



# VINCI CONSTRUCTION

**2002 annual report**

**VINCI Construction** is, together with VINCI Concessions, VINCI Energies and VINCI Roads, one of the four divisions of VINCI, world leader in concessions, construction and related services.

# VINCI CONSTRUCTION

## 2002 annual report

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## MANAGEMENT TEAM



PHILIPPE  
RATYNSKI

Chairman  
and CEO of  
VINCI Construction  
Chairman of  
VINCI Construction  
Filiales Internationales

JEAN ROSSI

Chairman  
and CEO of  
Sogea Construction

ROBERT  
HOSSELET

Chairman  
and CEO of  
GTM Construction

JOHN STANION

Chairman  
and CEO of  
VINCI Construction  
UK - Germany - US

HENRI STOUFF

Chairman  
and CEO of  
VINCI Construction  
Grands Projets

BRUNO DUPETY

Chairman and  
CEO of Freyssinet



RENAUD  
BENTEGEAT

Vice-President of  
VINCI Construction

JEAN-MARC  
FONTEYNE

Human Resources  
Director of  
VINCI Construction

FRANÇOIS  
RAVÉRY

Chief Administrative  
and Financial Officer  
of VINCI Construction

# MOMENTUM moving forward

Our main economic indicators are outstanding in 2002, well up from 2001, itself an excellent year: net sales, on an actual basis, increased by 6%; order intake rose even more, bringing the order backlog to 7.3 billion euros, the equivalent of one year of net sales; net income was up (150 million euros); cash net of debt was also up (994 million euros); and finally we maintained very good return on equity (43%).

These figures illustrate the virtuous circle in which our company is moving forward and which has made VINCI Construction the world benchmark in our sector. Our teams were able, in responding to the needs of their customers, to combine technical prowess with painstaking attention to safety, quality and the environment.

The momentum is the result of our steady strategy focussed on ongoing development of our expertise and knowledge, constant adjustment to our customers' changing expectations, risk control and the quest for added value. It also, and above all, reflects our management model based on trust in people and their ability to innovate and to constantly improve their performance within an organisational structure which empowers those working on the ground and networks energies and skills.

We need this momentum because there is scope for further improvement in almost every area and many challenges lie ahead.

Backed by the entrepreneurial culture which constitutes the hallmark of our group and is the driving force of its development, the 45,000 people who make up VINCI Construction are committed heart and soul to their vocation as builders.

Philippe Ratynski  
Chairman and CEO

# PROFILE

## KEY FIGURES



*Note: The key figures given above are contributions to VINCI consolidated net income. They include VINCI Germany's subsidiary Bautech but do not include, in particular, goodwill amortisation related to reclassification of securities within the VINCI Group.*

**As the world leader** in building and civil engineering, VINCI Construction brings together a unique range of competencies in building, civil engineering, hydraulic engineering and maintenance. The variety and quality of the expertise applied by an exceptionally close-knit network, especially in France and in Europe, enable the group to achieve optimum coverage of its markets.

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 wholly-owned divisions:

- two independent multi-product networks in France with a large number of locations which have strong roots on their local markets and work in close contact with their customers (Sogea Construction and GTM Construction);
- two international networks covering the full range of construction business lines in their respective areas: one in Central Europe, the French overseas departments and territories and Africa (VINCI Construction Filiales Internationales); the other in the United Kingdom, Germany and the United States;
- a division dedicated to major projects in France and on the world market (VINCI Construction Grands Projets);
- the world leader in specialised civil engineering (Freyssinet).

The group also holds a 45% interest in CFE, a leading company in Belgium which is listed on Euronext and itself owns a 48% stake in DEME (Dredging, Environmental and Marine Engineering), one of the majors on the world dredging market.

## LOCATIONS

SOGEA CONSTRUCTION	<b>France</b>
GTM CONSTRUCTION	<b>France</b>
VINCI CONSTRUCTION FILIALES INTERNATIONALES	<b>Europe, North and South America, Africa, Oceania</b>
VINCI CONSTRUCTION UK - GERMANY - US	<b>Europe, North and South America</b>
VINCI CONSTRUCTION GRANDS PROJETS	<b>Europe, North and South America, Africa, Asia</b>
FREYSSINET	<b>Europe, North and South America, Africa, Oceania, Asia</b>
COMPAGNIE D'ENTREPRISES CFE	<b>Europe</b>

VINCI CONSTRUCTION DIVISIONS AND MAIN SUBSIDIARIES

SOGEA CONSTRUCTION	GTM CONSTRUCTION	VINCI CONSTRUCTION FILIALES INTERNATIONALES	VINCI CONSTRUCTION UK - GERMANY - US	VINCI CONSTRUCTION GRANDS PROJETS	FREYSSINET	COMPAGNIE D'ENTREPRISES CFE
Sogea Campenon Bernard Construction Campenon Bernard TP Barriquand Bateg Botte Sade Fondations Caroni Construction Chanzy-Pardoux Deschiron Dodin EMCC Lamy Manei Sicra Sobea Environnement Sogea TPI Urban VINCI Environnement	GTM Chantiers Modernes Dumez Coca Petit Socra Pitance Fargeot Travaux du Midi TMSO CMA TPC Delair-Navarra	Sogea-Satom Warbud FCC SMP Hidepitö SBTPC Sogea Réunion Sogea Mayotte Sogea Martinique SIMP Dodin Guadeloupe GTM Guadeloupe Cogit Sogea Guyane Dumez-GTM Calédonie BPC BPI	Norwest Holst Construction Norwest Holst Soil Engineering Simplex John Jones Excavation Crispin & Borst VINCI Services Conren Brüggemann SKE Ehrenfels BOS G+H Innenausbau G+H Schiffsausbau G+H Fassadentechnik G+H Kühlager- und Industriebau Schuh Bodentechnik SKE Support Services Inc	Socaso Salvarem Hydroplus Janin Atlas Inc.	Freyssinet Terre Armée Menard Soltraitement	MGB CFE Brabant Bageci CFE Services CLE CFE Nederland CFE Polska CFE Hungary DEME OVMB Vanderhoydoncks Engema Nizet Entreprise



# A SPECIAL APPROACH to being a Builder

VINCI Construction companies all share the same approach to the building industry. Management, human resources, accident prevention, innovation, the environment – in all these areas, there is a common culture giving priority to people rather than structures and combining professionalism, service and economic and technical performance within a context of sustainable development.

## HUMAN RESOURCES

**Expanding skills, sharing experience.** Enabling each employee to broaden his or her skills and contribute to the company's overall expertise and offering newly hired young people an opportunity to move up and fully deploy their talents while preparing the future of the company and fostering mobility among the Group's entities – these are the ideas that underpin human resources policy at VINCI Construction and they were much in evidence in 2002 as the integrated Sogeform (Sogea Construction) training centre ramped up, the new GTM Construction technology centre opened in Marolles, the orientation programs for new recruits were expanded and the three first group twinning charters were signed between French and international entities.



The orientation programs enable young recruits to rapidly take on operational responsibilities.

An efficient accident prevention policy requires a common commitment: the "Safety First" program mobilises all employees under a charter comprising five rules and twenty commitments.



## ACCIDENT PREVENTION

**Method and commitment at all levels of the company.** More than any other

issue, safety in the workplace requires absolute methodological rigor. A number of years ago, VINCI Construction companies initiated a triple quality - environment - safety certification program, working with trade associations to optimise safety standards. There is also a common commitment to an effective accident prevention program; launched in 2002 and now being deployed among the group's entities, the "Safety First" program entails strong VINCI Construction management involvement and mobilises all employees on the basis of a charter comprising five rules and twenty commitments, together with methodological tools and awareness-raising materials which are widely circulated on worksites.

## MANAGEMENT

### **Decentralised organisational structure and a strong entrepreneurial culture.**

VINCI Construction is a fleet of agile companies organised as autonomous, accountable profit centres whose operations focus on the worksite – and thereby on the customer. This strong locally-rooted culture is tied together in a people-and-company network which leverages the capability and commitment potential of each individual entity. VINCI Construction's management is also grounded in a strong entrepreneurial culture based on the values of responsibility, professionalism, fairness, transparency, solidarity and generosity.

The group's organisational structure and values derive from the legacy of the great builders and they lend VINCI Construction outstanding cohesiveness, vitality and responsiveness, so that customer satisfaction, employee development and company performance go together in a single whole.

## INNOVATION

**Technological edge.** Innovation is a tradition at VINCI Construction and its major milestones mark out the history of the sector. The group's expertise has become a benchmark in tunnel construction (in 2002 VINCI Construction Grands Projets developed a new fire-resistant cladding), in Freyssinet's technological edge in concrete regeneration, cable stays (new generation of carbon fibre composite cables) and soil reinforcement (ballasted columns under air pressure on land and off-shore) and in GTM Construction's development of state-of-the-art self-placing concretes and satellite guidance of worksite machinery.



Membrane containments hold back asbestos dust during implosion demolition of buildings.



## ENVIRONMENT

### **Clean worksites and innovative solutions.**

The dual objective of environmental protection and economic optimisation prompted the many "clean worksite" programs introduced very early on by the group – experimenting with new selective sorting processes; utilising mobile units providing complete used oil treatment on earthmoving machinery; developing dismantling solutions which recover demolition products, etc. VINCI Construction's environmental work was recognised with a number of awards in 2002: the "Earth Summit and Building" trophy awarded by FFB Île-de-France to GTM Construction; the Legamtiante Prize awarded to Hydroplus in Italy for its fusegate process; and the 2002 label for pilot worksites respecting the environment and the public, awarded for the seventh year in a row to TPI (Sogea Construction) by the Paris RATP public transport authority.

Developed by Freyssinet, the Régébéton process received the 2002 Siemens Innovation competition award.

# SOGEA CONSTRUCTION

Sogea Construction with its four complementary business lines – building, civil engineering, hydraulic engineering and services – operates throughout France, staying close to its customers through a densely-meshed network of more than 200 autonomous profit centres all having the same entrepreneurial culture and strong service focus. Combining a local and a global approach through team and capability synergies, Sogea Construction covers its customers' needs with a comprehensive full-service offering ranging from project structuring to maintenance.

## BUSINESS ACTIVITY

Sogea Construction's outstanding vitality in 2002 was demonstrated in its record net sales and income on a French market that declined slightly. The economic momentum was supported by very large investments in training, renewal of teams and development of new activities, especially in the areas of environmental engineering, project structuring and maintenance.

**In building,** the company's large production capacity and the quality of its construction methods supported major office space operations such as the structural rehabilitation of the CB 16 Tower in La Défense and the construction of a new complex for HRO France in Saint-Ouen and the Euralliance Building in Lille. Other outstanding references are the Grande Halle d'Auvergne, the new head office of the Communauté Urbaine de Nantes and the Cité de la Musique in Strasbourg.

**In civil engineering,** Sogea Construction's vast range of competencies and the strong synergies between its specialised subsidiaries and local entities enabled it to take advantage of the launch of a number of major projects, carrying out several

transport infrastructure operations – the 740 metre road tunnel in Nice, the 990 metre viaduct on the A89, the pneumatic-tyred tram line in Clermont-Ferrand, the renovation of the public transport interchange centre (SNCF, RER, metro, bus) in Paris-La Défense, earthmoving work on the A87 motorway, etc. Standard civil engineering work continued to expand, building on a particularly close-knit network of locally-rooted companies. ➤

11,000

WORKFORCE

3,500

PROJECTS UNDER WAY





#### SEA DISCHARGE PIPELINE, MONTPELLIER

Sogea Construction is carrying out civil engineering works for Greater Montpellier's la Cereirède water purification station, and building an 11 km long pipeline to discharge water into the sea and a 4 km long lagoon segment. Total contract value: €73,7 m.

#### BUSINESS LINES

**Building:** real estate project structuring, construction and renovation of residential, office, functional and industrial buildings.

**Civil engineering:** engineering structures, earthmoving, environmental engineering, underground works, maritime and river works, special foundations.

**Hydraulic engineering:** pipelines, networks, water purification plants, drinking water and desalination plants, pumping and pressure-boosting stations, drilling and boring of pipelines by microtunnelling machine, rehabilitation techniques, vacuum processes.

**Services:** project structuring, multi-technical maintenance, environmental services.

#### MANAGEMENT TEAM

**Jean Rossi**, chairman and CEO

**Pierre-Michel Chaudru**, vice president, building and maintenance Île-de-France

**Jacques Mimran**, vice president, civil engineering France

**Richard Francioli**, regional director

**Jean-Marc Médico**, special works and civil engineering director Île-de-France

**Yves Périllat**, regional director

**Pierre Billon**, secretary general and CFO

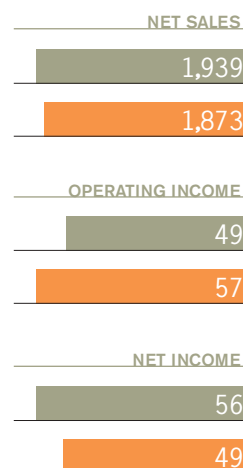
**Hervé Meller**, human resources director

#### MAIN BRANDS AND COMPANIES

Barriquand, Bateg, Bonino, Botte Sade Fondations, Bourdarios, Campenon Bernard Construction, Campenon Bernard TP, Camozzi Bâtiment, Caroni Construction, Chanzy-Pardoux, Charles Queyras TP, Croizet-Pourty, Cofex, C3B, Deschiron, Dodin, EMCC, Enbatra, Extract, Garonne Networks, Gauthier, Giletto, Halle, Heulin, Lamy, Manei (Energilec, Mentor), Merle, Pateu Robert, Parengé, Robat, Sicra, Sobeia Environnement, Sogeforh, Sotram, SCB, SRC, Sogea TPI, Urban, Verazzi, VINCI Environnement.

#### KEY FIGURES

in millions of euros  
■ 2001 ■ 2002



➤ **In hydraulic engineering**, Sogea Construction has a track record going back a century and its complex water treatment process capabilities and the strong local roots of its pipeline and networks agencies give it outstanding market coverage. This is reflected in some fifteen new orders in 2002 for purification plants, including those in Dax, Gournay-en-Bray and Cul-du-Loup, in the rainwater treatment plant in Grigny and in the cleaning sands treatment unit in la Briche. The company also built the Solferino-Molière collector in Rueil-Malmaison.

**In services**, Sogea Construction operates in synergy with its building activities and can devise innovative project structuring solutions, as evidenced in a large number of operations, projects and studies involving office space (Marseille, Toulouse), housing (Lyon, Clichy-la-Garenne, Nice, Béziers), a shopping centre (Rennes) and retirement homes (Beaune, Mulhouse). Downstream of the construction process, the company's strong service focus has boosted its maintenance activity under the umbrella Manei brand. The fibre optic network management activity held up well and the expanding water and sewer related environmental services activity provide further confirmation of the company's vitality in this sector.

## OUTLOOK

Sogea Construction moves into 2003 with an order backlog considerably up from the same period last year (1.6 billion euros as compared to 1.4 billion). Activity is expected to increase in the area of engineering structures, major earthmoving projects and services. Despite a less buoyant economy and the expected contraction of the large office building market in Paris, Sogea Construction should maintain its excellent performance of 2002, continuing to make progress in productivity, human resources and customer relations.



3



1



4

### EXTERNAL GROWTH

## NEW ACQUISITIONS

In 2002, several acquisitions bolstered Sogea Construction's business line coverage in the French Regions: Mentor Bretagne-Loire, specialising in small building works and maintenance; Barriquand, a pipeline company based in Compiègne; Charles Queyras TP, with operations in civil engineering, pipelines and public works in the Hautes-Alpes region; and Camozzi Bâtiment, in the Gers region.



#### ACCIDENT PREVENTION

### SAFETY FIRST

In partnership with VINCI Construction Grands Projets, Sogea Construction launched a major accident prevention campaign in 2002 called "Safety First". As part of an overall approach to accident prevention with strong management involvement, a charter comprising five rules and twenty commitments was drafted. The program includes the development of methodological tools and dedicated information materials that will be deployed at all sites and worksites in 2003. They include a tool that combines nine hours of film with information on risk-prone situations by type of work, tool, product, etc.

#### HUMAN RESOURCES

### A RECRUITMENT AND TRAINING PROGRAM

In 2002, Sogea Construction recruited 1,200 new employees including 200 engineers and 100 young workers hired as part of the Passport to Employment program. The team renewal endeavour is focused on long-term development and supported by a major training effort representing 3.5% of payroll. 1,400 people, i.e. 15% of the workforce, took part in 172 training courses on offer at the Sogeform in-house training centre, receiving 36,000 hours of training (as compared to 5,000 in 1999). In an effort to offer young recruits real career opportunities, Sogea Construction also

continued its Coaching Team operation: every year, some forty young graduates are enrolled in an integration program with individual mentoring by a manager from the company, practical experience on a worksite and technical training at the Sogeform centre.

#### 1 REHABILITATION, MARSEILLE

Rehabilitation of the rue de la République, one of the many Campenon Bernard Mediterranean projects in Marseille alongside the Euro-Méditerranée project, an office complex operation for EDF and the construction of the department archives.

#### 2 ÎLE-DE-FRANCE PURIFICATION STATION

In Valenton, Sogea Construction is working with GTM Construction to build a unit to treat the sludge produced by the water treatment system, the first industrial-scale application of sludge conversion to produce granulates for use in agriculture.

#### 3 TOULOUSE METRO

Sogea Construction began works package 2 on Line B of the Toulouse metro which includes construction of a 4,730 m drilled tunnel and seven cut-and-cover structures. Contract value: €114.2m.

#### 4 BRIDGE OVER THE LOT, CAHORS

Benefiting from the resumption of public works projects in France, Sogea Construction has carried out a large number of transport infrastructure projects – as in this bridge built by Dodin Sud for the Cahors bypass of the A20 motorway.

#### 5 ADRIA TOWER, LA DEFENSE

After handing over the Hines-PB6 Tower to EDF, Sogea Construction continued its activities at La Défense with the construction of the Adria Tower and the restructuring of the CB16 Tower.

#### AND ALSO

#### GRANDE HALLE D'Auvergne

Awarded to Sogea Auvergne as general contractor, this large project includes a 200 m long hall, an architecturally-designed central square, a 600-seat conference centre, reception rooms and several technical buildings. The complex will be built in sixteen months and cost €66.7m.

#### WATER BRANCH CONNECTIONS, ÎLE-DE-FRANCE

On the strength of its more than 100 years' of experience in building water supply infrastructure, Sogea Environment was awarded the contract to replace four thousand lead pipe branch connections in three years in sixteen municipalities south-west of Paris.

# GTM CONSTRUCTION

Building on more than one hundred years of experience and on a strong professional, financial, human and ethical base, GTM Construction operates in its three business lines – building, civil engineering, earthmoving – throughout mainland France, working through a network of seventy-five subsidiaries organised in strong regions and led by autonomous and accountable teams. Its goal is to provide long-term customer satisfaction for the benefit of the company and the people who sustain it.

STRUCTURE SHELL,  
ROISSY

GTM worked on this 700 m long building, installing the roof with a structural vault made of 435 prefabricated reinforced concrete elements.

## BUSINESS ACTIVITY

In 2002, overall business activity at GTM Construction remained essentially unchanged from 2001; it was especially buoyant in building (+8%) but it declined in civil engineering (–4%) and more particularly in earthmoving (–15%) on a market in sharp decline for the second consecutive year. Activity varied from one region to another: in the South-East and South-West it grew by approximately 10%; building showed a strong increase (10%) in the Île-de-France region on a strong market where the company was able to leverage its technical and commercial track record, especially in the office space segment; but business activity was down on the more sluggish West and Rhône-Alpes regions, mainly in civil engineering.

As a result of its selective order-taking policy reflecting the sustainable profitability approach taken by VINCI Construction, GTM Construction continued to improve its financial performance.

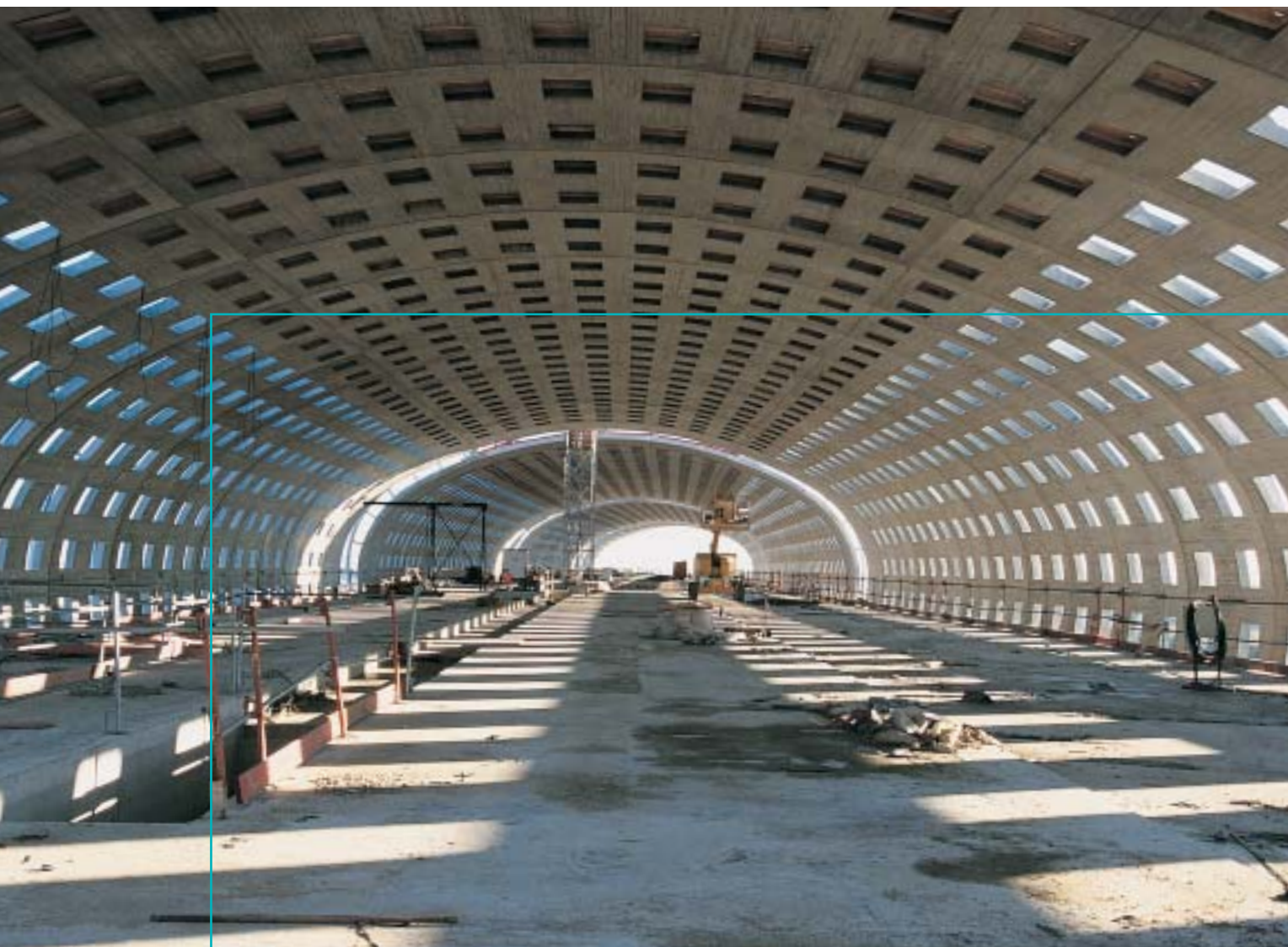
**In building,** a number of major operations confirmed the company's strong presence on the various market segments: office buildings, examples being one of the largest buildings in the Rive Gauche ZAC development zone (Avant-Seine) for Capital et

Continental and the renovation of the regional head office of the France 3 television channel in Lille; quality renovation, such as the rehabilitation of the Hôtel Coislin on the Place de la Concorde in Paris; hotels, with the five-star Terres Blanches Golf Hotel in the Var region; functional buildings, with the construction of the post office sorting centre in the Bas-Rhin region; the service sector, with the Nouvelles Galeries project in the city centre in Bordeaux and the Palais de la Liberté cinema multiplex and shopping centre in Toulon. ➤



WORKFORCE

9,648



PROJECTS UNDER WAY

3,500

## BUSINESS LINES

**Building:** general contracting and structural projects of all kinds, public and private sector project structuring, restoration and historic landmarks.

**Civil engineering:** large public works structures, underground works, construction and rehabilitation of engineering structures, civil engineering, water purification and sewer systems.

**Earthmoving:** major projects and standard works.

**Specialities:** demolition, environmental works, wood, maintenance and services.

## MAIN BRANDS AND COMPANIES

GTM, Chantiers Modernes, Dumez, EBL, Coca, Lainé-Delau, Petit, Degaine, Socra, Pitance, Lantermoz, Bourgeois, Comte, SNEC, EBM/Canaly, Fargeot, Travaux du Midi, Verdino, Girard, Mastran, LCRI, Sud-Travaux, SGAD, Seram, Faure-Silva, TMSO, Jugla, SNATP, SAT, CMA, TPC, Hervé, EGCO, Delair-Navarra, CMS, Sotraga, Mancuso.

## MANAGEMENT TEAM

**Robert Hosselet**, chairman and CEO

Regional and operating divisions:

**Alain Bonnot**, DGA (South),

**Alain Denat**, DGA (South-West),

**Denis Elbel** (North and East),

**Denis Gauthier**, DGM (Île-de-France, Centre)

**Philippe Goulley** (West),

**François Guillon** (Rhône-Alpes),

**Xavier Neuschwander**, DGM (Earthmoving).

**Jean-Pierre Bonnet**, secretary general

**Erik Leleu**, human resources and communications department

## KEY FIGURES

in millions of euros

■ 2001 ■ 2002

NET SALES	
2001	1,491
2002	1,512
OPERATING INCOME	
2001	10
2002	20
NET INCOME	
2001	18
2002	17

➤ **In civil engineering**, GTM Construction successfully completed major extension work on the port of La Condamine in Monaco and continued the technically complex renovation of the Aquitaine bridge, performing the bridge loading on its new suspensions. In underground works, the Toulouse metro project continued very satisfactorily. In sewer system engineering, GTM Construction is building the Clermont-Ferrand purification plant and a state-of-the-art drinking water plant in Angers. Finally, the company was involved in two outstanding civil engineering projects: the shells of the structure of the new 2E Terminal at Roissy-Charles-de-Gaulle Airport and the Airbus A380 assembly halls in Toulouse.

**In earthmoving**, this year saw the effective start of work on the Port 2000 breakwater in Le Havre and the official kick-off of work on the European TGV East high-speed rail line.

## OUTLOOK

As a result of strong sales activity toward the end of the year, GTM Construction's order backlog set an all-time record at end 2002: nearly eleven months of activity. Major building operations were undertaken in office buildings in the Île-de-France region and outside the Paris area, especially in hospitals. But it was above all in the field of public works and earthmoving that the order backlog was especially strong, with the major Achères and Valenton contracts (sewer systems in the Île-de-France), the A89 motorway (earthmoving and structures between Cublac and Brive) and the East high speed train line (earthmoving and engineering structures in works packages 34B in particular). These operations complement ongoing activity within the network of local subsidiaries, so that the group moves into 2003 with equanimity.



### HUMAN RESOURCES

## INTEGRATION PROGRAM

The GTM Manager training program, in three sessions over seven years (orientation, discovery, guidance) supports new recruits throughout their integration within the company and enables them to optimise knowledge acquisition in synergy with their responsibilities. GTM Manager trains some 200 interns per year.



#### INNOVATION

### EXPERTISE AND SUSTAINABLE DEVELOPMENT

- As a specialist in demolition, GTM Construction subsidiary Delair-Navarra has developed a process to confine asbestos dust when a building is imploded by wrapping it in a geotextile membrane and injecting fire-retardant foam into the envelope. This technique won the company first prize in the Siemens Innovation Awards (health and environment category) as well as first prize in the Aquitaine Region Innovation Awards.
- Launched in 2002 and co-ordinated by GTM Construction, the Picada European research program aims to develop a self-cleaning and pollution removal process for building

facades that can be employed at acceptable cost. The project is based on the photocatalytic properties of titanium dioxide which "traps" pollutants by converting them to nitrates and loosens the dirt sticking to surface of facades which is then washed off by rain or hosing.

- On the Le Havre port extension project, the GPS shovel guidance system developed by GTM Terrassement boosts productivity while improving safety for the crews performing the work off-shore.

2

#### 3 BREAKWATERS IN PORT 2000, LE HAVRE

Among the largest civil engineering projects currently under way in France, this 250 million project, for which GTM Construction is lead, included the construction of more than 3 km of breakwaters and dredging of more than 7 million cubic metres of materials in 2002. Work will continue beyond 2003.

#### 4 AVANT-SEINE BUILDING, PARIS

With very early involvement of GTM Building and Petit, this 42,000 m<sup>2</sup> office building with open areas of up to 18 m spans without intermediate posts, will be handed over on schedule in the summer of 2003. The value of the project is €84m.

#### 5 CLERMONT - COMMUNAUTE PURIFICATION PLANT

GTM and its subsidiaries Dumez Lagorssé and SNEC are working in synergy on this project which involves 100,000 m<sup>3</sup> of earthmoving, 15,000 m<sup>3</sup> of concrete, 1,400 tons of steel and 100,000 hours of work.

#### 1 AIRBUS A380 HALL, TOULOUSE

GTM and TMSO, responsible for civil engineering on the 108,000 m<sup>2</sup> building, built a 253 m long, 37 m high firewall in four months, using 27,000 m<sup>3</sup> of concrete and 1,700 tons of reinforcement.

#### 2 HOTZHEIM POSTAL SORTING CENTRE

Dumez Anstett handed over the building, comprising a 9,560 m<sup>2</sup> sorting hall and 1,860 m<sup>2</sup> of office space. The entire frame was made of bonded laminate by Fargeot, another GTM Construction subsidiary: a technical and aesthetic solution that proved a great success.

#### AND ALSO

#### TERRES BLANCHES GOLF HOTEL

Lying between two eighteen-hole golf courses in Fayence in the Var region, this five-star residence hotel operated by the Four Seasons Group comprises a 10,000 m<sup>2</sup> main building, 45 bungalows housing the hotel's 113 suites and a 2,300 m<sup>2</sup> clubhouse.

#### SHOPPING CENTRE, BORDEAUX

A real estate structuring operation to which GTM Construction is a party, this project consisted in demolishing the existing site and building an 18,500 m<sup>2</sup> shopping mall complex – an operation involving 60,000 hours of work in the centre of Bordeaux carried out by the company from start to finish.

#### ANGERS PURIFICATION PLANT

GTM Construction subsidiaries Pichenot and EGCO are modernising the Angers drinking water plant. The goal is to improve water quality by applying an ultrafiltration process and increase storage capacity (from 1,500 to 22,000 m<sup>3</sup>). These major changes are being made without interrupting production or the city's drinking water supply of some 150,000 m<sup>3</sup> per day.

# VINCI CONSTRUCTION FILIALES INTERNATIONALES

With balanced deployment on three markets – Central Europe, the French overseas departments and territories, Africa – VINCI Construction Filiales Internationales covers the full range of building and civil engineering business lines, with strong local roots, a close-knit network of competencies and a strong management culture ensuring cohesion.

## BUSINESS ACTIVITY

Net sales at VINCI Construction Filiales Internationales remained at the high 2001 level in 2002, thanks in particular to the performance of Sogea-Satom in Africa which made the most of its strong historic roots on this market. Despite the stagnation of the Central European market and market contraction in the French overseas departments and territories, VINCI Construction Filiales Internationales kept its results at a very high level. These are in large part a reflection of the cost optimisation strategy aimed at determining the best balance between technical and economic performance for each part of a project, while striving, in an overall ongoing endeavour, to improve worksite productivity.

**In Central Europe,** Warbud in Poland did particularly brisk business in shopping centres: after winning the contract to expand the Mokotov mall in Warsaw, the company was awarded the contract to build the Arkadia shopping centre also in Warsaw (39 million euros). Another substantial order was for the construction of forty buildings in Boyalistok on the Polish-Belarus border. In the Czech Republic, FCC is putting up a number of buildings in Prague

while SMP has won the contracts for a number of large civil engineering projects – a 428 metre motorway bridge; a 266 m road bridge in Pilzen (totalling 18.3 million euros); and the bypass in the city of Ostrov in Bohemia. The largest civil engineering order was obtained by Hidepitö in Hungary with a 108 million euro contract to build twenty-eight ➤

10,000

WORKFORCE

634

PROJECTS UNDER WAY





**WATER SUPPLY WORKS  
IN AFRICA**  
Sogea-Satom's longstanding  
presence in Africa enables it  
to fully seize all  
opportunities there,  
especially in large  
roadworks projects.

## BUSINESS LINES

Building, hydraulic  
engineering, earth-  
moving and roads,  
maritime works,  
engineering structures.

## MANAGEMENT TEAM

**Philippe Ratynski**,  
chairman

**Renaud Bentegeat**,  
vice-president,  
Central Europe, Belgium  
(excl. CFE)

**Bernard Lenfant**,  
vice-president, French  
Overseas Departments  
and Territories

**Sébastien Morant**,  
vice-president,  
managing director  
of Sogea-Satom

**Jean-Louis Servranckx**,  
vice-president

Managing directors  
subsidiaries:

**Endre Apahty**,  
**Vladimir Brejcha**,  
**Gérard Bodet**,  
**Jean-Louis Choulot**,  
**Roger Georges**,  
**Jean-Marc Huillard**,  
**Jean-Yves Le Pavec**,  
**Mauro Lisa**,  
**Jean-François Ozbolt**,  
**Jaroslav Popiolek**,  
**Hervé Ronot**,  
**Christian Vidal**.

**François Ravery**,  
chief administrative and  
financial officer

**Jean-Marc Fonteyne**,  
human resources  
manager

**Jérôme Benet**,  
financing and contracts  
manager

**Alain Gracias**,  
audit manager

## MAIN BRANDS AND COMPANIES

**Africa:** Sogea-Satom

**Central Europe:**

Warbud (Poland),  
FCC and SMP  
(Czech Republic),  
Hidepitö (Hungary)

**French Overseas**

**Departments and**

**Territories:** SBTPC,

Sogea Réunion,

Sogea Mayotte,

Sogea Martinique,

SIMP,

Dodin Guadeloupe,

GTM Guadeloupe,

Cogit, Sogea Guyane

Dumez-GTM Calédonie

**Belgium:** BPC, BPI

## KEY FIGURES

in millions of euros

■ 2001 ■ 2002

### NET SALES

903

886

### OPERATING INCOME

41

42

### NET INCOME

38

29

> bridges over the M7 motorway. Confirming its successful diversification into building, the company is also handing over, on a very tight deadline, the Nepliget bus station in Budapest. In Belgium, BPC and BPI were able to return to profit on a highly competitive market.

**In Africa**, many significant completions and orders confirmed Sogea-Satom's strong positions on its markets: in Morocco, civil engineering work on the Lafarge cement works in Tétouan, sewer contracts in Marrakech and Meknès, extension of the port of Casablanca, etc. Roadworks were a particularly buoyant sector with the Doko-Kourémalé project in Guinea, Kélo-Moundou in Chad and the highway through Cotonou; the three contracts total nearly 72 million euros.

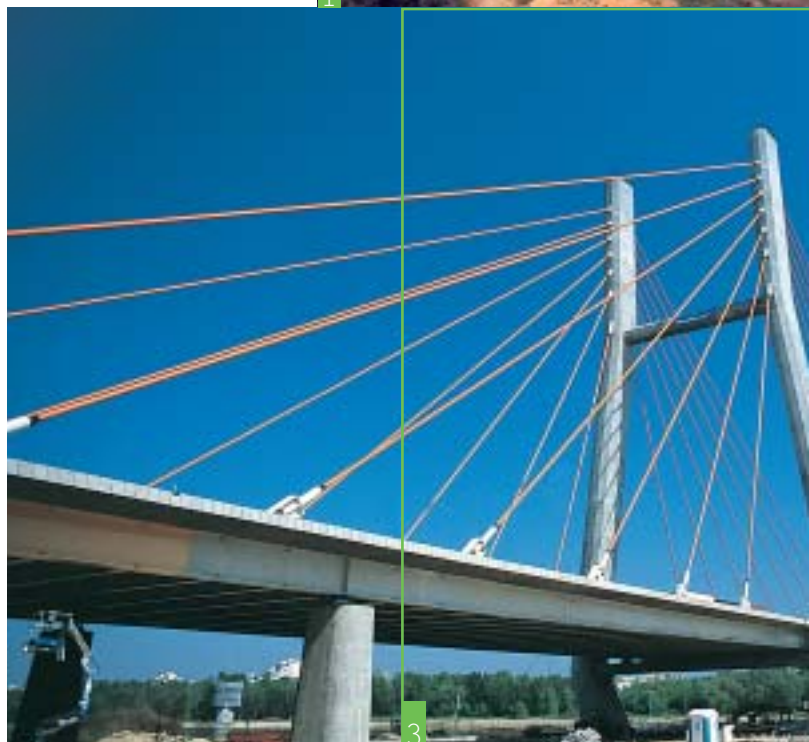
**In the French overseas departments and territories**, the year's main projects were the Saint-André high school on Reunion, earthmoving and main services in a housing development in New Caledonia, a complex comprising housing, shops and office space in La Poudrière in Guadeloupe as well as two hundred public housing units in Schoelcher in Martinique. Finally, the acquisition of the Cogit, CBCI and CIE companies in French Guiana rounded out the group's business line coverage and markets in that overseas department.

## OUTLOOK

In Central Europe, the hoped-for economic recovery in Poland and a more favourable competitive environment in Hungary should make significant improvements in both net sales and income possible. In Africa, following on several exceptionally good years, activity is expected to contract with, however, no effect on the results which have been excellent over the last several years. In the French overseas territories, the expected return to growth, especially in the Indian Ocean, should have a positive impact on results.



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### POLAND

## WARBUD'S TENTH ANNIVERSARY

In the decade since the start-up was founded in 1992 in the context of the economic liberalisation process in Central European countries, Warbud has established itself as a major player on the Polish market. Specialised in building, with many completions in Warsaw to its credit, the company started to branch out into civil engineering with the construction of the Siekierski bridge in the Polish capital, inaugurated on 21 September 2002 at a ceremony attended by the President of the Republic, the Prime Minister and the Mayor of Warsaw.



#### DEVELOPMENT

### LOCAL SERVICE AND GLOBAL OFFERING

VINCI Construction Filiales Internationales combines a multi-business line approach, which ensures strong roots on many local markets, with a global offering based on the Group's expertise enabling it to carry out projects with high technical content. For example, VINCI Construction Filiales Internationales called on the Sogea Construction water process department's expertise when it rehabilitated the water treatment units in four middle-range towns in Kenya.

#### TWINNING

### SHARED EXPERIENCE

VINCI Construction Filiales Internationales took part in organising the first inter-company twinning operation within the VINCI Group: its subsidiary Sogea Maroc signed a charter with Sogea-Rhône-Alpes on 18 January 2002 which aims to foster exchanges and mobility between the two entities. A similar charter was signed five months later by Warbud and Sogea South-West, and under it Polish teams took part in carrying out large projects in the Toulouse region.

#### 1 MULTI-SPORTS FACILITY

The 10,000 m<sup>2</sup> building, put up by CBCI and Cogit, has a bonded laminated frame and a roof consisting of a membrane on thin board shuttering. It houses the Georges Théolade regional multi-sports facility in French Guiana.

#### 2 MOKOTÓV MALL, WARSAW

After expanding the mall in the Polish capital, Warbud won the contract to build the Arkadia shopping centre, also in Warsaw. It is a 316,000 m<sup>2</sup> complex with two large stores (one of them belonging to the Carrefour chain), 200 shops and 4,080 parking spaces on two underground levels.

#### 3 SIEKIERKOWSKY BRIDGE, WARSAW

The bridge was completed in 2002 and is an example of Warbud's successful diversification into civil engineering. Overall, the Central European subsidiaries enjoy buoyant demand for the construction and upgrading of transport infrastructure.

#### 4 LAFARGE CEMENT WORKS, TÉTOUAN

Sogea-Maroc won the civil engineering contract (€14m) and completed four silos with a height ranging from 40 to 47 m as well as 2 buildings within ten months.

#### 5 MERCURE HOTEL, PRAGUE

The 19<sup>th</sup> century building was converted into a 174-room hotel for the Accor Group within the record construction time of twelve months, thanks in particular to the work done by the FCC subsidiary at a very early stage in the project.

### AND ALSO

#### PUMPING STATIONS, CAMEROON

After performing the road base earthmoving of ten platforms and building 300 km of access roads to the Doba oilfield in Chad, Sogea-Satom won the civil engineering contract from the same oil consortium as part of construction of three pumping stations, with a value of some €30m.

#### SAINT-ANDRÉ HIGH SCHOOL, REUNION ISLAND

After building the Bois-de-Nèfles middle school, SBTPC, one of two local subsidiaries – the other is Sogea-Réunion – won the €14m construction contract on a general contracting basis for Saint-André high school.

# VINCI CONSTRUCTION UNITED KINGDOM - GERMANY - US

VINCI Construction United Kingdom - Germany - United States operates in building, civil engineering and associated services in these three countries where it has a network of operationally independent companies grouped under a single management division that optimises synergies and focuses their activities within a common strategy of selective order-taking, added value development and risk control.

## BUSINESS ACTIVITY

**In the United Kingdom,** business activity was sharply up and the acquisition of Crispin & Borst company boosted VINCI PLC's presence in London and the Southeast and enabled it to expand its position in long-term contracts on the buoyant maintenance market. Business was brisk in all sectors – building (offices, shopping centres, logistics facilities, schools, etc.); civil engineering (the Hungerford Bridge Millennium project, the A6 bypass north of Bedford, renovation of urban roads in Vauxhall Cross, civil engineering on the Channel Tunnel Rail Link); services (management of public buildings in Liverpool, finalisation of PFI projects for the police force in Dorset and schools in Stafford).

**In Germany,** SKE consolidated its position on the up-and-coming facility management market, renewing the €61.5m global maintenance contract for the bases of the U.S. Army's 6th zone in Europe and obtaining a new €16.7m contract from the 104th support group; the acquisition in 2002 of the Stumpf & Müller Services company is part of the group's development strategy in this high-potential sector.

In building and technical fittings and finishings, ➤



WORKFORCE

7,000

**HUNGERFORD BRIDGE  
MILLENNIUM**  
 depended on either side of  
 an existing railway bridge,  
 the two footbridges of this  
 London project took nearly  
 a million hours of work to  
 complete and cost 40  
 million pounds.

PROJECTS UNDER WAY

3,300

#### MANAGEMENT TEAM

**John Stanion**,  
 chairman and CEO  
 of VINCI Construction  
 UK - Germany - US  
 and of VINCI PLC

**David Joyce**,  
 construction division, UK

**Terry Ryan**,  
 services division, UK

**David Bowler**  
 and **John Bergin**,  
 project structuring and  
 financing division, UK

**Raoul Dessaigne**,  
 VINCI Construction  
 GmbH and services  
 division, US

**Volker Petersen**,  
 VINCI Bautech GmbH

**Alec Comba**,  
 chief financial officer

#### BUSINESS LINES

Building, civil  
 engineering, soil  
 engineering and  
 earthmoving, technical  
 trades for building,  
 industry and  
 shipbuilding, services,  
 multi-technical and  
 multi-service  
 maintenance, project  
 structuring and  
 financing.

#### KEY FIGURES

in millions of euros  
 ■ 2001 ■ 2002

NET SALES	
2001	774
2002	1,225
OPERATING INCOME	
2001	11
2002	24
NET INCOME	
2001	11
2002	49

#### MAIN COMPANIES

##### United Kingdom

● VINCI PLC, holding  
 company for: Norwest  
 Holst Construction  
 (building, civil  
 engineering, pipelines),  
 Norwest Holst Soil  
 Engineering (soil  
 studies), Simplex  
 (drilling), John Jones  
 Excavation  
 (earthmoving), Crispin  
 & Borst (architectural  
 fittings and finishings  
 and maintenance),  
 VINCI Services  
 (multi-technical and  
 multi-service  
 maintenance), Conren  
 (special surfacings),  
 VINCI Investments,  
 VINCI Project  
 Development (project  
 structuring and  
 financing).

##### Germany

● VINCI Construction  
 GmbH, holding  
 company for:  
 Brüggemann (building),  
 SKE, Ehrenfels, BOS,  
 Stumpf & Müller  
 Services (facility  
 management).  
 ● VINCI Bautech GmbH,  
 holding company for:  
 G+H Innenausbau  
 (architectural fittings  
 and finishings), G+H  
 Schiffsausbau (fitting  
 out of ships), G+H  
 Fassadentechnik  
 (facades), G+H  
 Kühlager- und  
 Industriebau  
 (refrigerated facility  
 construction) Schuh  
 Bodentechnik (double  
 floors and industrial  
 flooring).

##### United States

SKE Support Services  
 Inc. (facility  
 management).

➤ the deliberate scale-back underway for several years now made it possible to maintain adequate profitability on a market suffering a long-lasting slump. The year's major projects included: turnkey construction of a supermarket for the LiDL group and the second phase of the Property Services Centre for the Duisburg Sparkasse; construction of the largest refrigerated warehouse in Switzerland for the Migros supermarket chain; cold ceilings for Europe's largest call centre in Cologne; interior finishings for the Norwegian Dawn luxury liner.

**In the United States,** SKE Support Services Inc., a longstanding partner of the U.S. Navy, was congratulated by Vice-Admiral Kubic for the quality of its logistics services at the Diego Garcia Naval Base in the Indian Ocean – services which made an effective contribution to preparing the military action in Afghanistan.

### OUTLOOK

In the United Kingdom the expected slow-down in private sector building should be offset by increased investment in infrastructure, hospitals, schools and public buildings. VINCI PLC has already gained a strong foothold in these sectors and intends to expand its operations, generating overall growth in 2003.

In Germany, the services activity is expected to continue to expand, with public and private sector businesses providing new opportunities for growth. In building, the group will intensify its selective order-taking policy and focus in particular on the promising markets in the Rhineland, Westphalia and the Frankfurt area, while continuing the turnaround of its technical fittings and finishings activities, targeting the most promising niche markets.

In the United States, finally, SKE will continue to take advantage of the trend towards outsourcing of military and civilian services.



#### HUMAN RESOURCES ATTRACTING YOUNG PEOPLE INTO BUILDING AND CIVIL ENGINEERING

As a major player in building and civil engineering in the United Kingdom, VINCI PLC has been taking a large number of initiatives aimed at improving the image of the sector among young people – information meetings in schools, open house in the company's premises, events (Greater Merseyside Construction Event), etc. VINCI PLC also has an active mentoring program for students, most of whom are brought into



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the company following graduation, as well as a program to recruit young people under apprenticeship contracts.

#### INNOVATION PROGRESSIVELY LAUNCHED BRIDGE

The innovative "progressive launching" technique offered by Norwest Holst earned it the contract to build a 325 metre bridge as part of the Hungerford Bridge Millennium project in central London.

#### SERVICES

### SKE RECEIVES TWO AWARDS

- For the second time in a row, SKE was named "maintenance supplier of the year" at the annual conference of the American Army in Europe, in recognition of the quality of its services at the Darmstadt, Giessen and Hanau bases in Germany.

- SKE was the first European company to receive the health and safety award of the US Army Corps of Engineers for its performance in renovating administrative buildings at the base in Kaiserslautern.

#### 1 FIRST CENTURY BUSINESS PARK

Norwest Holst has completed the new world headquarters for Diageo PLC (17,000 m<sup>2</sup>, seven storeys) in London's new First Central business park, and it built the ramp linking the centre with the A40 motorway.

#### 2 NORWEGIAN DAWN

G+H Schiffsausbau fitted out the interior of the luxury liner, with a large central patio crowned by a glass cupola, four panoramic elevators and a 1,000-seat theatre.

#### 3 FULL-SERVICE MAINTENANCE

The US Army has renewed SKE's global maintenance contract for a period of up to 10 years (maintenance of all buildings, roads, grounds, etc.) at the European command facilities in Stuttgart.

#### 4 ICC IN DUISBURG

Brüggemann has built a new segment of the Property Competence Centre for the Duisburg Sparkasse, demolishing an existing building and putting up a new six-floor structure.

#### AND ALSO

**A6 BYPASS**  
Built under a €43.3m contract, the A6 bypass north of Bedford was inaugurated at the end of 2002. The road was levelled so as to optimise re-use of materials and avoid the disruption caused by extensive truck traffic.

#### HOSPITAL RENOVATION IN LIVERPOOL

A studies contract was awarded to Norwest Holst in conjunction with the renovation of Royal Liverpool and Broadgreen hospitals under the government's NHS ProCure 21 project, which encourages the development of effective partnerships in health care. Norwest Holst was selected as one of the five partner companies for the construction work.

# VINCI CONSTRUCTION GRANDS PROJETS

VINCI Construction Grands Projets carries out complex building and civil engineering projects throughout the world. Its outstanding expertise, engineering capabilities, major project management competencies and policy of working in partnership with local companies enable it to develop global solutions, as its many major references in France and abroad demonstrate.

## BUSINESS ACTIVITY

Targeted at geographic areas and operations meeting stringent risk management criteria, VINCI Construction Grands Projets was noted in 2002 for its high-quality projects and economic performance. In most cases it acts as lead company in design and build projects, and more than half its business activity is carried out in partnership with VINCI Construction companies and other Group divisions. VINCI Construction Grands Projets has achieved much higher profitability than the industry standard and consolidated its position on a demanding market where it has been able to leverage its added value.

VINCI Construction Grands Projets has maintained leadership in tunnel construction. As part of a major construction program now under way (Lefortovo road tunnel in Russia; railway tunnels Mitholz in Switzerland, Pannerdensch Kanaal in the Netherlands; Airside Road Tunnel at Heathrow in the UK; Soumagne tunnel in Belgium; A86 tunnel in France), the group has won a major contract in Sweden to

build two 5.6 km railway tunnels on the new high speed line linking Gothenburg and Malmö.

Business was also brisk in other civil engineering sectors: bridges, with work continuing on schedule on the Rion-Antirion bridge in Greece (and the award of the contract to build the access roads); ➤

3,000

WORKFORCE

30

PROJECTS UNDER WAY





#### RION-ANTIRION BRIDGE, GREECE

Almost 3 km long, this bridge spanning the Gulf of Corinth is the biggest currently being constructed in Europe, and will be operated on a concession basis by the VINCI Group as of 2004.

#### BUSINESS LINE

Design and construction of major building (high-rise buildings, major industrial infrastructure, complex structures) and civil engineering (tunnels, bridges, dams, major infrastructure) projects on the French and world markets.

#### MAIN BRANDS AND COMPANIES

VINCI Construction  
Grands Projets  
Socaso (inter-city motorways in the West of France)  
Salvarem (dismantling, decontamination, radioprotection)  
Hydroplus (dam water flow control)  
Janin Atlas Inc. (major projects, Canada)

#### MANAGEMENT TEAM

**Henri Stouff**,  
chairman and CEO

**Michel Bernard**,  
vice-president, Eastern Europe - Africa - Asia

**Jean-François Ravix**,  
vice-president,  
European Union - Switzerland - Central Europe - North and South America

**Jean Volff**,  
vice-president, building export

**Hubert Baur**,  
engineering and technical capabilities director

**Christian Simon**,  
chief financial officer

**Alain Bourdeaux**,  
director of legal affairs

**Patrick Béchaux**,  
human resources director

**Alain Gaumy**,  
quality - environment - safety director

#### KEY FIGURES

in millions of euros  
■ 2001 ■ 2002

##### NET SALES

595

626

##### OPERATING INCOME

30

38

##### NET INCOME

26

31

➤ major industrial facilities, with an order for two LNG tanks in Egypt, each with a capacity of 140,000 m<sup>3</sup>; port work, with rapid progress on the extension of the La Condamine port in Monaco; road infrastructure with the completion of the Chillan-Collipulli motorway in Chile and the start of work on the Newport bypass in the United Kingdom; rail infrastructure, with the award of the last civil engineering works package on the Channel Tunnel Rail Link, the high-speed line that will connect London and Paris in only two hours and twenty minutes. The year also saw several new contracts in hydraulic engineering: in Libya, construction of two pumping stations and associated regulation system, as part of the "great artificial river" project; in Egypt, construction of the Naga Hammadi dam on the Nile; in Lebanon, where VINCI Construction Grands Projets is taking part in the construction of the Émile-Lahoud dam.

## OUTLOOK

In 2003, VINCI Construction Grands Projets will be continuing its policy of selective order taking, risk management and full deployment of its technical expertise and project management capabilities. The strategy is expected to maintain a high level of profitability while keeping business activity at a level similar to that of 2002.

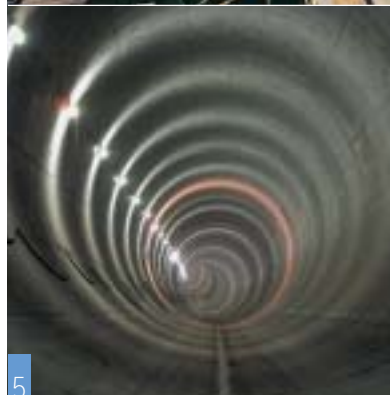
In the longer term the enlargement of the European Union to the East, where infrastructure needs are great, and the development of public-private partnerships for the construction of major infrastructure should boost growth at VINCI Construction Grands Projets.



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### HUMAN RESOURCES

#### EXECUTIVE TRAINING AND MOBILITY

VINCI Construction Grands Projets devotes 3.5% of its payroll to training. In 2002 it set up a program for young managers with between three and ten years' experience, to prepare them for project management and executive responsibilities. 19 line and staff managers took part in the first session. In addition, the mobility incentive program generated 33 transfers during the year, i.e. 4.5% of the company's employees.



2



4

#### INNOVATION

### DUAL-LAYER TUNNEL SEGMENTS

To achieve compliance with the new tunnel safety rules, the VINCI Construction Grands Projets engineering and capabilities department developed a new dual-layer cladding which withstands hydrocarbon fires. The patented process combines innovation and low-cost installation and consolidates the company's lead in tunnel construction.

#### ENVIRONMENT

### MODEL WORKSITE

The project, in which VINCI Construction Grands Projets is lead, along the British high speed rail line (CTRL) north-east of London exemplifies a good environmental approach in three ways:

- in this former industrial zone where the soil is highly polluted, in-depth analysis clearly identified the materials that can be re-used, thus reducing the amount of hazardous waste to be disposed of in landfills – and generating savings of 5 million euros;
- construction of platforms for earthmoving equipment access was carried out using recycled concrete from demolition on the site and waste from a nearby

cellular concrete factory; these platforms will in turn be destroyed in 2003 and their materials re-used as backfill on the site of a new industrial zone;

- the position of "environmental coordinator" was introduced on the worksite, to coordinate environment management, raise awareness and train crews in good environmental practice as well as keep the local community informed.

#### 1 NUCLEAR DEMOLITION

With its long track record in nuclear construction and works, VINCI Construction Grands Projets has a strong position on the emerging demolition market, examples being the construction of the spent fuel storage facility at Chernobyl in Ukraine and the first Level 3 demolition in France being carried out for the CEA atomic energy commission in Fontenay-aux-Roses.

#### 2 NAGA HAMMADI DAM, EGYPT

The concrete dam located 150 km north of Luxor is being built to regulate the flow of the Nile, generate electricity and provide irrigation; it will have two sluice gates to ensure navigation. The contract is further proof of the group's standing in Egypt.

#### 3 AIN SUKHNA ROLLING MILL, EGYPT

The mill is an illustration of the coaching approach developed by the company. It is being built in the Egyptian desert and will produce 1.2 million tons of sheet steel per year. Construction is being carried out in partnership with a local company in charge of the project (Siac).

#### 4 LA CONDOMINE PORT, MONACO

The construction of a one-hectare embankment, a 352 m semi-floating dike and a 145 m jetty will double the capacity in the port of Monaco and enable cruise ships to use it.

#### 5 PANNERDENSCH KANAAL TUNNEL, NETHERLANDS

The key structure on the rail freight line between Rotterdam and Germany, the 1,650 m double tunnel whose northern tube was drilled in less than four months is a first major reference for VINCI Construction Grands Projets on the Dutch market.

#### AND ALSO

#### HALLANDSAS TUNNELS, SWEDEN

Swedish building and civil engineering group Skanska has called on VINCI Construction Grands Projets, specialised in tunnel work, to re-launch this large project which was interrupted in 1997 due to technical difficulties. The contract has a total value of €400m and was signed in November 2002.

# FREYSSINET

Operating on five continents through a network of 70 agencies and subsidiaries, Freyssinet brings together a comprehensive range of expertise in structures and soils. Its technological edge, with a large number of exclusive processes and products, make the group a world-wide benchmark in specialised civil engineering.

## BUSINESS ACTIVITY AND OUTLOOK

In 2002 Freyssinet recorded an increase of more than 11% in net sales, but a clear-cut drop in income. The closure and restructuring of loss-making subsidiaries and the implementation of a proactive strategy aimed at getting results back on track and focused on making the most of its expertise and taking a more opportunity-oriented approach to its markets should enable the company to return to profit in 2003.

**In structures,** Freyssinet's expertise was showcased in its participation in the construction and renovation of a large number of bridges (especially in France, Egypt, Mexico, Malaysia, Korea and Taiwan) and buildings such as the new terminal in Johannesburg, South Africa, and the residential unit created by Le Corbusier in Firminy, France, for which the group renovated the outside concrete.

**In soils,** Freyssinet's competencies in reinforced earth works was in evidence in two major contracts in the United Kingdom (M6Toll) and the United States (T-Rex project), while innovative soil improve-

ment solutions were selected in particular for several shopping centre projects and major projects in Hamburg, Germany and San Diego, California (extension of a pontoon using the vibro-compaction technique) in the U.S.

2,900

WORKFORCE

400

PROJECTS UNDER WAY





1



2



3



4



5

## BUSINESS LINES AND COMPANIES

### Structures (Freyssinet)

Construction, repair and maintenance of superstructures (bridges, tunnels, high-rise buildings, industrial and retail buildings, historic landmarks): prestressing, cable-stays, construction methods, structure fittings, reinforcement techniques and processes.

### Soils (Terre Armée, Menard Soltraitement)

Reinforcement, timbering and walling, soil improvement for transport infrastructure (roads, bridges, airports), industrial and retail sites, platforms.

## MANAGEMENT TEAM

**Bruno Dupety**, chairman and CEO

**Jérôme Stubler**, director, structures division

**Pierre Berger**, director, soils division

**Pierre Mellier**, director, Europe

**Joël Ponsoda**, director, Spain and South America

**Michel Jarry**, chief financial officer

**Claude Lascols**, administrative and human resources director

## KEY FIGURES

in millions of euros

■ 2001 ■ 2002

NET SALES	
2001	389
2002	430
OPERATING INCOME	
2001	17
2002	-1
NET INCOME	
2001	-0,6
2002	-15

### 1 PUTRAJAYA BRIDGE, MALAYSIA

On this 240 m bridge south of Kuala Lumpur, Freyssinet PSC has supplied execution studies, supplied and installed cable stays (thirty pairs), prestressing, bearing systems, and pavement joints and provided technical support for construction.

### 2 BIRMINGHAM BYPASS

Reinforced Earth UK won, with the M6Toll project, the largest contract in its history. The company has taken part in the construction of forty structures and installed 23,000 m<sup>2</sup> of facings and 500,000 m<sup>2</sup> of reinforcement.

### 3 A380 SITE, HAMBURG

The Menard Vacuum™ process was selected to consolidate the 1,320,000 m<sup>2</sup> terrain at the future A380 Airbus manufacturing site in Hamburg. The exclusive process consists in pumping water stored underground, while monitoring subsidence daily.

### 4 EAST RAIL, HONG KONG

As part of this rail network extension project in Hong Kong, Freyssinet is supplying and installing the mechanical and neoprene bearing systems, installing span segments and performing prestressing work (3,055 tons). Four thousand segments have been installed overall with the help of arching adapted by the Group's technical department.

### 5 RECONSTRUCTION, HONDURAS

Freyssinet rebuilt three structures damaged by Hurricane Mitch in Honduras, installing six concrete girders forming decks and 102 tons of pre-stressing cables.

## AND ALSO

### T-REX PROJECT, UNITED STATES

As part of this major motorway renovation project, Reinforced Earth Company installed one hundred sixty retaining walls with a total surface area of 120,000 m<sup>2</sup>.

# COMPAGNIE D'ENTREPRISES CFE

CFE, a company in which VINCI Construction owns a 45% interest and which is listed on Euronext Brussels, is a major player in construction in the Benelux countries and holds strong positions on the world dredging market through its 48% stake in DEME.

## BUSINESS ACTIVITY AND OUTLOOK

In construction, the good level of activity enjoyed by CFE in 2002 contrasts with insufficient results due to the structural renovation contract for a building in Hungary and the weakness of the Wallonian market in Belgium. Most of the activity was carried out satisfactorily in building and in civil engineering. The focus on the selective order taking, safety and quality policy (as witness ISO 9001:2000 certification) has borne fruit. Dredging activity held up well, despite the difficulties encountered in Asia, and enabled the group to maintain its overall profitability. During the year, DEME commissioned the Charlemagne, the largest gravel suction dredger in Europe (101 metres long and 20 metres wide), and the Uilenspiegel, a trailing suction hopper dredger (127 metres long and 27 metres wide).

In 2003, construction activity is expected to improve slightly in Belgium, a market where competition is strong and where CFE will be striving to leverage the quality and diversity of its expertise, especially in turnkey building projects and civil engineering. The outlook for dredging activity remains good.

3,372

WORKFORCE



220

PROJECTS UNDER WAY





1



2



3

**1 RAIL TUNNEL, ANTWERP**  
CFE is leading the work on the double rail tunnel on the Brussels-Amsterdam high-speed TGV line; drilling began on 25 September 2002.

**2 KBC BANK, BRUSSELS**  
CFE developed and built the KBC Bank head office in Brussels, confirming its expertise in turnkey building projects.

**3 SUCTION DREDGER**  
In 2002 DEME commissioned the Uilenspiegel, a 127 m long, 27 m wide trailing suction hopper dredger with a draught of 8 m. It has a capacity of 13,700 m³ and a dredging depth of 50 m.

**4 PAPENDORP BRIDGE**  
Construction of this bridge over the Rhine at Utrecht is further testimony to the quality of CFE's track record in civil engineering.

## AND ALSO

- Construction of a bridge over the Meuse in Zwijndrecht (Netherlands) on the Brussels-Amsterdam TGV line.
- New paper mill belonging to the StoraEnso group in the Ghent region.
- Liège-Guillemins station on the Brussels-Cologne TGV line.

## BUSINESS LINES AND COMPANIES

### Construction

(MGB, CFE Brabant, Bageci, CFE Services, CLE, CFE Nederland, CFE Polska and CFE Hungary): buildings, industrial structures, civil engineering and roads (design, construction, financing, structuring and development, maintenance and management;

### Dredging-environment:

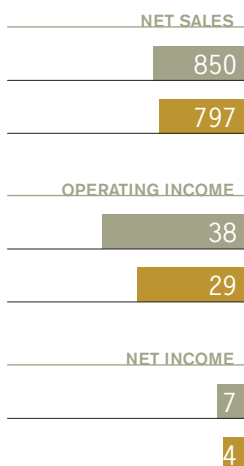
(DEME, OVMB): maritime and river dredging, hydraulic works, soil remediation, waste treatment and storage;

### Electricity:

(Vanderhoydoncks Engema, Nizet Entreprise): general electrical and electromechanical works (service sector and industry), railway catenaries and signalling, overhead and underground lines.

## KEY FIGURES

in millions of euros  
■ 2001 ■ 2002



## MANAGEMENT TEAM

**Hervé Tricot**,  
managing director  
**Jacques Ninanne**,  
finance and  
administration

CONSTRUCTION  
**Maurice Lauwers**,  
Belgium North  
**Jean Van Tricht**,  
Belgium Centre and  
South, Luxembourg  
**Edouard Janssens**,  
Central and Eastern  
Europe

**Ber Groot**,  
Netherlands  
**Bernard Cols**,  
real estate services  
and development  
**Lode Franken**,  
major projects

DREDGING AND  
ENVIRONMENT  
**Marc Stordiau**,  
DEME  
**Marc Van Oye**,  
OVMB

ELECTRICITY  
**Christian Van Hamme**,  
Nizet  
**Luc Vandeputte**,  
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# VINCI CONSTRUCTION

**Consolidated financial statements for 2002**

# CONSOLIDATED BALANCE SHEET

at 31 December 2002

in thousands of euros				
ASSETS				
	2002			2001
	Gross	Dep'n amort'n & provisions	Net	Pro forma net
Intangible assets	130,570	89,747	<b>40,823</b>	46,021
Goodwill	345,698	175,758	<b>169,940</b>	210,285
Tangible assets	1,766,709	1,018,776	<b>747,933</b>	709,402
Financial assets				
Investments in subsidiaries and affiliates	103,113	61,663	<b>41,450</b>	36,185
Investments accounted for by the equity method	16,068		<b>16,068</b>	19,307
Long-term interest-bearing receivables	8,177	1,252	<b>6,925</b>	28,522
Other financial fixed assets	48,304	7,535	<b>40,769</b>	48,860
<b>TOTAL FIXED ASSETS</b>	<b>2,418,639</b>	<b>1,354,731</b>	<b>1,063,908</b>	<b>1,098,582</b>
Inventories and work in progress	159,262	6,254	<b>153,008</b>	170,294
Trade and other operating receivables (*)	3,739,644	209,091	<b>3,530,535</b>	3,653,047
Short term financial receivables	911,096	14,450	<b>896,646</b>	766,845
Marketable securities	235,427	26	<b>235,401</b>	293,737
Cash	317,176	74	<b>317,102</b>	316,793
<b>TOTAL CURRENT ASSETS</b>	<b>5,362,605</b>	<b>229,895</b>	<b>5,132,710</b>	<b>5,200,716</b>
<b>TOTAL ASSETS</b>	<b>7,781,244</b>	<b>1,584,626</b>	<b>6,196,618</b>	<b>6,299,298</b>

(\*) Including deferred charges.

in thousands of euros

## SHAREHOLDERS' EQUITY AND LIABILITIES

	2002	2001
	Net amount	Pro forma Net
Share capital	148,806	148,806
Share premiums	54,333	54,333
Consolidated reserves	215,166	116,895
Net income for the period	143,085	133,237
Interim dividend	(59,522)	
<b>SHAREHOLDERS' EQUITY</b>	<b>501,868</b>	<b>453,271</b>
Minority interests	106,476	117,018
Investment subsidies	71	22
Provisions for liabilities and charges	858,927	906,205
Long-term and medium-term debt		
Bond issues	1,983	1,983
Other borrowings at more than one year	225,567	257,381
<b>TOTAL CAPITAL, RESERVES AND LONG-TERM DEBT</b>	<b>1,694,892</b>	<b>1,735,880</b>
Trade and other operating liabilities	4,180,750	4,096,694
Short-term debt	320,976	466,724
<b>TOTAL CURRENT LIABILITIES</b>	<b>4,501,726</b>	<b>4,563,418</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>6,196,618</b>	<b>6,299,298</b>

# CONSOLIDATED STATEMENT OF INCOME

for the period from 1 January 2002 to 31 December 2002

in thousands of euros		
	2002	2001
	Net	Pro forma Net
OPERATING INCOME		
Net sales	7,068,409	6,893,370
Other revenue (*)	478,745	540,897
OPERATING INCOME	7,547,154	7,434,267
Operating expense (**)	(7,153,497)	(7,097,729)
GROSS OPERATING SURPLUS	393,657	336,538
Depreciation, amortisation and provisions	(181,495)	(137,662)
OPERATING INCOME	212,162	198,876
Net income from financing activities	8,044	6,690
Other financial income and expense	10,451	6,334
Net provision charges	(7,302)	1,627
NET FINANCIAL INCOME / (EXPENSE)	11,193	14,650
OPERATING INCOME PLUS NET FINANCIAL INCOME	223,355	213,526
Exceptional income / (expense)	(34,069)	2,343
Exceptional depreciation, amortisation and provisions	47,504	(38,201)
NET EXCEPTIONAL INCOME / (EXPENSE)	13,435	(35,858)
Income tax	(45,350)	(19,524)
NET INCOME OF CONSOLIDATED COMPANIES BEFORE AMORTISATION OF GOODWILL	191,440	158,144
Amortisation of goodwill	(48,247)	(18,925)
NET INCOME OF CONSOLIDATED ENTITIES	143,193	139,219
Share in earnings of companies accounted for by the equity method	890	2,561
NET CONSOLIDATED INCOME	144,083	141,780
Minority interests	(998)	(8,543)
NET INCOME	143,085	133,237
Number of shares	18,600,811	18,600,811
EARNINGS PER SHARE (in euros)	7,69	7,16

(\*) and transfers of operating expenses.

(\*\*) including statutory employee profit-sharing.

# CASH FLOW STATEMENT

in thousands of euros

	2002	2001
	Net	Pro forma Net
OPERATING ACTIVITIES		
Gross operating surplus	393,658	346,748
Financial and exceptional transactions	(32,217)	2,135
Tax and statutory profit-sharing	(54,887)	(29,015)
OPERATING CASH FLOW		
(excluding dividends received from equity-accounted entities)	306,554	319,869
Net change in working capital requirement	230,396	(936)
TOTAL (I)	536,950	318,933
INVESTMENT ACTIVITIES		
Capital expenditure	(259,376)	(239,077)
Fixed asset disposals	47,322	26,442
<b>Net capital expenditure</b>	<b>(212,054)</b>	<b>(212,635)</b>
Acquisition of investments and securities	(17,810)	(151,633)
Proceeds from the disposal of securities	11,904	15,183
<b>Net financial investments</b>	<b>(5,906)</b>	<b>(136,450)</b>
Change in other financial fixed assets	(290)	92,995
TOTAL (II)	(218,250)	(256,090)
FINANCING ACTIVITIES		
Increase in equity capital of minority interests in subsidiaries	(273)	
Dividend paid by VINCI Construction	(82,773)	2,558
Dividends paid to minority interests in subsidiaries	(9,792)	(22,744)
Dividends received from companies accounted for by the equity method	1,055	
Other long-term liabilities	5,843	6,623
TOTAL (III)	(85,940)	(13,563)
Total cash flows for the period (I + II + III)	232,760	49,280
Net cash at the start of the period	679,809	629,761
Impact of changes in exchange rates, scope of consolidation and other	(5,021)	768
Net cash at the end of the period	907,548	679,809

# NOTES TO THE PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

at 31 December 2002

## MOVEMENTS IN SHAREHOLDERS EQUITY

in thousands of euros						
SHAREOLDERS' EQUITY	CAPITAL	PREMIUMS AND RESERVES	INTERIM DIVIDEND	TRANSLATION DIFFERENCES	RETAINED PROFIT OR LOSS	TOTAL
<b>At 31 December 2000</b>	<b>80,920</b>	<b>8,149</b>		<b>(765)</b>	<b>2,772</b>	<b>91,076</b>
Share capital increase	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
<b>At 31 December 2001 pro forma</b>	<b>148,806</b>	<b>163,935</b>		<b>7,293</b>	<b>133,237</b>	<b>453,271</b>
Appropriation of net income		133,237			(133,237)	
Dividends distributed		(23,251)				(23,251)
Interim dividend			(59,522)			(59,522)
Translation and valuation differences		226		(16,217)		(15,991)
Changes in accounting policies		4,276				4,276
Group share of net income for the period					143,085	143,085
<b>At 31 December 2002</b>	<b>148,806</b>	<b>278,423</b>	<b>(59,522)</b>	<b>(8,924)</b>	<b>143,085</b>	<b>501,868</b>

The avis du comité d'urgence n° 2002-E (notice issued by a committee of the French National Accounting Council), issued on 18 December 2002 relates to the treatment of the tax impact arising from disposals within a group as well as the provisions for

depreciation, liabilities and charges that are tax deductible, for investments in consolidated subsidiaries and affiliates, in the consolidated financial statements. Application of this provision has resulted in an increase in shareholders' equity of €4.3 million.

## 1. ACCOUNTING POLICIES AND VALUATION METHODS

### GENERAL PRINCIPLES

The consolidated financial statements for VINCI Construction, themselves incorporated into the VINCI consolidated financial statements, have been prepared in accordance with the consolidation rules laid down in règlement 99-02 du Comité de réglementation comptable (Regulation CRC 99-02 of the French Accounting Regulation Committee) of 29 April 1999 relating to the consolidated financial statements of commercial companies and businesses.

#### 1.1 CHANGES IN ACCOUNTING POLICIES

##### APPLICATION OF REGULATION No. 2000-06 OF THE CRC IN RELATION TO SHAREHOLDER'S EQUITY OR LIABILITIES

The application, as from 1 January 2002, of Regulation No. 2000-06 of the CRC in relation to shareholders' equity or liabilities has had no material impact on the consolidated shareholders' equity of VINCI Construction as at that date.

### DEFERRED CHARGES

In order to improve the presentation of the consolidated financial statements, contract set-up costs, previously recognised as deferred charges within fixed assets, will henceforth be shown as working capital requirements. This change in presentation has no impact on net income or the shareholders' equity of the Company. The amounts involved in this change of accounting treatment were €11.5 million as at 31 December 2001.

#### 1.2. CONSOLIDATION METHOD AND SCOPE OF CONSOLIDATION

The consolidated financial statements include the financial statements of all the companies with net sales greater than €2m, as well as subsidiaries whose net sales are lower 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.

Other partnership companies are consolidated according to the so-called semi-proportionate consolidation method, which consists of accounting for the company's share in the income statements of net sales and expenses, whilst continuing to maintain any current account balances in the balance sheet.

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

	FRENCH CIES	FOREIGN CIES	TOTAL
Fully consolidated	206	187	<b>393</b>
Proportionate consolidation (including partnerships)	32	138	<b>170</b>
Equity method	9	7	<b>16</b>
Total	<b>247</b>	<b>332</b>	<b>579</b>

Wiemer und Trachte is accounted for by the equity method.

In the first half of the year VINCI Construction acquired Sogea Holdings UK and Freyssinet International Stup. The 2001 pro forma consolidated financial statements already incorporated the financial statements of the two companies.

#### 1.3 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 €120.9 million. 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.

#### **1.4 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 expenses (including depreciation, amortisation and provision charges) are translated at the average exchange rate for the period.

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

#### **1.5 ITEMS DENOMINATED IN FOREIGN CURRENCY**

Items shown in the consolidated balance sheet are translated at the year-end rate. Only unrealised losses resulting from that presentation are recog-

nised in the income statement for the period.

The Company has opted not to use the so-called fair value measurement method, which involves the recognition of unrealised gains and losses resulting from translation.

#### **1.6 FOREIGN EXCHANGE FINANCIAL INSTRUMENTS**

In its management of exchange rate risks on its commercial transactions, the Company uses financial derivative instruments, mainly forward contracts for the sales and purchases of currencies.

Whenever exchange contracts are hedging transactions, any gains or 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.

#### **1.7 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.

### 1.8 INTANGIBLE AND TANGIBLE FIXED ASSETS

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

Intangible fixed assets are valued at their acquisition cost.

– 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 normally used in the industry, namely:

Buildings	<b>between 20 and 30 years</b>
Civil engineering equipment	<b>between 3 and 10 years</b>
Vehicles	<b>between 3 and 5 years</b>
Fixtures and fittings	<b>between 5 and 10 years</b>
Office furniture and equipment	<b>between 3 and 10 years</b>

### 1.9 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.

### 1.10 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 pro-

jected unit cost actuarial method.

Any actuarial valuation shortfall of more than 10% in provisions or of the market value of investments is amortised over the average remaining working life of employees covered by the scheme.

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 and are taken up as an expense in the accounts as and when contributions become due.

### 1.11 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 Regulation CRC 99-08 of the French Accounting Regulation Committee. Unless there is a justified exception and for projects in which the Company's share of revenue is less than €10 million, 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. In the case where the estimate on completion of a contract is that there is a loss, a provision for the loss on completion is raised irrespective of the income recognition method applied, after taking into account, if appropriate, all rights to the receipt of additional income or estimated claims on a reasonable basis.

### 1.12 PROFIT OR LOSS ON DISPOSAL OF SITE PLANT

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

### 1.13 RESEARCH AND DEVELOPMENT EXPENSES

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

### 1.14 DEFERRED TAXES

Deferred tax is recognised on all temporary differ-

ences and is calculated using the liability method. Deferred tax assets resulting from these temporary differences are only recognised up to the amount of their likely recovery against future taxable profits. This likelihood is assessed at the year-end on the

basis of forecasts of the future tax position.

#### 1.15 EXECUTIVE REMUNERATION

Fees paid to the directors of VINCI Construction during 2002 amounted to €18,300.

The share of the remuneration for members of the Board of Directors that was borne by VINCI Construction amounted to €1,410,613 in 2002.

## 2. INTANGIBLE FIXED ASSETS

in thousands of euros

	2001				2002
	Pro forma opening balances	Increase during the period	Decrease during the period	Translation differences and changes in consolidation scope	Closing balances
Gross value	102,205	5,534	4,548	27,379	130,570
Depreciation, amortisation and provisions	(56,184)	(7,260)	(2,078)	(28,381)	(89,747)
<b>TOTAL NET VALUE</b>	46,021	(1,726)	2,470	(1,002)	40,823

Intangible fixed assets mainly comprise goodwill.

## 3. GOODWILL ON ACQUISITION

in thousands of euros

	GROSS VALUE	AMORTISATION	NET VALUE
Goodwill on acquisition at the beginning of the period	347,764	(137,479)	210,285
Goodwill on acquisition created in the period	13,096		13,096
Provisions for the period		(48,247)	(48,247)
Translation differences and other	(15,162)	9,968	(5,194)
<b>TOTAL</b>	345,698	(175,758)	169,940

Net year-end value of the main goodwill on acquisition items	Net value
Sogea Holdings UK	80,280
Sogea Investments Ltd	28,176
Rosser & Russels Building Services Ltd	9,814
Klee KG	8,199

## 4. TANGIBLE FIXED ASSETS

### 4.1 CHANGE IN THE PERIOD

in thousands of euros					
	2001				2002
	Pro forma opening balances	Increase during the period	Decrease during the period	Translation differences and changes in consolidation scope	Closing balances
Gross value	1,677,635	253,868	(151,955)	(12,839)	<b>1,766,709</b>
Depreciation, and provisions	(968,233)	(167,610)	111,894	5,173	<b>(1,018,776)</b>
<b>TOTAL NET VALUE</b>	<b>709,402</b>	<b>86,258</b>	<b>(40,061)</b>	<b>(7,666)</b>	<b>747,933</b>

### 4.2 BREAKDOWN BY TYPE OF ASSET

in thousands of euros			
	GROSS VALUE	DEPRECIATION	NET VALUE
Land	39,936	(2,442)	<b>37,494</b>
Buildings	244,684	(77,764)	<b>166,920</b>
Plant and equipment	1,173,391	(738,107)	<b>435,284</b>
Office furniture, computer equipment, fixtures and fittings	298,002	(199,889)	<b>98,113</b>
Fixed assets under concession	2,333	(574)	<b>1,759</b>
Assets under construction	8,363		<b>8,363</b>
<b>TOTAL NET VALUE</b>	<b>1,766,709</b>	<b>(1,018,776)</b>	<b>747,933</b>

### 4.3 CAPITAL EXPENDITURE DURING THE PERIOD

in thousands of euros		
		2002
Land		<b>3,261</b>
Buildings		<b>10,750</b>
Plant and equipment		<b>147,289</b>
Transport equipment		<b>25,501</b>
Office furniture, computer equipment, fixtures and fittings		<b>22,295</b>
Assets under construction		<b>44,769</b>
<b>TOTAL CAPITAL EXPENDITURE</b>		<b>253,865</b>

## 5. INVESTMENTS IN SUBSIDIARIES AND AFFILIATES

in thousands of euros			
	2001		2002
	Pro forma opening balances		Closing balances
Gross value	98,551		<b>103,113</b>
Depreciation and provisions	(62,366)		<b>(61,663)</b>
<b>TOTAL NET VALUE</b>	<b>36,185</b>		<b>41,450</b>

## 5. INVESTMENTS IN SUBSIDIARIES AND AFFILIATES (continued)

in thousands of euros		
	2001	2002
Breakdown by division	Pro forma opening balances	Closing balances
VINCI Construction Holding	7,274	6,375
GTM Construction	11,053	11,682
VINCI Construction Filiales Internationales	5,241	8,921
Compagnie d'Entreprises CFE	4,338	4,326
Sogea Construction	3,948	5,786
Freyssinet International	2,443	1,911
VINCI Construction Grands Projets	1,832	2,221
VINCI Construction UK - Germany	56	228
<b>TOTAL</b>	<b>36,185</b>	<b>41,450</b>

The table below comprises a list of the principal companies controlled by VINCI Construction but not consolidated that have no material impact on the income or the financial statements of the Company.

At 31 December 2002 the principal companies not consolidated were:

in thousands of euros		
	% HOLDING	NET VALUE
SCI Clichy	100%	4,365
SI des 20 arpents	100%	2,744
Cogit	99%	2,412
Promotion Léopold	7%	1,900
GC 401	100%	1,000
Munis	9%	971
Dumez Atlantique	100%	915
Forgal	100%	896
SCI Château du Rouvray	100%	887
Soverema	99%	835
Advitam	47%	781
Dumez Produits Nationaux	100%	762
Dumez Réunion	100%	762
Dumez SPPI	83%	631
Garonne Networks	40%	600
Sogea Networks	100%	600
SARL du Val de Limayrac	70%	427

## 6. OTHER FINANCIAL FIXED ASSETS

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

in thousands of euros			
	2001	CHANGE	2002
	Pro forma		
Deposits and other financial fixed assets	44,962	(5,685)	39,277
Other fixed asset securities	3,898	(2,406)	1,492
<b>TOTAL NET VALUE</b>	48,860	(8,091)	40,769

## 7. INVENTORIES AND WORK IN PROGRESS

The year-end heading for "Inventories and work in progress" comprises raw material stocks and spare parts.

in thousands of euros			
	2001		2002
	Pro forma		
Inventories	108,837		89,304
Work in progress	61,457		56,084
<b>TOTAL NET VALUE</b>	170,294		145,388

## 8. WORKING CAPITAL REQUIREMENT / (SURPLUS)

in thousands of euros			
	2001		2002
	Pro forma		
Inventories and work in progress (net value)	170,294		153,008
Trade accounts receivable	3,869,062		3,739,644
Provisions for operating receivables	(216,015)		(209,091)
<b>INVENTORIES AND ACCOUNTS RECEIVABLE (I)</b>	3,823,341		3,683,561
Trade and other accounts payable	4,096,694		4,180,750
<b>ACCOUNTS PAYABLE (II)</b>	4,096,694		4,180,750
<b>WORKING CAPITAL REQUIREMENT (I+II)</b>	(273,353)		(497,189)

## 9. SHORT TERM FINANCIAL RECEIVABLES AND OTHER MARKETABLE SECURITIES

in thousands of euros		
	2001	2002
	Pro forma	
Marketable securities	293,737	<b>235,401</b>
Other short-term financial receivables	766,845	<b>896,646</b>
<b>TOTAL</b>	<b>1,060,582</b>	<b>1,132,047</b>

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

include an investment of €834,866,000 with the parent company VINCI, attracting interest at conditions close to those prevailing in the market.

## 10. MINORITY INTERESTS

Movements in minority interests during the period were as follows:

in thousands of euros		
	2001	2002
	Pro forma	
OPENING BALANCE	112,618	<b>117,018</b>
Dividends paid	(2,200)	<b>(9,782)</b>
Changes in consolidation scope and miscellaneous	(470)	<b>1,878</b>
Translation differences	(1,473)	<b>(3,636)</b>
Minority interest in the profit or loss for the period	8,543	<b>998</b>
<b>BALANCE AT THE END OF THE PERIOD</b>	<b>117,018</b>	<b>106,476</b>

## 11. PROVISIONS FOR LIABILITIES AND CHARGES

in thousands of euros						
	2001					2002
	Pro forma	Changes in consolidation scope and miscellaneous	Charges for the period	Reversals in the period	Reversals of provisions no longer deemed necessary	
After-sales service	234,499	(12,187)	56,226	51,525	19,310	<b>207,703</b>
Losses on completion	129,443	(99)	85,915	77,382		<b>137,877</b>
Litigation	152,723	(13,350)	52,590	45,306	2,149	<b>144,508</b>
Other provisions	208,244	17,026	68,864	63,427	1,849	<b>228,858</b>
<b>Operating provisions</b>	<b>724,909</b>	<b>(8,610)</b>	<b>263,595</b>	<b>237,640</b>	<b>23,308</b>	<b>718,946</b>
Financial provisions	9,072	(3,030)	7,498	1,387		<b>12,153</b>
Exceptional provisions	172,224	5,355	39,639	86,771	2,619	<b>127,828</b>
<b>TOTAL</b>	<b>906,205</b>	<b>(6,285)</b>	<b>310,732</b>	<b>325,798</b>	<b>25,927</b>	<b>858,927</b>

## 11. PROVISIONS FOR LIABILITIES AND CHARGES (continued)

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 outcome 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 extend beyond the end of the period.

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

## 12. NET DEBT

The company had a net cash surplus at the end of the period of €907,548,000 which is broken down as follows:

in thousands of euros		
	2001	2002
	Pro forma	
Long-term financial receivables	28,522	6,925
<b>TOTAL LONG-TERM FINANCIAL RECEIVABLES</b>	<b>28,522</b>	<b>6,925</b>
Other loans and financial debt payable in more than one year	(259,364)	(227,550)
<b>TOTAL LONG-TERM AND MEDIUM-TERM DEBT</b>	<b>(259,364)</b>	<b>(227,550)</b>
Long-term financial debt payable in less than one year	(157,228)	(218,447)
Bank overdrafts and other short-term borrowing	(309,496)	(102,529)
<b>GROSS BORROWINGS</b>	<b>(697,566)</b>	<b>(541,601)</b>
Marketable securities	293,737	235,401
Short-term financial receivables	766,845	896,646
Cash and cash equivalents	316,793	317,102
<b>NET FINANCIAL SURPLUS</b>	<b>679,809</b>	<b>907,548</b>

### 13. NET SALES

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

The trend for sales also takes into account the impact of changes in the consolidation scope.

Sales are broken down as follows:

in millions of euros		
	2001	2002
	Pro forma	
Net sales for the period	6,893	7,068
of which:		
Sales for companies included in consolidation scope for the first time		(180)
SALES ON CONSTANT CONSOLIDATION SCOPE BASIS	6,893	6,888

Sales for the period are in line with those of the previous period on a constant consolidation scope basis.

in millions of euros		
	2001	2002
	Pro forma	
<b>Breakdown by division</b>		
Sogea Construction	1,939	1,873
GTM Construction	1,491	1,512
VINCI Construction Filiales Internationales	903	886
VINCI Construction UK - Germany - USA	774	981
Compagnie d'Entreprises CFE	850	797
VINCI Construction Grands Projets	595	626
Freyssinet International	389	430
Éliminations of intra-group transactions	(48)	(37)
<b>TOTAL</b>	6,893	7,068
<b>Breakdown by geographical area</b>		
France (including overseas territories)	3,881	3,799
Europe excluding France	1,928	2,305
Africa	416	449
Asia	320	235
North and South America	255	165
Middle East	52	13
Oceania	41	102
<b>TOTAL</b>	6,893	7,068
<b>Breakdown by business sector</b>		
Building	3,138	3,134
Civil engineering	2,378	2,485
Hydraulic engineering	458	401
Public works & environmental services	151	357
Facility Management and other services	318	298
Roads	241	296
Provision of services and other	209	97
<b>TOTAL</b>	6,893	7,068

## 14. OTHER REVENUE

in thousands of euros		
	2001	2002
	Pro forma	
Income from joint ventures	19,387	6,930
Operating grants and subsidies	6,309	1,267
Other management revenues	504,530	470,548
Transfers of operating expenses	10,671	
<b>TOTAL</b>	<b>540,897</b>	<b>478,745</b>

Within "Other management revenues" are revenues not directly related to the core business such as rental hire of equipment, insurance repayments, sales of goods, etc.

The transfers of operating expenses relate entirely to deferred charges paid in advance during the period. Refer to Note 1.1 on "Changes in accounting policies".

## 15. OPERATING EXPENSES

Operating expenses, totalling €7,153,497,000, can be broken down as follows:

in thousands of euros		
	2001	2002
	Pro forma	
Purchases	(2,041,583)	(1,738,506)
External services	(1,909,443)	(2,175,684)
Wages, salaries and associated benefits and charges	(1,616,677)	(1,656,293)
Taxes and duties	(83,173)	(83,030)
Other external services and operating expenses	(1,446,853)	(1,499,984)
<b>TOTAL</b>	<b>(7,097,729)</b>	<b>(7,153,497)</b>

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

<b>NET DEPRECIATION AND AMORTISATION CHARGES</b>		
Intangible fixed assets	(7,241)	(5,756)
Tangible fixed assets	(144,045)	(166,938)
Fixed assets relating to concessions	(142)	(49)
Deferred charges	(17,380)	
<b>TOTAL</b>	<b>(168,808)</b>	<b>(172,743)</b>
<b>NET PROVISION CHARGES</b>		
Impairment of assets	3,690	(6,217)
Operating liabilities and charges	27,456	(2,535)
<b>TOTAL</b>	<b>31,146</b>	<b>(8,752)</b>
<b>TOTAL DEPRECIATION, AMORTISATION AND PROVISIONS</b>	<b>(137,662)</b>	<b>(181,495)</b>

## 16. FINANCIAL INCOME / (EXPENSE)

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

in thousands of euros		
	2001	2002
	Pro forma	
Net income from financing activities	6,690	8,044
Dividends	3,076	480
Foreign exchange gains / (losses)	(4,147)	(1,193)
Other net financial income	9,032	3,862
<b>TOTAL</b>	<b>14,650</b>	<b>11,193</b>

## 17. EXCEPTIONAL INCOME / (EXPENSES)

Exceptional income / (expense) accounts for non-recurrent items such as restructuring costs, costs related to disposals, the impact of the 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.

in thousands of euros		
	2001	2002
	Pro forma	
Gain on disposals	5,243	5,392
Exceptional income and expenses from operating transactions	(2,900)	(39,461)
Net provision charges for impairment and exceptional liabilities	(38,201)	47,504
<b>TOTAL</b>	<b>(35,858)</b>	<b>13,435</b>

## 18. INCOME TAX

### 18.1 BREAKDOWN OF NET INCOME TAX CHARGE

in thousands of euros		
	2001	2002
	Pro forma	
Current tax	(40,821)	(54,502)
Deferred tax	21,297	9,152
<b>TOTAL</b>	<b>(19,524)</b>	<b>(45,350)</b>

## 18.2 EFFECTIVE RATE OF TAX

in thousands of euros		
		2002
NET INCOME BEFORE TAX AND AMORTISATION OF GOODWILL		236,790
Theoretical tax rate		35,43%
EXPECTED TAX CHARGE		83,895
Impact of taxes on revenues at a reduced rate		8,357
Tax rate differences (between current and previous reporting periods)		85,397
Tax rate differences (foreign countries)		(14,543)
Establishment (reversal) of temporary differences not giving rise to deferred taxes		(73,087)
Fixed-sum and other additional taxes		(5,662)
Other permanent differences		(32,757)
Other		(6,250)
TAX CHARGE ACTUALLY RECOGNISED		45,350
Effective tax rate		19,15%

## 18.3 BREAKDOWN OF DEFERRED TAX ASSETS AND LIABILITIES

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

Assets	91,672
Liabilities	29,524
Net	62,148

## 18.4 UNRECOGNISED DEFERRED TAX ASSETS

Deferred tax assets that were unrecognised due to the uncertainty as to their eventual realisation amounted to €92.1 million at 31 December 2002.

## 19. OFF BALANCE SHEET COMMITMENTS

Off balance sheet commitments are broken down as follows:

in thousands of euros		
	COMMITMENTS RECEIVED	COMMITMENTS GIVEN
Performance guarantees	54,115	944,674
Retention payments	114,492	710,742
Future payments to sub-contractors and suppliers	56,180	595,357
Joint and several guarantees of partners		7,271
Bid bonds/guarantees		28,307
Collateral	7,531	137,136
Rental agreement contracts		20,133
Other commitments	252,620	232,559
<b>TOTAL</b>	<b>484,938</b>	<b>2,676,179</b>

## 20. PROVISIONS FOR RETIREMENT AND PENSION COMMITMENTS

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

in thousands of euros		
	2001	2002
	Pro forma	
Discount rate	5.5%	5.5%
Inflation rate	1.5% - 2%	1.5% - 2%
Rate of salary increases	2% - 3%	2% - 3%
Rate of benefit increases	1.5% - 2%	1.5% - 2%
Period of amortisation of the initial actuarial liability	10 - 15 years	10 - 15 years

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

in thousands of euros		
		2002
TOTAL COMMITMENTS		292,038
of which:		
covered by provisions		80,564
covered by pension funds		152,180

Shortfalls in provisions against actuarial valuations amounted to €59.3 million at 31 December 2002. They are amortised over the average remaining

working life to retirement of all employees (a period of approximately 10 years giving rise to a charge of €5.9 million per annum as from 2003).

## 21. EMPLOYMENT COSTS - EMPLOYEE NUMBERS

	2001	2002
	Pro forma	
Engineers and management	6,153	6,503
Non-management	38,769	38,276
<b>TOTAL</b>	<b>44,922</b>	<b>44,779</b>

Employment costs for all companies in the group amounted to €1,656,293,000.

## 22. 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 the 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 (French competition agency) and a decree by both the Economy, Finance and Capital Works, Transport and Housing ministries 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

The SNCF (French national railways) lodged a number of claims in the Administrative Court in Paris in 1997 against several construction companies, with the aim of recovering damages for losses suffered, between 1987 and 1990, on contracts related to the construction of the Nord and Rhône-Alpes TGV lines and their connecting lines. This claim was as a consequence of the conviction of the companies concerned by the Conseil de la concurrence (French monopolies agency) in 1995 and which the Paris Court of Appeal (after reversal of its 1997 ruling by the

French Court of Cassation) has generally upheld. The Company continues to maintain that SNCF suffered no financial loss at the time these contracts were awarded to the subsidiaries concerned. This procedure in the administrative courts is currently the subject of an expert appraisal for two of the contracts concerned (the other claims are still under investigation by the court).

Due to the delayed delivery of a hotel building in Lyons because of a fire accidentally caused by a sub-contractor, Sogea Construction is involved in a dispute with the principal, HIL, over the penalties for late completion and the assessment of the consequential damages. Sogea Construction has appealed against the decision of the Lyons Commercial Court of 10 October 2000 ordering it to pay €9 million to HIL, and to bring a suit against the subcontractor responsible. The decision of the Appeal Court should be given in the first half of 2003. In the event of an unfavourable outcome, VINCI Construction does not expect this dispute to have a material impact on its financial position.

Lastly, various subsidiaries of the group are being investigated under competition law and certain of its senior managers are subject, in their personal capacity, 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.

## 23. BUSINESS AND MAIN SUBSIDIARIES CONSOLIDATED AT 31 DECEMBER 2002

	CONSOLIDATION METHOD	% SHAREHOLDING
<b>1 PARENT COMPANY</b>		
VINCI CONSTRUCTION	FC	100
<b>2 SUBSIDIARIES</b>		
<b>SOGEA CONSTRUCTION</b>	FC	100
BATEG SNC	FC	100
CAMPENON BERNARD CONSTRUCTION	FC	100
CAMPENON BERNARD MÉDITERRANÉE	FC	100
CAMPENON BERNARD RÉGIONS	FC	100
DESCHIRON	FC	100
EMCC	FC	100
SCO INDIVIS PROVINCE	FC	100
SICRA	FC	100
SOBEA IDF ENVIRONNEMENT	FC	100
SOGEA ATLANTIQUE	FC	100
SOGEA NORD	FC	100
SOGEA NORD-OUEST	FC	100
VINCI ENVIRONNEMENT	FC	100
<b>GTM CONSTRUCTION</b>	FC	100
GTM BÂTIMENT	FC	100
GTM TERRASSEMENT	FC	100
GTM MATÉRIEL	FC	100
GTM GÉNIE CIVIL ET SERVICES	FC	100
CHANTIERS MODERNES	FC	100
DUMEZ EPS	FC	100
DUMEZ IDF	FC	100
DUMEZ MÉDITERRANÉE	FC	100
LES TRAVAUX DU MIDI	FC	100
PETIT	FC	100
<b>VINCI CONSTRUCTION GRANDS PROJETS</b>	FC	100
DAM NAGA HAMMADI (Egypt)	PC	33
CORK PURIFICATION STATION (Ireland)	PC	50
JANIN ATLAS (Canada)	FC	100
CTRL (Channel Tunnel Rail Link)	PC	38
RION ANTIRION BRIDGE (Greece)	PC	53
CAIRO METRO (Egypt)	PC	43
HALLANDSAS TUNNELS (Sweden)	PC	40
SOCASO	PC	67
SOCATOP	PC	42

FC = Full consolidation

EM = Companies accounted for by the equity method

	CONSOLIDATION METHOD	% SHAREHOLDING
<b>VINCI CONSTRUCTION FILIALES INTERNATIONALES</b>	FC	100
BPC - BÂTIMENTS ET PONTS CONSTRUCTION (Belgium)	FC	100
DUMEZ - GTM CALÉDONIE	FC	100
GTM GUADELOUPE	FC	100
HIDEPITŐ (Hungary)	FC	97
SOGEA SATOM	FC	100
SOBEA GABON	FC	90
SOGEA MARTINIQUE	FC	100
SOGEA RÉUNION	FC	100
STAVBY MOSTU PRAHA (Czech Republic)	FC	74
SBTPC (Reunion)	FC	100
WARBUD (Poland)	FC	73
<b>FREYSSINET</b>	FC	100
FREYSSINET FRANCE NORD	FC	100
FREYSSINET HONG KONG	FC	100
FREYSSINET INTERNATIONAL & CIE	FC	100
FREYSSINET KOREA (South Korea)	FC	90
IMMER PROPERTY (Australia)	FC	74
MENARD SOLTRAITEMENT	FC	100
THE REINFORCED EARTH CY (USA)	FC	100
<b>SOGEA HOLDINGS LTD (UK)</b>	FC	100
VINCI PLC	FC	100
ROSSER & RUSSEL	FC	100
VINCI INVESTMENT	FC	100
<b>COMPAGNIE D'ENTREPRISES CFE (Belgium)</b>	FC	44
BAGECI	FC	44
DEME (Dredging Environmental and Marine Engineering)	PC	21
MBG	FC	44
VAN WELLEN	PC	22
<b>VINCI CONSTRUCTION Germany</b>	FC	100
BRÜGGEMANN (Germany)	FC	100
SKE MAINTENANCE (Germany)	PC	70
<b>VINCI CONSTRUCTION USA</b>	FC	100
SKE SSI	FC	100
SKE INTERNATIONAL LLC	FC	100
<b>VINCI CONSTRUCTION HOLDING</b>		
DORIS ENGINEERING	EM	23
DUMEZ CONSTRUCTION	FC	100
WIEMER UND TRACHTE (Germany)	EM	50

PC = Proportional consolidation

# REPORT BY THE STATUTORY AUDITORS

**Consolidated Financial Statements (period ended 31 December 2002)**

In accordance with our appointment as auditors by your Shareholders' General Meeting, we have carried out an audit of the accompanying consolidated financial statements of VINCI CONSTRUCTION for the year ended 31 December 2002.

The Board of Directors is responsible for the preparation of the consolidated financial statements. Our role is to express an opinion on these consolidated financial statements based on our audit.

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

In our opinion, the consolidated financial statements give a true and fair view of the financial position, the assets and liabilities as well as the operating results of the companies included in the consolidation, in accordance with accounting principles generally accepted in France.

Without bringing into question the opinion expressed above, we draw your attention to Note 1.1 and Note 1.3 of the Notes to consolidated financial statements. Note 1.1 describes a change in the accounting policy for the treatment of deferred charges in relation to contract set-up costs and Note 1.3 describes a change in the accounting treatment for asset contribution transactions undertaken as part of the reorganisation of VINCI's Construction division.

We have also performed a review of information about the group given in the report by management, in accordance with professional standards applicable in France. We have no comments to make as to its fair presentation and its conformity with the consolidated financial statements.

Paris and Neuilly, 26 March 2003

The Statutory Auditors

DELOITTE TOUCHE TOHMATSU - AUDIT

Thierry Benoit

RSM SALUSTRO REYDEL

Hubert Luneau

Bernard Cattenoz



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