources director

JÉRÔME BENET • finance and contracts director

ALAIN GRACIAS • internal audit director

PRODUCTION

OPTIMISED COST STRATEGY

The development of VINCI Construction Filiales Internationales rests in large part on a strategy of optimising costs. This strategy involves systematically seeking, for each part of a project, the best balance between technical and economic performance while pursuing an overall, ongoing effort to improve worksite productivity.

HUMAN RESOURCES

2001 was a transition year in which progress was made in managing human resources at VINCI Construction Filiales Internationales. The following actions were implemented:

- integration of the teams and structures from the existing international entities within Campenon Bernard, Dumez-GTM and Sogea;
- recruitment and integration of approximately 100 expatriate employees, making it possible in particular to support the increased activity in Africa;
- integration of about 60 VIE (international business volunteers) interns and trainees, a programme focused on creating momentum and renewing teams;
- discussion of the improvement of orientation programmes with the goal of introducing, in 2002, tools dedicated to expatriate employees;
- completion of the training programme for senior supervisors in Africa; begun in 1998, this programme is intended to enable supervisory staff to better master administrative and management tools.

ACCIDENT PREVENTION

Stringent measures worked out with the customer on the Doba oilfield access road project in Cameroon exemplify the commitment made by VINCI Construction Filiales Internationales to a rigorous policy of accident prevention and safety: 40 kph speed limit; compulsory wearing of safety belts; daily meetings to discuss a safety issue related to the work scheduled for the day; involvement of the client in ensuring compliance with the accident prevention rules throughout the project.

Result: eight million hours worked without a single lost-time accident. This project is a further illustration of the track record of VINCI Construction Filiales Internationales in a field – safety – where its performance meets the very highest standards.

INNOVATION

VINCI Construction Filiales Internationales is by nature focused on operating activities. In addition to expanding its own know-how, it has access as needed to the technical added value that other group entities can provide, especially VINCI Construction Grands Projets, which has a wealth of knowledge and experience – and a pool of engineers – of the first order. Technical synergies within the group play a major role in hydraulic engineering. For example, the Water Management International subsidiary, with advanced skills in water system optimisation, is developing an ongoing technology watch system and providing valuable support to international subsidiaries on a highly competitive market.

SUSTAINABLE DEVELOPMENT / ENVIRONMENT

In Africa, as in all the countries where VINCI Construction Filiales Internationales operates, the company guarantees the quality of the facilities it designs and builds. Apart from its ongoing efforts in the area of safety, VINCI Construction Filiales Internationales is developing advanced methods of environmental management and social and economic support in the regions in which it works. This determined effort to contribute to sustainable development is also evident in its local management training and technology transfer development endeavours.

OUTLOOK

On 1 January 2002, the Sogea-Satom order backlog in Africa was at a high level, suggesting that there will be further growth in this activity in the region. In the French West Indies and the Indian and Pacific Oceans, the order book is filling up more slowly, suggesting a possible slight drop in activity there. In Central Europe, the slight downturn in orders (-3%), as a result in particular of the decline in orders for office space in Poland, is expected to cause activity there to plateau out.

TWINNING CHARTER

HUMAN RESOURCES, ACCELERATED NETWORKING

Consolidation, professionalisation and outreach are the three prongs of the human resources policy in 2002.

This policy is particularly noticeable in four flagship projects: generalised use of the practice of annual interviews and assessments of employees; improvement in the quality of orientation; action plan for local staff integration, training and mobility in Africa; development of twinning operations with companies in other VINCI Construction divisions.

In a first within the VINCI Group, Sogea Maroc (VINCI Construction Filiales Internationales) and the regional Rhône-Alpes division of Sogea Construction signed a twinning charter at the end of 2001 that aims to foster exchanges, experience-sharing and mobility between the two entities.



FLAGSHIP PROJECTS

1. Extension of the port of Casablanca

Work on the Eastern container terminal in the Port of Casablanca started in 2001. The value of the project is €24m.

2. Czerniakowski interchange in Warsaw

In the summer of 2001, Polish subsidiary Warbud won the contract to build the Czerniakowski roundabout interchange as part of the extension of the Siekierkowski bridge, which had already been awarded to Warbud. The contract amount is €32m.

3. Access road to the Doba oilfield

The 300 km road in Cameroon is a major project as a result of its contract value (€113m) and also because of its social, economic and environmental aspects.

Viaduct in Prague

VINCI Construction Filiales Internationales completed the Repy Ruzyne Viaduct in 2001 for an overall amount of €16m.

Courthouse in Fort-de-France

The amount of this operation, completed in 2001 and carried out with VINCI Construction Grands Projets, was €30m.

High school on Reunion Island

Work on the Sainte-Suzanne high school had a contract value of €13m.

Lehel covered market in Budapest

This €16m project illustrates the diversification of business activity in Hungary, traditionally focused on bridge construction.



VINCI CONSTRUCTION

UK - GERMANY - US SUBSIDIARIES



John Stanion
Chairman and CEO

“VINCI Construction UK – Germany – US Subsidiaries is not a structured organisation with a centre and a periphery but rather a network of companies engaged in building, civil engineering and associated services with locations in the UK, Germany and US. This highly decentralised network’s strategy is focused on five major goals: putting margin ahead of volume, developing specialised high added value activities, pursuing a targeted acquisition policy, managing and controlling the risk inherent in the business cycle downturn, satisfying customers and acquiring their loyalty.”

RECENT DEVELOPMENTS

- VINCI PLC, the British division of VINCI Construction UK – Germany – US, covers most building and civil engineering business lines in its three components:
- Norwest Holst works in the markets for building, civil engineering and service (with Norwest Holst Construction), environment and soil engineering (with Norwest Holst Soil Engineering and its divisions) and earthmoving (with John Jones Excavation).
- VINCI Services (with in particular Rosser & Russell and McGill) specialises in fitting and finishing and in facilities management in building and industry as well as energy, environment and telecommunications infrastructure.
- VINCI Investments handles project structuring and financing, with a special focus on Private Finance Initiative operations.

Building and civil engineering account for two-thirds of VINCI PLC’s net sales and services for one-third.

- The German division involves building (Brüggemann), architectural fittings and finishings, ship outfitting, technical facades and cold storage construction (VINCI Bautech under the G+H Innenausbau, G+H Schifffausbau, G+H Fassadentechnik, G+H Kühlager und Industriebau brands) and multi-technical, multi-service maintenance (SKE and SKESSI).
- The US division is made up of SKE Support Services, Inc.

Following excellent performance in 2000, 2001 generated positive income from operations despite a drop in net sales in the UK and flat growth in Germany.

ORGANISATION / GENERAL STAFF

JOHN STANION • chairman and CEO of VINCI PLC and of VINCI Construction UK–Germany–US

DAVID JOYCE • construction division, UK

TERRY RYAN • services division, UK

DAVID BOWLER and **JOHN BERGIN** • project structuring and financing division, UK

RAOUL DESSAIGNE • services and construction division, Germany and the US

VOLKER PETERSEN • technical trades division, Germany

ULRICH BECKER, RAINER BEISEL,

KEN CHILD, CHARLES HOUP,

MARTYN HORTON, JÜRGEN KAISER,

CHRIS MCEWEN, HERMANN MERKL,

HORST-DIETER NEUMANN,

JÜRGEN NÜSSELER, HARVEY ROBERTS,

ROBERT UNGER • vice-presidents, subsidiaries

ALEC COMBA, GARY BILLIONS,

PHILIPPE ROY, WOLFGANG SCHUSTER,

ERIC ZELLER • chief financial officers

CHAIRMAN AND CEO JOHN STANION **MAIN COMPANIES IN THE UK** NORWEST HOLST CONSTRUCTION / NORWEST HOLST SOIL ENGINEERING (INCLUDING SIMPLEX, ECOS AND EAL) / JOHN JONES EXCAVATION / CRISPIN & BORST / COLIN HATCH / J.J. JAGGER / ROSSER & RUSSELL / VINCI SERVICES (INCLUDING MCGILL AND KITSON) / CONREN / VINCI INVESTMENTS / VINCI PROJECT DEVELOPMENT **MAIN COMPANIES IN GERMANY** BRÜGGEMANN / SKE / EHRENFELS / VINCI BAUTEC / G+H FASSADENTECHNIK / G+H INNENAUSBAU / G+H REINRAUMTECHNIK / G+H KÜHLLAGER- UND INDUSTRIEBAU / G+H SCHIFFSAUSBAU **MAIN COMPANY IN THE US** SKESSI

KEY FIGURES IN MILLIONS OF EUROS ● 2000 ● 2001

NET SALES UK

629

560

OPERATING INCOME + NET FINANCIAL INCOME UK

3.1%

3.2%

OPERATING INCOME UK

2.9%

2.9%

NET SALES GERMANY

219

220

OPERATING INCOME + NET FINANCIAL INCOME GERMANY

1.1%

0.7%

OPERATING INCOME GERMANY

1.1%

0.7%

7,000*

WORKFORCE

* of which 3,000 at VINCI PLC and 4,000 at German and American subsidiaries

BUSINESS LINES

UK building, civil engineering, environmental engineering and soil techniques, earthmoving and technical trades for building, industry, environmental infrastructure and shipbuilding, multi-technical and industrial maintenance, facilities management, production and laying of special surfacings, project engineering and management of PFI/PPP projects.

GERMANY building, facilities management, services and technical trades for building, industry and shipbuilding.

US facilities management, multi-technical management.

HUMAN RESOURCES

Recruitment is based on media advertising targeting young university graduates. The recruitment strategy should make it possible, especially at VINCI PLC, to bring new talent into the company but also improve the name recognition of the subsidiaries. Partnership agreements with British educational institutions are part of this process. When it comes to employee training, more than 3,000 days of training were provided in 2001. The goal for 2002 is to reinforce the overall offering and to enable all staff to receive safety training.

Moreover, Crispin and Borst (C&B) and Rosser & Russell are planning to increase the number of apprentices in 2002 and Norwest Holst Construction will be proposing its first direct apprenticeship contracts in the medium term.

ACCIDENT PREVENTION

Subsidiaries are very attentive to the safety-health-environment function for which a team of specialists has been charged with ensuring stringent compliance with applicable standards. For instance, the impact of construction on the environment is periodically analysed and mitigated by the companies' safety and health structures.

As a member of an association that brings together the largest construction companies in the UK (MCG), VINCI PLC is in the forefront of the industry's efforts in the field of safety and health. The company has adopted the goal of reducing the number of work-related accidents by 2003 (the frequency rate was 0.67 in 2001) and to provide its personnel with safety and health training.

In 2001, Norwest Holst Construction Limited was one of the first British companies to be approved by the British certification body (BSI) for the quality of its environment, health and safety management systems.

INNOVATION

VINCI PLC does not have an integrated technical department. The company therefore works with outside specialists, specifically in engineering. This contribution enables it to develop innovative solutions on the ground when implementing new projects. Recent examples include:

- renovation of the Hungerford Bridge: constraints due to the rail bridge and the lack of space prompted engineers to build the two new 325 m pedestrian bridges in 50 m spans;
- the implementation of a bar-code system: this system makes it possible to check the stock in US base warehouses accurately.

SUSTAINABLE DEVELOPMENT / ENVIRONMENT

Norwest Holst signed an 11 million euro contract to build a new type of school in Leeds, England. The two-storey building was designed to incorporate controlled development and to conserve natural resources. Its specification stipulated the use of “sustainable” materials and a grey water reservoir to collect rainwater for use in the sanitation system. Solar panels will generate the electricity needed to run the school’s computers.

OUTLOOK

In 2002, the activity of VINCI Construction UK – Germany – US should start to increase again as a result of better economic trends and a targeted acquisitions policy. The order backlog in the UK in January 2002 reached a historic high thanks to the award of contracts in civil engineering. No market contraction is expected in the British economy apart from conventional industries and telecommunications. In Germany and the United States, a more difficult economic situation should result in a slight decline – by some 5% – in the activity level.

SAFETY AWARD

Rosser & Russell was awarded the gold medal by ROSPA (Royal Society for the Prevention of Accidents) in recognition of its work to prevent accidents.

FLASHBACK

MERGER

Norwest Holst was set up as a result of the 1969 merger of Holst & Company, founded in Watford in 1918, and Norwest Construction Holding, founded in Liverpool in 1923. Entering the SGE Group in 1989, Norwest Holst Limited underwent a restructuring process and became Norwest Holst Group PLC in 1998. In line with the name change – SGE becoming VINCI – and the merger with GTM, the company took on the name VINCI PLC.



FLAGSHIP PROJECTS

1. London "First Central" Business Park

This exemplary project, structured by VINCI Project Development and Guinness, generated a first €70m phase of building work (the new head office of Guinness UDV) and civil engineering for access facilities. Ultimately this business park will be one of the largest in East London.

2. Maintenance at American army bases

SKE is in charge of overall maintenance in a number of American army bases in Germany and the United States. One of the main contracts relates to operational maintenance of the 62 sites that make up the 104th Military Region around Frankfurt and Stuttgart.

3. Hungerford Bridge in London

This €65m project carried out by Norwest Holst and Costain will carry pedestrian traffic between the Charing Cross and Waterloo railway and underground stations.

Corus – Industrial maintenance

VINCI Services is handling maintenance under a three-year contract at industrial facilities in Wales for Corus, the British-Dutch steel major.

Channel Tunnel Rail Link (works packages 420, 342 and 430)

Work carried out by VINCI PLC on the future high-speed rail link between London and the Channel Tunnel will amount to nearly €250m.

Wigan – Project Alexander

Norwest Holst handed over this specialised warehouse worth more than €25m in Windcanton, a project that follows up some 30 completions in the field of logistics over the last four years in the UK for a variety of customers ranging from Prologis to BAA (British Airport Authorities).

Liverpool – Multi-technical maintenance

VINCI Services holds a 50% stake in the joint venture that provides multi-technical maintenance to nearly 3,000 non-residential buildings in Liverpool.

Maintenance at Fort Sill in Oklahoma

Comprehensive maintenance of this American base under a €55m contract constitutes one of SKESSI's largest contracts.

Office building in Cologne-Ossendorf

A €14m operation carried out by Brüggemann.

VINCI CONSTRUCTION GRANDS PROJETS



Henri Stouff
Chairman and CEO

“On the strength of its added value as a comprehensive design and build company, VINCI Construction Grands Projets will be pursuing its development selectively in the world market for large projects. This approach is based on multidisciplinary teams, unrivalled technical capabilities, an outstanding track record in major building and civil engineering projects and proven know-how in managing complex projects.”

RECENT DEVELOPMENTS

VINCI Construction Grands Projets concentrated its business activity in 2001 on four major goals: focus on projects that generate recurring business, diversification of the offering, handover of turnkey projects and launch of new concession projects. Taking the new data from the American markets on board, VINCI Construction Grands Projets moved in time to concentrate on the only concession projects in Canada and Chile.

Europe, which accounts for over 50% of net sales, proved again to be a very buoyant market: the year saw a first project in Belgium, sustained activity in the Netherlands, strong growth in the United Kingdom and a promising start to activity in Ireland. A good outlook was also shaping up in Sweden, and in cross-border rail projects with Spain and Italy. Outside Europe, especially in western Asia and in Russia, needs are considerable. The Middle East is marking time, with the exception of Egypt and Libya, where VINCI Construction Grands Projets is to open a new construction site in 2002.

The market is constantly shifting – yesterday in the developing countries bolstered by multilateral agencies and the oil producing countries; today in the Europe of networks, tomorrow in Eastern Europe and Western Asia. VINCI Construction Grands Projets is in a position to anticipate and support all these changes.



RION-ANTIRION BRIDGE

SAFETY ON A MAJOR PROJECT

The recruitment and training of 100 Greek iron, formwork and concrete workers (of a total of 350) was supported by a safety system on the same scale as the worksite. This system included five training sessions lasting 22 days and divided into ten modules of which two were devoted exclusively to safety (“individual and group safety” and “movements and postures”); an orientation booklet and a French/Greek technical manual duplicated on CD-ROM; and a poster campaign to raise awareness of action to be taken in an earthquake.

KEY FIGURES IN MILLIONS OF EUROS ● 2000 ● 2001

NET SALES

718

595

OPERATING INCOME + NET FINANCIAL INCOME

5.7%

6.5%

3,000

WORKFORCE

OPERATING INCOME

3.7%

5%

30

CURRENT PROJECTS

ORGANISATION

HENRI STOUFF • chairman and CEO

MICHEL BERNARD • vice-president, Eastern Europe –
Africa – Asia

JEAN-FRANÇOIS RAVIX • vice-president, France –
Europe – America

JEAN VOLFF • vice-president, building export

HUBERT BAUR • engineering and technical capabilities
director

PATRICK BÉCHAUX • human resources director

ALAIN BOURDEAUX • director of legal affairs

ALAIN GAUMY • quality – environment – safety director

CHRISTIAN SIMON • chief financial officer

QUALITY PROGRAMME

CERTIFICATION

On 31 July 2001, the
Decontamination – Dismantling
– Demolition (3D) department
was ISO 9001 and CEFRI
certified for its activities in
the field of design, construction,
maintenance, dismantling and
demolition, especially in ionising
environments. 3D is performing
work on the fuel storage unit at
the Chernobyl power plant in
Ukraine, where the no. 4 reactor
exploded on 26 April 1986.
The worksite, located several
hundred metres from the
sarcophagus covering Unit 4,
requires particular vigilance
with regard to radiation
protection. 3D is also dismantling
the nuclear power plant of
Brennilis in the Finistère region.

HUMAN RESOURCES

In 2001, VINCI Construction Grands Projets merged the operational and functional teams from the VINCI and GTM Group entities dedicated to major projects. The integration made it possible to combine first-class technical and production competencies. The company also acquired on-line human resource management tools. These information-sharing tools provide for better personnel administration and mobility throughout the world. Lastly, the training plan for 2001 included for the first time forecasts of changes in jobs and adaptations to them at VINCI Construction Grands Projets.

PREVENTION

The VINCI Construction Grands Projets safety policy is demonstrated in the exemplary way it manages its worksites.

- Systematic safety training and a 19-procedure quality plan were implemented during the construction of the Istanbul stadium. After five million hours of work, the frequency rate (number of accidents per million hours worked) recorded on this site was 2.55, much lower than the average rate in France (40).
- On the Chillan-Collipulli motorway in Chile, a *banderero* (the person who directs traffic during roadwork) manual was the springboard for a national vocational certification of this safety-focused job. Thanks to the bandereros, road accidents have declined by 40% since the beginning of the project.

INNOVATION

The Rion-Antirion Bridge project, the largest engineering structure currently being built in Europe, received three VINCI 2001 Innovation Award prizes. As a showcase for techniques and technologies, the project has been an opportunity to implement a number of innovations in maritime works, such as the double dry dock and the conversion of a self-elevating barge to a system with tensioned supports. The teams that worked on the Aquitaine Bridge also made a major contribution with their innovative auxiliary suspension system.

More generally, innovation in 2001 involved a range of products, including self-placing and very high performance concretes, which are now ready for market; fire-resistant tunnel segments; safety and emergency exit systems in the El Azhar tunnels in Cairo, on the A86 motorway and soon in the Lefortovo tunnel.

SUSTAINABLE DEVELOPMENT / ENVIRONMENT

VINCI Construction Grands Projets pays particular attention to mitigating the environmental impact of its activities. This involves reducing pollution and informing the public. For example, the 3D (Decontamination – Dismantling – Demolition) department designed and built a process (Techclean), which reduces the production of toxic and radioactive waste in clean-up operations. When it comes to informing the public, VINCI Construction Grands Projets and Cofiroute inaugurated an information booth as part of the A86 tunnel drilling project. The effort also involved keeping elected officials and local associations informed. A commitment charter is offered to them guaranteeing regular information on the project and an answer to all their questions.

OUTLOOK

The order backlog, with a value of 1,378 million euros, was stable at the beginning of 2002 and represents more than two years of activity. In Europe the market is buoyant and the order book should be renewing itself in this zone. Projects being developed in Russia, Libya, Egypt and Korea should make it possible to develop business outside Europe. Overall, the momentum should translate into a 10% increase in the order backlog in 2002 notably as a result of expanded infrastructure concessions activities, as well as design and build projects including real estate development.

CFE

RECENT DEVELOPMENTS

CFE, in which VINCI Construction owns a 45% stake, reports to the VINCI Construction Grands Projets division. It is one of the leading construction firms in Belgium and is also very active in the Netherlands, the Grand Duchy of Luxembourg and Central Europe. CFE's activities include civil engineering, building, industrial construction and dredging as well as environmental works and electricity supply facilities. In addition, the company is active in property development and management and in project management. CFE is a co-shareholder in DEME, the second-largest dredging company in the world. In 2001, consolidated net sales of the CFE group were up nearly 5%, at 848 million euros. Construction and associated services account for 51% of consolidated net sales. Dredging and environment make up 42%. The electricity division now makes up approximately 6%. In 2001, consolidated net income (group share) stood at 16.7 million euros, a 22% increase by comparison with 2000. The increase is due in large part to an improvement in DEME performance.

OUTLOOK

CFE aims to improve the profitability of its traditional building activity. To this end, the selectivity policy will continue to apply to projects and autonomous management of each of the entities in the CFE construction division (CFE Construction) will be strengthened. Moreover, the ABEB company was acquired in 2001 by CFE from the Belgian Bâtiments et Ponts company, a wholly-owned subsidiary of VINCI Construction.



	1
2	
3	

FLAGSHIP PROJECTS

1. CTRL (sections 350, 410 and 310) in the United Kingdom

As part of the Channel Tunnel Rail Link (CTRL), which will connect London with the Channel Tunnel by high-speed train, VINCI Construction Grands Projets handed over the North Downs rail tunnel and the viaduct over the Medway river. Work began in January 2002 on the additional works package 310, which includes a 1,075 m bridge in London, two viaducts, miscellaneous structures and tracks.

2. The Chillan-Collipulli motorway in Chile

The project is to upgrade to motorway standard and double a 160 km section of the "Ruta 5 Sur", the Chilean link of the Pan-American Highway that runs from Alaska to Tierra del Fuego. 135 km have already been handed over. The Los Angeles bypass will be completed in 2002.

3. The El Azhar road tunnels in Cairo

Inaugurated in October 2001, the project consists of two single-direction tunnels linking the centre of Cairo with outlying areas. Fire-resistant walls, emergency ramps every 100 m – everything has been done to ensure user safety. VINCI Construction Grands Projets was also awarded a contract to provide support to the operator during the guarantee period.

Office tower on Victory Square in Bucharest

Work began in 2001 on this 21,000 m² tower, which will house the Société Générale in Romania starting in 2003.



FREYSSINET



Bruno Dupety
Chairman and CEO

“At Freyssinet, Terre Armée and Menard Soltraitements, we are driven by a passion for the work we do. A new idea, a new product, an innovative technical solution is enough to fire people up and create momentum. We are constantly on the lookout for things that will keep us ahead of our competition. This momentum, bolstered by the awareness we all have of being part of the group, is focused on the ultimate objective: to generate sustained and profitable business.”

RECENT DEVELOPMENTS

The Freyssinet group brings together in a network of more than 80 agencies and subsidiaries on five continents a full range of expertise in two areas, structures and soils. The companies that make up the group (Freyssinet, Terre Armée and Menard Soltraitements) are involved in construction and in improvement of all types of structures – public infrastructure as well as industrial and commercial structures and buildings.

In structures (accounting for 60% of net sales), the repair activity is undergoing strong growth in both civil engineering (structures, tunnels) and building. New construction is borne primarily by the increase on the cable stay market, with a large number of projects worldwide. In prestressing and structure fitting and finishing, the market is regional and varies by country. It is particularly buoyant in the United Kingdom, Australia and the Middle East. In soils, Terre Armée, working in close conjunction with the road infrastructure activity, has increased its business in countries that are rapidly developing, and has maintained its level of activity elsewhere. Menard Soltraitements, on the strength of its advanced soil improvement capabilities, is likewise growing, bolstered by the group's international network.

BANG GO (THAILAND)

MENARD VACUUM, AN EXCLUSIVE SOIL IMPROVEMENT PROCESS

Designed and implemented by Menard Soltraitements, Menard Vacuum, the exclusive atmospheric consolidation process, is exemplary in its simplicity and efficiency. The soil is covered with a waterproof membrane and a network of drains is installed and connected to a pump system. The process compacts terrain by the same principle as is used to vacuum-pack coffee, and conventional fill is replaced with a layer of sand. Combining competitiveness with unrivalled reliability, Menard Vacuum makes it possible not only to considerably reduce →

CHAIRMAN AND CEO BRUNO DUPETY **BUSINESS LINES** SPECIALISED CIVIL ENGINEERING (CONSTRUCTION OF SUPERSTRUCTURES, SOIL REINFORCEMENT AND IMPROVEMENT, REPAIR OF ENGINEERING STRUCTURES) **MAIN BRANDS** FREYSSINET, MENARD SOLTRAITEMENT, TERRE ARMEE

KEY FIGURES IN MILLIONS OF EUROS ● 2000 ● 2001

NET SALES

377

387

OPERATING INCOME

4.2%

4.7%

OPERATING INCOME+ NET FINANCIAL INCOME

3.4%

3.7%

2,788

WORKFORCE

364

CURRENT PROJECTS

With a value of over €0.12m

ORGANISATION

BRUNO DUPETY • chairman and CEO
JEAN-PHILIPPE FUZIER • scientific director
JEAN-MARIE COGNON • scientific director
JÉRÔME STUBLER • director structures division
PIERRE BERGER • director soils division
JOËL PONSODA • director Spain & South America
PIERRE MELLIER • director Europe
MICHEL JARRY • chief financial officer
CLAUDE LASCOLS • human resources director



the time needed for consolidation and the quantities of materials used, but also to avoid the risk of rupture. The process, sold internationally, was used to consolidate the site of the Bang Go power plant being built in Thailand on a water-saturated argillaceous soil.

HUMAN RESOURCES

In 2001, the Freyssinet human resources policy focused on two major objectives: renewing management staff and training. The management staff programme, launched in 1998, is now bearing fruit – the average age of engineering and technical staff has come down considerably in several French regions and European subsidiaries, strengthening the company's potential to take initiatives, especially in emerging technologies and expertise. Meanwhile, great attention was paid to training technical management staff in the business lines being developed. True to its tradition of disseminating know-how throughout the entire Freyssinet international network, engineers and technicians are teaching the new techniques to all group entities. In 2002, a human resources assessment (performance, personal career goals) system will be implemented. Taking inspiration from work done in this area by Sogea Construction, this initiative reflects the synergies that operate within the group.

ACCIDENT PREVENTION

The South-East agency has obtained MASE (Manuel Assurance Sécurité-Environnement) certification for its industrial activities. The certification recognises the company's ability to take action on accident prevention. The MASE certification system was set up in 1996 by 11 contracting authorities working in the chemicals and petrochemicals sector in the Etang de Berre area. It is now a recognised standard, which is attracting a growing number of companies. The goal is to extend the certification to the other agencies in 2002.

INNOVATION

The Freyssinet group initiated a number of innovations that have made their mark in civil engineering: cable stays, suspension cables, regeneration of materials, reinforcement and improvement of soils etc. Its research and development policy, mobilising 1% of its net sales, has two goals: translating inventions and creativity into new projects and new opportunities; and disseminating the techniques throughout the network.

Innovation is present in Freyssinet's design offices and on its worksites as an integral part of its corporate culture. The company received one of the four VINCI 2001 Innovation Award grand prizes for its carbon fibre cables for use in anchoring deep offshore platforms. Among the other projects which were recognised: Régébéton, a process used to regenerate old concrete structures; ScanPrint, a structure maintenance planning software package; and Cohestrand, a product that combines the cable stay and suspension cable techniques – which had already received awards in 2000 from the Fédération Nationale des Travaux Publics and in March 2001 from the Salon des Nouvelles Technologies (Tptech).

SUSTAINABLE DEVELOPMENT / ENVIRONMENT

The ongoing innovation effort being made by Freyssinet in protection, repair and monitoring of structures helps lengthen the service life of these structures and thus makes a major contribution to sustainable development. Among the solutions implemented by the company are the carbon fibre fabric technology to reinforce structures in record time; the new preventive maintenance procedures that “listen” to structures constantly and detect and prevent any damage or anomaly; the FCP (fire cable protection) system designed to protect cable stays from fire; Transpec, a range of hydraulic seismic protection equipment to damp horizontal stresses and to block a structure during an earthquake.

OUTLOOK

Freyssinet moves into 2002 with an overall order backlog of 302 million euros, an increase of 55 million euros over 2001. This includes major contracts: work by Menard Soltraitement in Hamburg to construct a polder reclaimed from the Elbe where one of the Airbus A380 production facilities will be built; Freyssinet's participation, together with VINCI Construction Grands Projets, in the construction of the cable stays on the Rion-Antirion Bridge in Greece; the cable stay system on the Millau viaduct, etc. Other major soil reinforcement activities are under way in the United States, and repair works are being carried out in Turkey and Portugal, etc. More generally, the short-term outlook for the company involves an increase in its repair activity in regions where it is already well established, and the development of Menard Soltraitement across the entire Freyssinet network.



FLAGSHIP PROJECTS

1. Cable-stayed bridge in Romania

Working with its Romanian subsidiary Freyrom, Freyssinet has rotated and launched the bridge crossing the Danube-Black Sea Canal at Cernavoda.

2. Cement works in Egypt

Work involved the construction of four raw materials storage silos. Begun in 1997, the project was completed in 2001.

3. Sart canal bridge in Belgium

The Sart canal bridge, 50 km south of Brussels, is part of the modernisation work being carried out on the Canal du Centre that links the Escaut basin with that of the Meuse.

4. Reinforced earth walls in the Messina Stadium in Sicily

Freyssinet took part in building the new stadium in Messina, Sicily. The structure was inspired by the architecture and construction methods used in antiquity.

Repair of the Mont Blanc Tunnel

The operation, carried out by a consortium, mobilised approximately 50 Freyssinet employees.

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	3
	4



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CONSOLIDATED FINANCIAL STATEMENTS

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PRO FORMA CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2001, IN THOUSANDS OF EUROS**ASSETS**

	2001			2000	
	Gross	Dep'n, amort'n & provisions	Net	Pro forma Net	As published Net
Intangible assets	102,205	56,184	46,021	50,822	3,226
Goodwill	347,764	137,479	210,285	207,015	23,894
Tangible assets	1,677,635	968,233	709,402	645,802	67,140
Financial assets					
Investments in subsidiaries and affiliates	98,551	62,366	36,185	12,533	9,811
Investments accounted for by the equity method	19,307		19,307	17,106	638
Long-term interest-bearing receivables	29,901	1,379	28,522	9,013	9,134
Other financial fixed assets	58,975	10,115	48,860	135,153	107,181
Deferred charges	11,512		11,512	18,228	2,098
TOTAL FIXED ASSETS	2,345,849	1,235,756	1,110,093	1,095,672	223,122
Inventories and work in progress	177,463	7,169	170,294	148,583	16,119
Trade and other operating receivables	3,857,551	216,015	3,641,536	4,086,312	863,824
Short-term financial receivables	773,559	6,714	766,845	768,204	158,754
Marketable securities	293,760	23	293,737	249,729	80,053
Cash	316,837	44	316,793	338,845	40,592
TOTAL CURRENT ASSETS	5,419,170	229,965	5,189,205	5,591,673	1,159,342
TOTAL ASSETS	7,765,019	1,465,721	6,299,298	6,687,345	1,382,464

SHAREHOLDERS' EQUITY AND LIABILITIES

	2001	2000	
		Pro forma Net	As published Net
Share capital	148,806	148,806	80,920
Share premiums	54,333	54,333	2,180
Consolidated reserves	116,895	1,789	5,204
Net income for the period	133,237	109,138	2,772
SHAREHOLDERS' EQUITY	453,271	314,066	91,076
Minority interest	117,018	112,618	5,692
Investment subsidies	22	56	-
Provisions for liabilities and charges	906,205	941,765	228,941
Long- and medium-term debt			
Bonds	1,983	1,776	-
Other borrowings at more than one year	257,381	256,025	4,554
TOTAL CAPITAL, RESERVES AND LONG-TERM DEBT	1,735,880	1,626,306	330,263
Trade and other operating liabilities	4,096,694	4,582,810	990,524
Short-term debt	466,724	478,229	61,677
TOTAL CURRENT LIABILITIES	4,563,418	5,061,039	1,052,201
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	6,299,298	6,687,345	1,382,464

PRO FORMA CONSOLIDATED STATEMENT OF INCOME

FOR THE PERIOD FROM 1 JANUARY 2001 TO 31 DECEMBER 2001, IN THOUSANDS OF EUROS

	2001	2000 Pro forma	2000 As published
OPERATING INCOME			
Net sales	6,893,370	7,135,411	1,633,050
Other revenue (and transfers of operating expenses)	540,897	459,529	108,913
OPERATING INCOME	7,434,267	7,594,940	1,741,964
Operating expense	(7,088,239)	(7,266,873)	(1,690,177)
GROSS OPERATING SURPLUS	346,028	328,067	51,786
Depreciation, amortisation and provisions	(137,662)	(175,369)	(20,451)
OPERATING INCOME	208,366	152,698	31,335
Net income from financing activities	6,690	5,048	15,097
Other financial income and expense	6,334	22,751	(9,134)
Net provision charges	1,627	188	(1,622)
NET FINANCIAL INCOME / (EXPENSE)	14,650	27,987	4,341
OPERATING INCOME PLUS NET FINANCIAL INCOME	223,016	180,685	35,677
Exceptional income / (expense)	2,343	(74,168)	(30,917)
Exceptional depreciation, amortisation and provisions	(38,201)	19,367	4,546
NET EXCEPTIONAL INCOME / (EXPENSE)	(35,858)	(54,801)	(26,371)
Statutory employee profit-sharing	(9,490)	(6,730)	(2,163)
Income tax	(19,524)	3,223	(3,504)
NET INCOME OF CONSOLIDATED COMPANIES BEFORE AMORTISATION OF GOODWILL	158,144	122,377	3,639
Amortisation of goodwill	(18,925)	(7,837)	(2,167)
NET INCOME OF CONSOLIDATED ENTITIES	139,219	114,540	1,472
Share in earnings of companies accounted for by the equity method	2,561	2,890	21
NET CONSOLIDATED INCOME	141,780	117,430	1,493
Minority interest	(8,543)	(8,292)	1,280
NET INCOME	133,237	109,138	2,772
Number of shares	18,600,811	18,600,811	n.a.
EARNINGS PER SHARE (in euros)	7.16	5.87	n.a.

CASH FLOW STATEMENT

IN THOUSANDS OF EUROS

	31/12/2001	31/12/2000 As published
OPERATING ACTIVITIES		
Gross operating surplus	346,748	51,789
Financial and exceptional transactions	2,136	[4,202]
Tax and statutory profit-sharing	[29,015]	[5,667]
OPERATING CASH FLOW [excluding dividends received from equity-accounted entities]	319,869	41,920
Net change in working capital requirement	[936]	[24,742]
TOTAL (1)	318,933	17,178
INVESTING ACTIVITIES		
Capital expenditure	[239,077]	[25,593]
Fixed asset disposals	26,442	13,029
NET CAPITAL EXPENDITURE	[212,635]	[12,564]
Acquisition of financial investments	[151,633]	[21,808]
Disposal of securities	15,183	12,212
NET FINANCIAL INVESTMENTS	[136,450]	[9,596]
Change in other financial fixed assets	92,995	3,718
TOTAL (2)	[256,090]	[18,442]
FINANCING ACTIVITIES		
Dividends paid by the parent company	2,558	[17,019]
Dividends paid to minority interest in subsidiaries	[22,744]	477
Other long-term liabilities	6,623	3,090
TOTAL (3)	[13,563]	[13,452]
TOTAL CASH FLOWS FOR THE PERIOD (1+2+3)	49,280	[14,716]
NET CASH AT THE START OF THE PERIOD	629,761	231,121
Impact of exchange rates, scope of consolidation and other	768	1,316
NET CASH AT THE END OF THE PERIOD	679,809	217,721

NOTES TO THE PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2001

The management and operational control of VINCI's construction activities are carried out by the general management of the VINCI Construction division. However, the operations required for the legal constitution of this division were not fully completed in 2001, as the Sogea UK and Freyssinet sub-groups would only become subsidiaries of VINCI Construction in 2002. In this context, and in order to present financial economic information of the whole VINCI Construction division, it was decided to anticipate the reorganisation operations undertaken in the first quarter of 2002 and present pro forma financial statements at 31 December 2001 including Sogea UK, Freyssinet and their subsidiaries.

1 :: KEY EVENTS

As part of its reorganisation by business line, the VINCI group decided to bring together its building and public works activities under a holding company, VINCI Construction, which in particular owns:

- Sogea Construction, which now includes the activities in France of Sogea and Campenon Bernard, and GTM Construction. These two entities and their respective subsidiaries constitute two competing networks in metropolitan France;
- Sogea-Satom, whose activities are in Africa;
- VINCI Construction Grands Projets, which brings together the original Grands Projets division, Campenon Bernard and Dumez GTM, in France and internationally;

- a group of subsidiaries in French overseas territories and Europe.

VINCI Construction (formerly Campenon Bernard) thus took part in the following operations during the first half of 2001:

- partial contribution of Sogea assets to VINCI Construction;
 - merger-absorption of Dumez GTM by VINCI Construction.
- As VINCI Construction assumed control of the entities acquired under the reorganisation of VINCI's Construction division on 1 January 2001, this date has been used for the first consolidation of these entities.

2 :: ACCOUNTING PRINCIPLES AND VALUATION METHODS

GENERAL PRINCIPLES

The consolidated financial statements of VINCI Construction, 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.

2.1 :: CONSOLIDATION METHODS AND SCOPE OF CONSOLIDATION

The consolidated financial statements include the financial statements of all the companies with net sales greater than €1.5m, as well as those of subsidiaries whose net sales are lower than this figure but whose impact on the Company's financial statements is material.

Companies over which VINCI Construction exercises majority control are fully consolidated. Those in which VINCI Construction 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 Company, and for joint venture companies over which VINCI Construction exercises joint control.

For partnerships that do not present a long-term financing requirement, only the income statement is consolidated, using the proportionate consolidation method.

The pro forma consolidated financial statements of VINCI Construction consolidate the financial statements of Sogea Holding UK and Freyssinet International Stup, to be acquired by VINCI during the first quarter of 2002.

Consolidated companies can be broken down by consolidation method as follows:

	French companies	Foreign companies	Total 31/12/2001
Fully consolidated	212	156	368
Proportionate consolidation (including partnerships)	32	143	175
Equity method	8	10	18
TOTAL	252	309	561

Wiemer und Trachte is accounted for by the equity method.

The main changes during the period outside the VINCI group concern:

Company entering the consolidation scope:

- Energilec in Sogea Construction

Company leaving the consolidation scope:

- Universal Bau (Germany) sold by VINCI Construction Allemagne

2.2 :: ACCOUNTING TREATMENT OF ASSET CONTRIBUTION TRANSACTIONS UNDERTAKEN AS PART OF THE REORGANISATION OF VINCI'S CONSTRUCTION DIVISION

Regulation CRC 99-02 provides that the acquisition cost and the value recognised 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 through asset contribution transactions in connection with the reorganisation of VINCI's Construction division.

It was decided that entities entering the consolidation scope would be recognised in the accounts of VINCI Construction 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 staff on retirement. The differences arising between the fair value of the acquisition cost of the shares, as adopted in the asset contribution agreements to determine the share exchange ratios, and these carrying amounts have been taken to shareholders' equity for €120.9m.

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 VINCI Construction and to ensure consistency with the consolidated financial statements published by VINCI by treating these asset contributions as intra-group transactions.

2.3 :: TRANSLATION OF FOREIGN SUBSIDIARIES' FINANCIAL STATEMENTS

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 expense (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. A provision of an equal amount is taken for translation losses.

2.4 :: 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.

2.5 :: FOREIGN EXCHANGE FINANCIAL INSTRUMENTS

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

Whenever exchange contracts are 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.

VINCI Construction's activities across the world are carried out by foreign subsidiaries that operate principally in their own country. In so far as possible, contracts invoiced in foreign currencies give rise to expenses in the same currency. This relates in particular to projects carried out in foreign countries, for which the proportion of expenses for sub-contracting and supplies in local currency is preponderant compared with that of expenses in euros. In consequence, the Company's exposure to exchange rate risks on commercial transactions is slight.

2.6 :: GOODWILL

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 and is amortised over a period not exceeding 20 years, unless faster amortisation is warranted by particular circumstances.

Goodwill of less than €150,000 is amortised in full during the period.

2.7 :: FIXED ASSETS**TANGIBLE FIXED ASSETS**

- Land, buildings, and equipment are valued at their acquisition cost.
- Depreciation charges are calculated using the straight-line or reducing-balance method over the expected useful life. Depreciation periods are those habitually used in the industry, namely:

Buildings	between 20 and 30 years
Civil engineering equipment	between 3 and 10 years
Vehicles	between 3 and 5 years
Fixtures and furnishings	between 5 and 10 years
Office furniture and equipment	between 3 and 10 years

INTANGIBLE FIXED ASSETS (start-up costs, business goodwill, concessions, patents, software, etc.)

- Intangible fixed assets are valued at acquisition cost.

LEASE-FINANCING TRANSACTIONS

- Fixed assets financed through leasing arrangements are recognised as purchases when the terms of the contract are those of a lease-financing contract. A lease-financing contract is a contract in which the lessor leases the right to use a given asset over a given period to the lessee in exchange for payment, and in which the lessor transfers to the lessee virtually all of the advantages and risks of ownership of the asset. Such fixed assets are included in the assets at their historical cost and depreciated over the same periods as assets owned outright by or made fully available to the Company.
- Rental contracts that do not fit the definition of a lease-financing contract are recognised as operating rental contracts and the payments only are accounted for as expenses.

FINANCIAL FIXED ASSETS

- The gross value of shares in non-consolidated 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 shares is determined on the basis of the proportion of the shareholders' equity of the companies concerned, adjusted if necessary in the case of recently acquired entities to take account of their strategic importance and their growth and earnings prospects.
- Long-term loans are not discounted and are shown in the balance sheet at their nominal value.

2.8 :: PENSION COMMITMENTS

Provisions are made for pension commitments, covering both lump-sum payments on retirement and supplementary pension benefits, for both current and retired employees.

These commitments are assessed using the projected unit cost actuarial method.

Provisions are made for foreign subsidiaries' pension commitments depending on local regulations in force. However, commitments relating to lump-sum payments on retirement to manual workers in the construction industry are met by contributing to an insurance scheme.

2.9 :: RECOGNITION OF PROFITS AND LOSSES

The Company recognises profits and losses on its long-term contracts using the percentage of completion method as defined by Opinion 99-08 of the French Accounting Regulation Committee. With the exception of projects in which the Company's share of revenue is less than €10m, it is assumed that the profit or loss at a given point in time is representative of the profit or loss on a percentage of completion basis. Profits on projects that do not fit the conditions required for application of the percentage of completion method are recognised on completion. In this case, a loss is recognised against the value of work in progress in respect of probable losses corresponding to work completed at the year-end.

Whatever the method employed, if the estimate of the final out-turn of a contract indicates a loss, a provision is made for losses on completion, based on the most probable estimate of income, including, where appropriate, rights to additional revenue or claims.

2.10 :: PROFIT OR LOSS ON DISPOSAL OF SITE PLANT

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

2.11 :: RESEARCH AND DEVELOPMENT

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

2.12 :: 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.

2.13 :: EXECUTIVE REMUNERATION

Fees paid to the directors of VINCI Construction during 2001 amounted to €18,293.88.

3 :: NOTES TO THE BALANCE SHEET

3.1 :: INTANGIBLE FIXED ASSETS (IN THOUSANDS OF EUROS)

Net movements in the period were as follows:

	2001		
	Gross value	Depreciation, amortisation and provisions	Net value
Pro forma amount at the start of the period	100,443	(49,621)	50,822
Increases during the period	2,698	(7,367)	(4,669)
Decreases during the period	(1,327)	1,020	(307)
Translation differences and changes in consolidation scope	391	(216)	175
TOTAL	102,205	(56,184)	46,021

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

3.2 :: GOODWILL (ON ACQUISITION) (IN THOUSANDS OF EUROS)

All goodwill on acquisition with a gross value of more than €150,000 is amortised over 20 years unless particular circumstances warrant faster amortisation.

Movements in the period were as follows:

	2001		
	Gross value	Amortisation	Net value
Goodwill on acquisition at the start of the period, pro forma	322,116	(115,101)	207,015
Goodwill on acquisition recognised during the period	20,544	-	20,544
Amortisation charge for the period	-	(18,925)	(18,925)
Translation differences	5,104	(3,453)	1,651
TOTAL	347,764	(137,479)	210,285

The main item of goodwill on acquisition recognised during the period relates to Sogea Holdings UK for €19,244,000.

Net year-end value of the main goodwill on acquisition items:

Sogea Holdings UK	84,505
VINCI Investment	23,174
DEME	21,695
LMBO	13,242
Rosser & Russell	12,154

3.3 :: TANGIBLE FIXED ASSETS (IN THOUSANDS OF EUROS)

Change in the period

	2001		
	Gross value	Depreciation	Net value
Pro forma amount at the start of the period	1,587,069	(941,267)	645,802
Acquisitions	227,422	-	227,422
Disposals	(147,092)	123,304	(23,788)
Translation differences and changes in consolidation scope	10,236	(3,890)	6,346
Depreciation and provisions	-	(146,380)	(146,380)
TOTAL	1,677,635	(968,233)	709,402

Breakdown by type of asset

	2001		
	Gross value	Depreciation	Net value
Land	42,458	(2,246)	40,212
Buildings	189,948	(72,423)	117,525
Plant and equipment	1,097,673	(733,050)	(364,623)
Fixtures and other	330,684	(159,840)	170,844
Fixed assets under concessions	2,331	(528)	1,803
Fixed assets in progress	14,541	(146)	14,395
TOTAL	1,677,635	(968,233)	709,402

Capital expenditure during the period

	2001
Land	4,840
Buildings	43,599
Plant and equipment	125,838
Fixtures and other	45,766
Fixed assets in progress	7,381
TOTAL	227,422

3.4 :: INVESTMENTS IN SUBSIDIARIES AND AFFILIATES (IN THOUSANDS OF EUROS)

Investments in subsidiaries and affiliates are shown at their value in the individual company accounts. This item includes shares in non-consolidated entities that have no material impact on VINCI Construction's business or earnings.

BREAKDOWN BY DIVISION

	2001
	Net value
VINCI Construction Holding	7,274
GTM Construction	11,053
VINCI Construction Filiales Internationales	5,241
Compagnie d'Entreprises CFE	4,338
Sogea Construction	3,948
Freyssinet International	2,443
VINCI Construction Grands Projets	1,832
VINCI Construction UK - Germany	56
TOTAL	36,185

LIST OF PRINCIPAL COMPANIES NOT CONSOLIDATED

	2001	
	Net value	Value in %
SCI Clichy	4,365	12.06
SI des 20 Arpents	2,744	7.58
Promotion Léopold	1,900	5.25
Munis	1,074	2.97
Advitam	1,028	2.84
Dumez Atlantique	915	2.53
Forgal	896	2.48
SCI Château du Rouvry	887	2.45
SARL du Val de Limayrac	854	2.36
Soverema	854	2.36
SMTPC	828	2.29
Dumez Réunion	762	2.11
Sogea Networks	600	1.66

3.5 :: OTHER FINANCIAL FIXED ASSETS (IN THOUSANDS OF EUROS)

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

	Net value		
	31/12/2000 Pro forma	Change	31/12/2001
Deposits and other financial fixed assets	131,361	(86,399)	44,962
Other fixed asset securities	3,792	106	3,898
TOTAL	135,153	(86,293)	48,860

3.6 :: WORKING CAPITAL REQUIREMENT / (SURPLUS) (IN THOUSANDS OF EUROS)

	2001 Net value
Inventories and work in progress	170,294
Trade accounts receivable	3,857,551
Provisions for operating receivables	(216,015)
Inventories and accounts receivable (I)	3,811,830
Trade and other accounts payable	4,096,694
Accounts payable (II)	4,096,694
Working capital requirement / (contribution) (I-II)	(284,864)

3.7 :: INVENTORIES AND WORK IN PROGRESS (IN THOUSANDS OF EUROS)

This heading can be broken down as follows:

	2001 Net value
Inventories	108,837
Work in progress	61,457
TOTAL	170,294

3.8 :: SHORT-TERM FINANCIAL RECEIVABLES AND OTHER MARKETABLE SECURITIES (IN THOUSANDS OF EUROS)

The net value of short-term financial receivables and other marketable securities can be broken down as follows:

	2001
Marketable securities	293,737
Other short-term financial receivables	766,845
TOTAL	1,060,582

Marketable securities mainly comprises negotiable debt securities, shares in unit trusts or treasury funds (SICAVs). Other financial receivables includes an investment of €705,468,000 with the parent company VINCI, attracting interest at conditions close to those of the market.

3.9 :: MOVEMENTS IN SHAREHOLDERS' EQUITY (IN THOUSANDS OF EUROS)

SHAREHOLDERS' EQUITY	2001				
	Share capital	Premiums and reserves	Translation differences	Retained profit or loss	Total
At 31 December 1999	80,920	13,238	[1,419]	12,990	105,729
Appropriation of net income	-	(4,029)	-	(12,990)	(17,019)
Translation and valuation differences	-	(1,060)	654	-	(406)
Group share of net income for the period	-	-	-	2,772	2,772
At 31 December 2000	80,920	8,149	(765)	2,772	91,076
Share capital increase ⁽¹⁾	67,886	150,726	4,377	-	222,989
Appropriation of net income	-	2,772	-	(2,772)	-
Translation and valuation differences	-	2,288	3,681	-	5,969
Group share of net income for the period	-	-	-	133,237	133,237
At 31 December 2001	148,806	163,935	7,293	133,237	453,271

⁽¹⁾ Resulting from contributions of assets after recognition under shareholders' equity (see Note 2.2).

At 31 December 2001, the share capital of the parent company was represented by 18,600,811 shares of €8 nominal.

3.10 :: MINORITY INTEREST (IN THOUSANDS OF EUROS)

Movements in minority interest during the period were as follows:

	2001
Pro forma opening balance	112,618
Dividends paid	(2,200)
Changes in consolidation scope and miscellaneous	(470)
Translation differences	(1,473)
Minority interest in the profit or loss for the period	8,543
BALANCE AT THE END OF THE PERIOD	117,018

3.11 :: PROVISIONS FOR LIABILITIES AND CHARGES (IN THOUSANDS OF EUROS)

TYPE OF PROVISION	2001				
	Pro forma amount at the start of the period	Changes in consolidation scope and miscellaneous	Charges for the period	Reversals in the period	At end of period
After-sales service	224,997	6,275	105,527	102,300	234,499
Litigation	130,586	25,891	66,996	70,750	152,723
Losses on completion	80,927	14,538	94,622	60,644	129,443
Other provisions	347,843	(84,337)	70,281	125,544	208,244
Operating provisions	784,353	(37,633)	337,426	359,238	724,909
Financial provisions	12,716	98	7,163	10,905	9,072
Exceptional provisions	144,696	8,438	111,890	92,800	172,224
TOTAL	941,765	(29,097)	456,479	462,943	906,205

Provisions for after-sales service cover the commitments of Company entities 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 defects identified.

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

Provisions for litigation and for other operating liabilities mainly concern provisions relating to disputes with customers that generally last more than the length 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.

3.12 :: NET DEBT (IN THOUSANDS OF EUROS)

	2001	2000 pro forma
Total long-term financial receivables	28,522	9,013
Total long- and medium-term debt	(259,364)	(257,801)
Part of long-term debt that is payable within less than one year	(157,228)	(423,348)
Bank overdrafts and other short-term borrowing	(309,496)	(54,881)
GROSS BORROWINGS	(697,566)	(727,017)
Marketable securities	293,737	249,729
Short-term financial receivables	766,845	768,204
Cash and cash equivalents	316,793	338,845
NET FINANCIAL SURPLUS	+ 679,809	+ 629,761

4 :: NOTES TO THE INCOME STATEMENT

4.1 :: NET SALES (IN MILLIONS OF EUROS)

Consolidated net sales exclude miscellaneous income and services, as well as services to non-consolidated entities, which are included under other operating income.

NET SALES FOR THE PERIOD	6,893
Breakdown by division	
Sogea Construction	1,900
GTM Construction	1,491
Compagnie d'Entreprises CFE	850
VINCI Construction Filiales Internationales	896
VINCI Construction Grands Projets	595
VINCI Construction UK - Germany	774
Freyssinet International	387
TOTAL	6,893
Breakdown by geographical area	
France (including overseas territories)	3,881
Europe excluding France	1,928
Africa	416
Asia	320
North and South America	255
Middle East	52
Oceania	41
TOTAL	6,893

4.2 :: OPERATING EXPENSES (IN THOUSANDS OF EUROS)

Operating expenses can be broken down as follows:

	2001
Purchases	(2,041,583)
External services	(3,232,211)
Wages, salaries and social benefit charges	(1,607,187)
Taxes	(83,171)
Other operating expenses	(124,086)
TOTAL	(7,088,239)

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

	2001
NET DEPRECIATION AND AMORTISATION CHARGES	
Intangible fixed assets	(7,241)
Tangible fixed assets	(144,045)
Fixed assets relating to concessions	(142)
Deferred charges	(17,380)
Total depreciation and amortisation	(168,808)
NET PROVISION CHARGES	
Impairment of assets	3,690
Operating liabilities and charges	27,456
Total provisions	31,146
TOTAL DEPRECIATION, AMORTISATION AND PROVISIONS	(137,662)

4.3 :: FINANCIAL INCOME / (EXPENSE) (IN THOUSANDS OF EUROS)

Financial income / (expense) can be broken down as follows:

Net income from financing activities	6,690
Dividends	3,076
Foreign exchange gain / (loss)	(4,147)
Other net financial income	9,032
TOTAL	14,650

4.4 :: EXCEPTIONAL INCOME / (EXPENSE) (IN THOUSANDS OF EUROS)

Exceptional income / (expense) accounts for non-recurrent items such as restructuring costs, costs related to disposals, the impact of disposal of assets (except when this forms part of normal business activities), costs of closing companies or sites, debt-forgiveness and the impact of guarantees given when called in.

Gain on disposals	5,243
Exceptional income and expenses from operating transactions	(2,900)
Net provision charges for impairment or exceptional liabilities	(38,201)
TOTAL	(35,858)

4.5 :: INCOME TAX (IN THOUSANDS OF EUROS)

The net income tax charge can be broken down as follows:

Current tax	(40,821)
Deferred tax	21,297
TOTAL	(19,524)

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

ASSETS	79,216
LIABILITIES	(31,305)
NET	47,911

5 :: SUPPLEMENTARY INFORMATION**5.1 :: OFF BALANCE SHEET COMMITMENTS (IN THOUSANDS OF EUROS)**

The major part of the item “Performance bonds and guarantees” relates to guarantees given in respect of major contracts, covering in particular advances received and end-of-contract performance bonds, and accounts for the size of the commitments.

	Commitments made	Commitments received
Performance bonds and guarantees	2,277,323	411,620
Joint and several guarantee of partnerships	783	-
Other commitments	340,097	14,357
TOTAL COMMITMENTS	2,618,203	425,977

In addition, up to €74,820,000 in collateral was used to guarantee financing obtained by the CFE group.

5.2 :: PROVISIONS FOR RETIREMENT AND PENSION COMMITMENTS

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

	2001	2000
Discount rate	5.5%	5.5%
Inflation rate	1.5% - 2.0%	1.5% - 2.0%
Rate of salary increases	2% - 3%	2% - 3%
Rate of benefit increases	1.5% - 2.0%	1.5% - 2.0%
Period of amortisation of the initial actuarial liability	between 10 and 15 years	between 10 and 15 years

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

	2001
Total commitments (in millions of euros)	274.5
of which, covered by provisions	71.8
of which, covered by pension funds	202.7

5.3 :: NUMBER OF EMPLOYEES

In view of the number of persons employed on fixed-term contracts in this business, it seems appropriate to disclose the average numbers employed during the period.

The weighted average numbers employed were as follows:

	2001
Engineers and management	6,153
Non-management	38,769
TOTAL NUMBER OF EMPLOYEES	44,922

Employment costs for the whole Company amounted to €1,607,187,000.

5.4 :: EFFECTIVE TAX RATE (IN MILLIONS OF EUROS)

Net income before tax and amortisation of goodwill	178.2
Theoretical tax rate	36.42%
Expected tax charge	64.9
Earnings taxed at reduced rate	(10.3)
Creation / (use) of carryforward losses not giving rise to deferred tax	(1.2)
Effect of differences in tax rate (foreign countries)	(24.2)
Other permanent differences	(2.8)
Other	(6.9)
Tax charge recognised	19.5
Effective tax rate	10.94%

5.5 :: OTHER INFORMATION

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

LEGAL

The operation to integrate VINCI and Groupe GTM that led to the merger of the two companies on 19 December 2000 has been examined by the French competition authorities resulting in an opinion on 5 June 2001 by the Conseil de la Concurrence and a decree by the Minister for the Economy, Finance and Industry and the Minister of Capital Works, Transport and Housing dated 22 June 2001. Under this decree, the integration operation was authorised subject to compliance with certain obligations laid down in the decree and relating in particular to the obligation for each entity to state that it is part of the VINCI group.

LITIGATION AND ARBITRATION

With regard to the claim lodged by SNCF against a group of companies that had taken part in the construction of the TGV Nord and Rhône-Alpes lines, a panel of experts was entrusted with an examination of the possible damages suffered by SNCF with respect to certain lots covered by its petition. The Company continues to contest the very principle of such damages, even though in October 1999, the French Court of Cassation reversed the order whereby the Paris Court of Appeal had upheld the decision of the competition authority to impose fines on these companies. The case has been referred back to the Paris Court of Appeal to whom the companies are again appealing and which could issue a ruling in 2002.

In the SSDS case, which opposes a construction consortium (including Campenon Bernard) and the Hong Kong government, a settlement was reached that will have no significant impact on VINCI Construction's financial situation.

Due to the delayed delivery of a hotel building in Lyons because of a fire accidentally caused by a subcontractor, Sogea is involved in a dispute with the principal, HIL, over the penalties for late completion and the assessment of damages. Sogea has appealed against the decision of the Lyons Commercial Court of 10 October 2000 ordering it to pay €9m to HIL, and has sued the subcontractor responsible. In the event of an unfavourable outcome, VINCI Construction does not expect this dispute to have a significant impact on its financial situation.

Lastly, VINCI Construction is being investigated under competition law and certain of its senior managers are subject, on a personal basis, to judicial inquiry procedures that aim to determine whether they may have made inappropriate use of corporate assets for the direct or indirect benefit of political figures or parties. VINCI Construction does not expect these investigations or procedures, in the event of an unfavourable outcome, to affect its financial situation substantially.

6 :: LIST OF PRINCIPAL CONSOLIDATED COMPANIES

	Consolidation method	% holding		Consolidation method	% holding
PARENT COMPAGNY					
VINCI Construction	Full	100.00			
SUBSIDIARIES					
Sogea Construction	Full	100.00			
Bateg SNC	Full	100.00			
Campenon Bernard Construction	Full	100.00			
Campenon Bernard Méditerranée	Full	100.00			
Campenon Bernard Régions	Full	100.00			
Deschiron	Full	100.00			
EMCC	Full	100.00			
SCO Indivis Province	Full	100.00			
Sicra	Full	100.00			
Sobea IDF Environnement	Full	100.00			
Sogea Atlantique	Full	100.00			
Sogea Nord	Full	100.00			
Sogea Nord-Ouest	Full	100.00			
VINCI Environnement	Full	100.00			
GTM Construction	Full	100.00			
GTM Bâtiment	Full	100.00			
GTM Terrassement	Full	100.00			
GTM Matériel	Full	100.00			
GTM Génie Civil et Services	Full	100.00			
Chantiers Modernes	Full	100.00			
Dumez EPS	Full	100.00			
Dumez IDF	Full	100.00			
Dumez Méditerranée	Full	100.00			
Entreprise Bœuf et Legrand	Full	100.00			
Lainé	Full	100.00			
Les Travaux du Midi	Full	100.00			
Petit	Full	100.00			
Compagnie d'Entreprises CFE (Belgium)	Full	43.75			
Bageci	Full	43.75			
DEME (Dredging Environmental and Marine Engineering)	Proportionate	20.89			
MBG	Full	43.75			
Van Wellen	Proportionate	21.87			
VINCI Construction Germany	Full	100.00			
Brüggemann (Germany)	Full	96.94			
SKESSI (USA)	Full	100.00			
SKE Maintenance (Germany)	Proportionate	70.00			
			VINCI Construction Grands Projets	Full	100.00
			Constructora Dumez-GTM Tribasa (Chile)	Full	84.60
			Hong Kong Metro	Proportionate	75.00
			Janin Atlas (Canada)	Full	100.00
			CTRL (Channel Tunnel Rail Link)	Proportionate	37.50
			Rion-Antirion Bridge (Greece)	Proportionate	53.00
			Socaso	Proportionate	66.67
			Socatop	Proportionate	41.75
			VINCI Construction Filiales Internationales	Full	100.00
			Dumez Calédonie	Full	100.00
			GTM Guadeloupe	Full	100.00
			Hidepito (Hungary)	Full	97.08
			Sogea-Satom	Full	100.00
			Sogea Gabon	Full	90.00
			Sogea Martinique	Full	100.00
			Sogea Réunion	Full	100.00
			Stavby Mostu Praha (Czech Republic)	Full	73.66
			SBTPC (Réunion)	Full	100.00
			Warbud (Poland)	Full	72.93
			Freyssinet	Full	100.00
			Freyssinet France Nord	Full	100.00
			Freyssinet Hong Kong	Full	100.00
			Freyssinet International & Cie	Full	100.00
			Freyssinet Korea (Korea)	Full	90.00
			Immer Property (Australia)	Full	74.00
			Menard Soltraitement	Full	100.00
			The Reinforced Earth Cy (USA)	Full	100.00
			Sogea Holdings Ltd (UK)	Full	100.00
			Norwest Holst Construction	Full	100.00
			Rosser and Russel	Full	100.00
			VINCI Investment	Full	100.00
			VINCI Construction Holding		
			BPC - Bâtiments et Ponts Construction (Belgium)	Full	100.00
			Doris Engineering	Equity	46.95
			Dumez Construction	Full	100.00
			Wierner und Trachte (Germany)	Equity	50.00

REPORT OF THE STATUTORY AUDITORS

PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS (PERIOD ENDED 31 DECEMBER 2001)

To the Chairman of the Board of Directors

You have asked us to examine the attached pro forma consolidated financial statements in euros for the period from 1 January to 31 December 2001, prepared with the purpose of presenting financial economic information for the whole of VINCI's Construction division, anticipating the merger and acquisition operations completed in the first quarter of 2002 and presenting pro forma consolidated financial statements at 31 December 2001 that include Sogea UK and Freyssinet and their subsidiaries.

The pro forma consolidated financial statements were prepared under your responsibility on 12 March 2002 from individual company or consolidated financial statements for the 2001 accounting year of companies in the pro forma consolidation scope that have been audited, either by ourselves or by the statutory auditors of the companies concerned, in accordance with the professional standards applicable in France for French companies and in accordance with the professional standards applicable in the countries concerned for foreign companies. These standards require that we plan and perform the audit to obtain reasonable assurance that these financial statements are free of material misstatement. Following this audit we, and the other statutory auditors of the companies concerned, have no reservation concerning the individual company or consolidated financial statements of the most material companies in the pro forma consolidation scope.

We have performed our examination of the pro forma consolidated financial statements in accordance with the professional standards applicable in France. These standards require us to assess the procedures for selecting the accounting policies and for preparing the pro forma consolidated financial statements, and require us to plan and perform our procedures in order to assess whether the policies adopted are consistent, to verify their translation into numerical terms and to satisfy ourselves of the conformity of the accounting methods used with those applied in preparing the latest individual company or consolidated financial statements.

The purpose of the pro forma consolidated financial statements is to translate the effect on historical financial data of a given transaction or event prior to the date at which it actually occurred or could have been reasonably expected to occur. However, they do not necessarily represent the financial situation or performance that would have been recorded if the transaction or the event had occurred at a date prior to its actual or envisaged occurrence.

In our opinion, the policies adopted constitute a reasonable basis for presenting the financial economic information for the whole of VINCI's Construction division anticipating the merger and acquisition operations completed in the first quarter of 2002 and presenting pro forma consolidated financial statements at 31 December 2001 that include Sogea UK and Freyssinet and their subsidiaries, their translation into numerical terms is appropriate and the accounting methods used are in conformity with those applied for the preparation of the individual company or consolidated financial statements. Without bringing into question the opinion expressed above, we draw your attention to Note 2.2 of the Notes to the Consolidated Financial Statements in which the accounting treatment of the contributions of assets in the context of the reorganisation of VINCI's Construction division is described.

Neuilly-sur-Seine and Paris, 13 March 2002
The Statutory Auditors

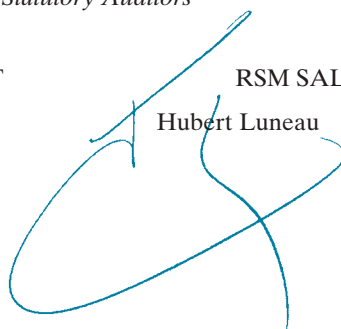
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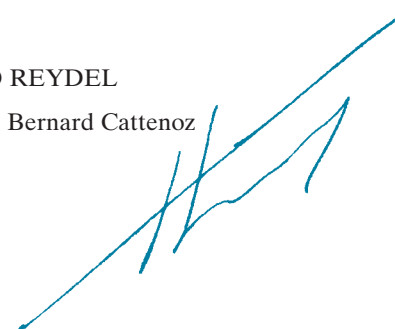


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