

# VINCI CONSTRUCTION 2003

ANNUAL REPORT



As the heirs of the great builders, the people at **VINCI Construction** are making an outstanding contribution to infrastructure development throughout the world. VINCI Construction is a strategic division within the VINCI group, world leader in concessions, construction and related services. VINCI Construction's goal is to be the construction company most appreciated and held in highest regard by its customers and partners and to closely involve its 46,000 employees in its development drive.



# VINCI CONSTRUCTION

Annual Report

# 2003



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# MANAGEMENT

T E A M

## 1 PHILIPPE RATYNSKI

Chairman and CEO of VINCI Construction

## 2 JEAN ROSSI

Chairman of Sogea Construction

## 3 ROBERT HOSSELET

Chairman and CEO of GTM Construction

## 4 JOHN STANION

Chairman and CEO of VINCI Construction UK - Germany - USA

## 5 PIERRE BERGER

CEO of VINCI Construction Grands Projets

## 6 BRUNO DUPETY

Chairman and CEO of Freyssinet

## 7 RENAUD BENTEGEAT

Managing Director, CFE

## 8 JEAN-MARC FONTEYNE

Human Resources Director of VINCI Construction

## 9 FRANÇOIS RAVERY

Chief Administrative and Financial Officer of VINCI Construction

# ONWARD AND UPWARD

## together

The improvement momentum at VINCI Construction is clearly reflected in its 2003 economic performance, with a 5% increase in net sales, an 18% increase in net income and an order backlog which stood at a record 7.5 billion euros, equal to a year of activity, at the end of the year.

These results bear out the wisdom of our shared development plan. Supported by their strong entrepreneurial culture and a management model that fosters trust and enables everyone fully to express his or her talent within a simple, responsive organisational structure, the 46,000 employees at VINCI Construction share the same vision of their job as builders. Combining customer satisfaction with company performance and quality with productivity, this approach drives the development momentum that has made VINCI Construction the world leader – and the benchmark – in its sector.

Building on these advantages, VINCI Construction will be intensifying its improvement programme in 2004, focusing on six strategic areas: striving for excellence in routine everyday work, especially by optimising our pro-

duction tools; meshing our network more closely on markets where we have strong roots; expanding in a deliberate manner into new, promising markets; enhancing our upstream added value in design, project engineering and project structuring; broadening our downstream service and maintenance offerings; cultivating our focus on opportunities and our spirit of innovation in order to, day by day, devise the best responses to the needs of our customers and our markets. And then, there can be no economic progress without human progress. Our culture and our values, our vision and our strategy support and drive the development of our people.

We will be striving, today and tomorrow, to go onward and upward together.

**Philippe Ratynski**  
Chairman and CEO

# PROFILE

## 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 seven divisions:

- two multi-business-line, independent 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 départements 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);
- finally, the group holds a 45% interest in CFE, the leader on the construction market in Belgium (which itself owns a 48% stake in Dredging International, one of the majors on the world dredging market).

## LOCATIONS

SOGEA CONSTRUCTION  
France

GTM CONSTRUCTION  
France

VINCI CONSTRUCTION FILIALES INTERNATIONALES  
Europe, North and South America, Africa, Oceania

VINCI CONSTRUCTION UK - GERMANY - USA  
Europe, North and South America

VINCI CONSTRUCTION GRANDS PROJETS  
Europe, North and South America, Africa, Asia

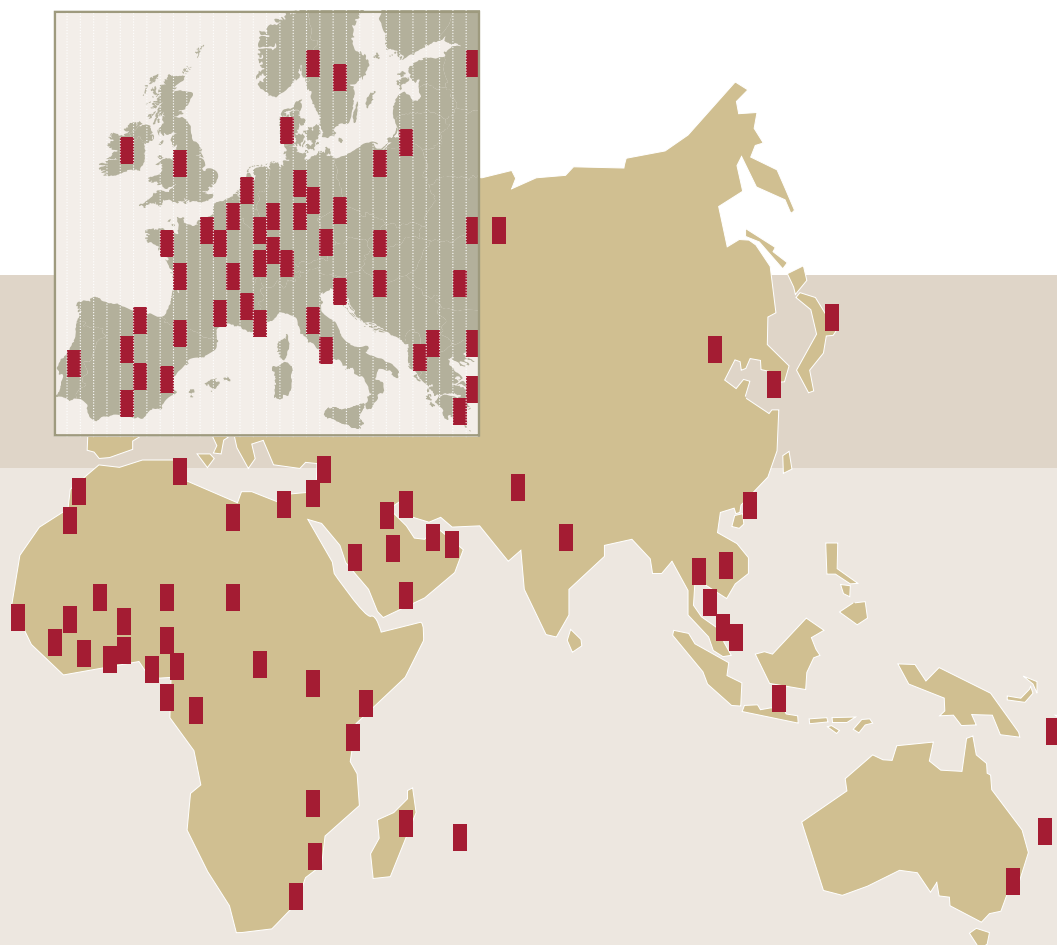
FREYSSINET  
Europe, North and South America, Africa, Oceania, Asia

COMPAGNIE D'ENTREPRISES CFE  
Europe

## VINCI CONSTRUCTION DIVISIONS AND MAIN SUBSIDIARIES

SOGEA CONSTRUCTION	GTM CONSTRUCTION	VINCI CONSTRUCTION FILIALES INTERNATIONALES
Sogea	GTM	Sogea-Satom
Campenon Bernard Construction	Chantiers Modernes	Warbud
Campenon Bernard TP	Dumez	FCC
Barriquand	Coca	SMP Construction
Bateg	Petit	Hidépitö
Botte Sade Fondations	Socra	SBTPC
Bourdarios	Pitance	Sogea Réunion
Caroni Construction	Fargeot	Sogea Mayotte
Chanzy-Pardoux	Travaux du Midi	Sogea Martinique
Deschiron	TMSO	SIMP
Dodin	CMA	Dodin Guadeloupe
EMCC	TPC	GTM Guadeloupe
Manei	Delair-Navarra	Cogit
Sicra		Sogea Guyane
Sobea Environnement		Dumez-GTM Calédonie
Sogea TPI		BPC
Urban		BPI
VINCI Environnement		





**KEY FIGURES**  
2003

NET SALES  
in millions of euros

7,668

NET CASH  
in millions of euros

1,136

OPERATING INCOME  
in millions of euros

222

NET INCOME  
in millions of euros

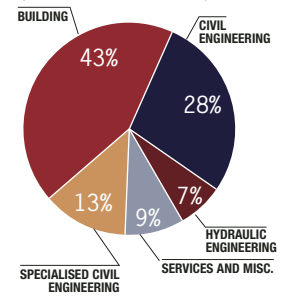
177

WORKFORCE

46,761

VINCI CONSTRUCTION UK - GERMANY - USA	VINCI CONSTRUCTION GRANDS PROJETS	FREYSSINET	COMPAGNIE D'ENTREPRISES CFE
Norwest Holst Construction Norwest Holst Soil Engineering Simplex Foundations John Jones Excavation Crispin & Borst VINCI Services Conren Brüggemann SKE Bauunternehmung Ehrenfels Bos G+H Innenausbau G+H Schiffsausbau G+H Fassadentechnik G+H Kühl- und Industriebau Schuh Bodentechnik SKE Support Services Inc.	Socaso Salvarem Hydroplus Janin Atlas Inc.	Freyssinet Terre Armée Ménard Soltraitement	MBG ABEB CFE Brabant Bageci CFE Services CLE CFE Nederland CFE Polska CFE Hungary Sogemaint DEME OVMB Vanderhoydoncks Engema Nizet Entreprise

NET SALES BY BUSINESS



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



# SUSTAINABLE DEVELOPMENT

## a responsible group

**F**ully aware of its responsibilities as the world's leading building and civil engineering company, VINCI Construction strives to combine economic, social and environmental performance in the long-term interest of the community and the company, of its employees and its customers and partners.

### HUMAN RESOURCES

**Making the most of talents, enriching and sharing skills.**  
The VINCI Construction workforce increased by 1,982 people in 2003. The group stepped up its endeavour to attract young people into its companies and to offer every employee prospects for promotion and a chance to make the most of their talents. Examples are the "Coaching Team" at Sogea Construction, the extension of the GTM Manager programme to foremen and the organisation of induction seminars for young executives in three new divisions. These efforts are supported by an active training policy (implemented by the Sogeform Institute and the Marolles Technology Centre, among others), encouragement of mobility (twinning charters, streamlining of expatriate status) and knowledge sharing with an intranet network linking all the entities.



**Training in gondola operation  
at the GTM Construction Technology  
Centre in Marolles.**

### ACCIDENT PREVENTION

**Safety: Up to each and every one of us.** The company's first duty is to ensure the safety of the people working for it. The "Safety First!" programme, deployed in 2003, is based on strong group management involvement and mobilisation of all employees. The large numbers of awareness-raising activities and dedicated tools for exchanges (conventions, training, challenges, information bulletins, intranet, etc.) reflect the collective commitment. It produced an improvement in the occupational accident frequency rate in 2003.



**In 2003, VINCI Construction  
Grands Projets launched an accident  
prevention - safety challenge designed  
to raise awareness among all  
its teams (seen here on the CTRL  
construction site in the UK).**

A fleet of nimble companies. Strong, shared values: entrepreneurial culture, responsibility, solidarity, fairness, transparency. Organised as "a fleet of nimble companies" and based on three principles – the worksite at the heart of the company, responsible and autonomous profit centres and networking of people and companies. These values and this management model, firmly rooted in the history of VINCI Construction, lend it outstanding cohesion, vitality and responsiveness, with customer satisfaction, personal development on the job and company performance supporting each other.

## INNOVATION

A pragmatic approach. Innovation is part of the entrepreneurial culture, reflecting the mindset that permeates standard practice at VINCI Construction. The winners of the VINCI 2003 Innovation Awards are there to prove it: five of the ten trophies went to VINCI Construction for its innovations in sustainable development (green breakwater, machine to decontaminate contaminated concrete), safety (fire protection in a tunnel), materials (mirror-finish concrete facing) and equipment (all-terrain extruder for concrete drain).

The first prize of the 2003 FNTF Innovation awards (new compact anchoring system for carbon fibre cables) went to Freyssinet, a further reflection of the group's technological edge in cable stays.



**The Grand Prize at the 2003 VINCI Innovation awards went to the green breakwater, a new type of underwater concrete structure which promotes natural renewal of water and rapid colonisation by flora and fauna.**

### Design-build expertise.

Sanitary engineering, landscaping, deconstruction, rehabilitation – a growing proportion of VINCI Construction's activities are focused on sustainable development. The group's design-build expertise enables it to develop solutions that cover the life cycle of a building or a structure while controlling the full range of its environmental impact. This is reflected in the Sommet de la Terre et Bâtiment trophy awarded



**"High environmental quality" secondary school built by Sogea Construction at Caudry in the Nord region.**

by FFB for the "high environmental quality" Caudry lycée project in the Nord region. The approach respects the environment and is standard worksite practice with respect to worksite waste (participation in a large number of experimental programmes), production methods (restriction of materials and energy consumption) and more generally management of activity (global quality-security-environment programme).



# SOGEA CONSTRUCTION



## MANAGEMENT TEAM

**Jean Rossi,**  
Chairman

**Pierre-Michel Chaudru,**  
Vice President, Building and  
Maintenance Ile-de-France

**Jacques Mimran,**  
Vice President, Civil Engineering

**Richard Francioli,**  
Regional Director

**Jean-Marc Medio,**  
Civil Engineering Director

**Yves Périllat,**  
Regional Director

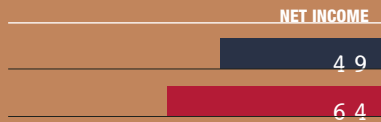
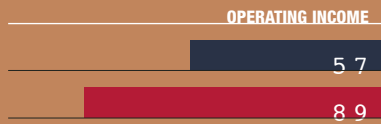
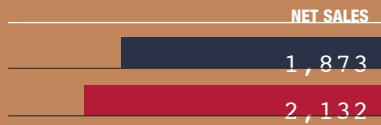
**Pierre Billon,**  
Secretary General

**Hervé Meller,**  
Human Resources Director

**Manuel Saez-Prieto,**  
Communication Director

## KEY FIGURES

in millions of euros  
■ 2002 ■ 2003



WORKFORCE

11,800

PROJECTS UNDER WAY

4,000

## BUSINESS LINES

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

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

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

**Services:** Real-estate project structuring, multi-technical and multi-service maintenance, design, construction and management of purification plants, design and construction of household waste and fume treatment plants, management of optical fibre networks.

## MAIN BRANDS AND COMPANIES

**Building:** Bateg, Bonino, Bourdarios, Camozzi Bâtiment, Campenon Bernard Construction, Caroni Construction, Chanzy Pardoux, Croizet-Pourty, C3B, Enbatra, Giletto, Heulin, Hallé, Lamy, Merle, Pateu et Robert, Robat, SCB, Sicra, Sobeau Auvergne, Sogea, SRC, Sovame, Urban, Verazzi.

**Civil engineering:** Botte Sade Fondations, Campenon Bernard TP, Cofex, Deschiron, Dodin, EMCC, Gauthier, Muller Génie Civil, Sogea, Sogea TPI, Sogeforh.

**Hydraulic engineering:** Acanthe, Barriquand, Cardaillac, Claisse, Cuisset, Extract, MTHA, Par.en.ge, Setci, Sobeau Environnement, Sogea, TPHR.

**Services:** Azur Maintenance, Comofi, Énergilec, Garonne Networks, LCR, Manei, Mentor, Sicra Maintenance, Speic, Société Méditerranéenne de Travaux et Maintenance, Socogim, Sogam, Sogea, Tradilor, VINCI Environnement, VINCI Networks.

Building on its four complementary business lines (building, civil engineering, hydraulic engineering and services), an exceptionally close-knit network of 200 profit centres and a management system that fosters autonomy, responsibility, transparency, teamwork and solidarity, Sogea Construction develops an integrated offering combining local approach and global solutions, from project structuring to maintenance and operation. The company's full attention is turned to customer satisfaction, with the focus on long-term results and added value in the service offering.

## BUSINESS ACTIVITY

Sogea Construction again demonstrated its outstanding vitality. Net sales increased 13.8% in 2003 – mainly through organic growth – and pre-tax income stood at a historic high of 4.6%. This performance bears out the wisdom of the company's business plan focused on improving productivity, making the most of its teams and boosting sales. There are three major areas in which progress is sought – controlling risks; ensuring that the objectives are shared by all employees; and achieving rapid and sustained improvements in workplace accident prevention and safety.

**Building.** Sogea Construction subsidiaries have maintained and even boosted their high level of net sales and above all income by striving to improve productivity, sustaining commercial momentum, repositioning business activities in structural renovation and functional structures and expanding the small project business. Major projects were won, continued and completed in the course of the year. Examples are the construction of the PSA design centre in Vélizy, the Frontalis project in Bagnolet, the structural renovation of the CB16 tower in Paris-La Défense, the construction of the département archives in Marseilles and the handover of the Grande Halle d'Auvergne and the Euralliance project in Lille.



## SOGEA CONSTRUCTION

➤ **Civil engineering.** Net sales increased by 10%, with environmental business lines and special works showing particularly buoyant growth. Highlights of the year were the restructuring of the greater Paris area subsidiaries and the creation of Sogea TPI, the reorganisation of major projects activities around Campenon Bernard TP and Dodin and the successful integration of Muller Génie Civil. The year's milestone projects included the Port 2000 project in Le Havre, the purification plants in Valenton, Ginestous and La Céreirède, the Aéroconstellation project, earthmoving works on the A89 motorway, the la Sioule Viaduct, the Toulouse metro and the La Condamine tunnel.

**Hydraulic engineering.** In these traditional business lines that account for much of the vitality of the Sogea Construction local service network, 2003 milestones included acquisition of the Muller company in the east of France and Setci in the west, as well as major pipeline works – continuation of the structural renovation of the Avre aqueduct in the Paris region; network detours as part of the new tram projects in Paris and Grenoble; laying of the utility networks at the Airbus A380 assembly site in Toulouse; the land, lagoon and maritime sections of the sea discharge pipe of the Céreirède purification plant in Montpellier.

**Services.** Highlights were expansion of real estate structuring operations, with thirty projects currently under way (including the EDF offices in Marseilles), steady growth in multi-technical and multi-service maintenance under the Manei brand, reinforcement of the water treatment activity, with twenty stations (such as the one in Granville) under construction and appointment of a new management team, turnaround at VINCI Environnement and its waste and fume treatment activities (Andorra plant) as well as the first successfully concluded optical fibre contracts with the Mélis@ project in the Maine-et-Loire region and the Garonne Networks project in Toulouse.



## OUTLOOK

At the end of 2003, the order backlog was well balanced by business line and region and represented 10 months of business activity. 2004 looks to be a good year in all the business lines at Sogea Construction. In building, there are major orders such as the Granite tower in La Défense and the Toulon hospital (with a value of over €100m) as well as several significant operations under preparation which together add up to a satisfactory outlook. In civil engineering and services, business activity is expected to exceed the initial forecast, particularly with the LGV Est, A28 motorway, Achères purification plant and London incineration plant projects.



**1 GRANDE HALLE D'AUVERGNE**

Sogea Construction built this exhibition hall for the Auvergne regional Council on a general contracting basis. It comprises a 200 metre long hall and a 900 seat conference centre. The €66.7m contract was completed in 16 months.

**2 FRONTALIS BUILDING, PARIS**

This €76.2m, 75,000 square metre office complex built for the Caisse nationale d'assurance maladie at the Porte de Bagnolet was handed over in January 2004.

**3 LA SIOULE VIADUCT**

The 990 metre long, 19 metre wide viaduct under construction on the A89 motorway in the Puy-de-Dôme region rests on 7 piers, the tallest of which is 135 metres high. Five Sogea Construction companies are working on the project with the support of Freyssinet which is providing prestressing. The value of the contract is €47m.

**4 LA CEREIREDE, MONTPELLIER**

Sogea Construction won the fourth works package of the project aimed at extending this very large purification plant. The company, already responsible for the civil engineering work and the sea discharge pipe (4.5 km lagoon section and 11 km maritime section), will be building the discharge system linking the plant to the lagoon. The overall value of the project is €150m.

**5 PROPERTY MAINTENANCE**

In 2003, Manei, the Sogea Construction multi-technical and multi-service maintenance network, won new maintenance contracts for large office and technical buildings covering the equivalent of 200,000 square metres of floor space.

**HUMAN RESOURCES**

**PEOPLE AT THE HEART OF THE COMPANY**

In 2003, Sogea Construction recruited 1,700 people, half of them under the age of 30. 300 young journeymen were hired under the Passeport pour l'emploi jobs program. 40 employees completed the "Coaching Team" induction program. The Sogeform Institute conducted 56,000 hours of training for 2,100 trainees. These figures illustrate the ongoing renewal of our teams and the skills enhancement taking place in the company with a view to long-term development.

**SUSTAINABLE DEVELOPMENT**

**HIGH ENVIRONMENTAL QUALITY BUILDING**

The goal of the "high environmental quality" programme is to better control the life cycle of a building by taking account, from the design stage onwards, of all the impacts the building will have in terms of materials consumption, energy management, comfort, environmental compatibility and maintenance. Sogea Construction implemented the programme on the Caudry lycée project in northern France, for which it received recognition in 2003 when it was awarded the Sommet de la Terre et Bâtiment trophy by the Fédération française du bâtiment.



# GTM CONSTRUCTION



## MANAGEMENT TEAM

**Robert Hosselet,**  
Chairman and CEO

**Jean-Pierre Bonnet,**  
Secretary General

**Erik Leleu,**  
Human Resources and  
Communication Department

Regional and Operating  
Divisions:

**Denis Gauthier,**  
Vice-President  
(Ile-de-France, Centre)

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

**François Guillon,**  
(Rhône-Alpes)

**Alain Bonnot,**  
Vice-President (South)

**Alain Denat,**  
Vice-President (South-West)

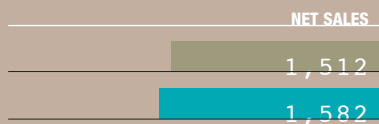
**Philippe Goulley,**  
(West)

**Xavier Neuschwander,**  
Vice-President (Earthmoving)



## KEY FIGURES

in millions of euros  
■ 2002 ■ 2003



### WORKFORCE

9,700

### PROJECTS UNDER WAY

3,500

## BUSINESS LINES

**Building:** new construction and rehabilitation of all kinds on a general contracting and structural works basis, structural renovation of occupied residential buildings, public and private sector project structuring, restoration and historic landmarks.

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

**Earthmoving:** infrastructure of all kinds (roads, motorways, high speed rail lines, ports, platforms) and associated standard structures.

**Specialities:** demolition, environmental works, wood sector, maintenance and multi-service work.

## MAIN BRANDS AND COMPANIES

GTM, Chantiers Modernes, Dumez, EBL, Coca, Lainé-Delau, Petit, Poa, Degaine, Socra, Mainponte, Pitance, Lantermoz, Bourgeois, Comte, Snec, EBM/Canaly, Fargeot, Caillaud, Travaux du Midi, Verdino, Girard, Méridienne, Mastran, Lcri, Sud-Travaux, Ratto, SGAD, Seram, Faure-Silva, TMSO, Jugla, SNATP, SAT, CMA, TPC, Hervé, EGC Ouest, CTPR, Delair-Navarra, CMS, Arene, Sotruga, Mancuso, Weiler, Tetra.

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

## BUSINESS ACTIVITY

At GTM Construction, brisk order intake was one of the hallmarks of 2003: the company set a historic record within its current scope of consolidation, with orders placed during the year totalling nearly 1.9 billion euros. Net sales were up nearly 5%. The business activity growth was particularly strong in the Rhône-Alpes (14%) and Ile de France (10%) regions and in earthmoving activities (8%). The other regions recorded activity that was either stable or slightly up.

**Building.** The company's diversified expertise served it well on several major operations now under way or completed – in Paris, construction of the Avant-Seine building (70,000 square metres of floor space), rehabilitation of the former head office of the Crédit lyonnais and work on the Galeries Lafayette site in the Boulevard Haussmann as well as the highly technical operations on works package M7 in the Left Bank ZAC development zone; in the North region, construction of the V 2000 office and retail complex in Villeneuve d'Ascq; in the South region, structural renovation of the palais de la Méditerranée in Nice (45,000 square metres), the new Bouches-du-Rhône département Archives in Marseilles and the prestigious Four Seasons golf hotel in Terre-Blanche in the Var region. Several projects for the French Post Office were ongoing in Orleans, Lyons and Rennes. Activity was particularly sustained in hospitals, with projects under way in Annecy (€45m), Clermont-Ferrand, Tours, Saint-Etienne, Sallanches, Perpignan, Angoulême and Angers.

## GTM CONSTRUCTION

- The company's strong positions were backed by an exceptionally high order level in all sectors – offices and retail space, with several high-end projects in Paris (Place Vendôme for Hammerson, Avenue des Champs-Élysées for UBS and LVMH, M1G building in the 13th arrondissement for Sorif, Sequana building for Capital et Continental, renovation of the Israeli embassy); hospitals with a new instalment of the Perpignan hospital and renovation of the hospital in Bayonne; functional buildings (design-build sports palace in Toulon); education (law school in Créteil, Alfred de Musset school in Levallois), etc.

**Civil engineering.** GTM Construction started, continued or handed over projects whose diversity demonstrates the range of competencies offered by the company – Achères and Valenton water treatment plants, La Rochelle, Haguenau and Grimonpont purification plants, drinking water plant in Angers; S3 Satellite at Paris CDG airport, extending the exceptional Coques de la Jetée project; Tulle, Centron and Combronde viaducts on the A89 motorway; breakwater in the port of La Condamine in Monaco, Toulouse metro and Bordeaux tram; Aquitaine bridge, for which the renovation was carried out under difficult conditions. Finally, in pipeline business lines, specialised GTM companies carried out projects all over France.

Order intake reached a satisfactory level in all civil engineering sectors. Notable orders included: purification plants in Marseilles and Toulon, the conditional part of the test reactor in Cadarache, the contract for construction of the Soleil synchrotron in the Ile de France, the Biscarosse missile test basin for EADS, the tracks for the Toulouse metro, preparatory work for the tram on the inner Paris ring boulevards, the Bellevue car park in Biarritz for VINCI Park, the Monestier viaduct on the A51 motorway (an order obtained thanks to an innovative foundation technique) and the Lioran tunnel in the Cantal region.



**Earthmoving.** Highlights of the year were the effective start of work on the major LGV Est rail line project (works packages 34B and 32, for which GTM Construction is lead company, and works package 12) for RFF and the A89 motorway (section 4.3) for ASF, which together represented orders with a total value of over 150 million euros for the year (earthmoving and structures); and continuation of the Port 2000 project in Le Havre – the largest civil engineering project now under way in France – which involves a number of VINCI Construction companies (including GTM Construction as lead company).

**Speciality works.** CMS carried out a major asbestos removal project in the Aurore tower at Paris - La Défense and continued its nuclear site maintenance activity. The Ministry of the Interior also awarded to GTM Multiservices the management (reception, catering, logistics) of passengers without valid papers at Paris CDG Airport.

## OUTLOOK

Supported by the company's exceptional commercial momentum and the effects of the improvement programme carried out in all of its business sectors, GTM Construction moves into 2004 with equanimity. The record order backlog at the end of 2003 already covers more than 80% of the workload in 2004 and suggests favourable prospects in all the company's business lines.



1



3



4



5



6

#### 1 PORT 2000, LE HAVRE

On the worksite where the protective breakwaters and maritime approaches to Port 2000 are being built (a €250m project), the consortium led by GTM Terrassement dredged 28 million m<sup>3</sup> of materials and built 5 km of breakwaters, 28,000 accropodes<sup>®</sup> and two giant pier heads.

#### 2 GALERIES LAFAYETTE, PARIS

GTM Bâtiment is renovating and extending the Galeries Lafayette department stores, with a total surface area of 25,000 m<sup>2</sup>.

#### 3 NEW HOSPITAL IN ANNECY

GTM GCS and Dumez Rhône-Alpes are performing the structural work, with a value of €45m, at this new 700-bed hospital standing on a 15 hectare site. The worksite employs 350 people and 11 tower cranes. The 120,000 m<sup>2</sup> of floor space will be handed over to the finishing trades at the end of 2004.

#### 4 S3 SATELLITE, PARIS CDG

GTM GCS and Dumez Ile-de-France are building one of the major projects under way at Paris CDG airport: the southern infrastructure of the S3 satellite (length 405 metres, width 84 metres, height 14 metres, slab 36,000 square metres).

#### 5 HAGUENAU PURIFICATION PLANT

Dumez ANSTETT handed over the new purification plant at the end of 2003. It has population equivalent capacity of 57,500 and comprises a bio-gas line.

#### 6 GOLF HOTEL, TERRE-BLANCHE, VAR

Dumez Côte d'Azur, Travaux du Midi, Dumez Méditerranée and GTM Bâtiment Grands Travaux designed and built this €74m, five-star luxury hotel residence operated by the Four Seasons group. The complex was completed in a record 24 month period.

#### AND ALSO: BORDEAUX TRAM

GTM GCS, Faure-Silva and Chantiers Modernes played a major part in the large Bordeaux tramway project. Work of the first phase amounted to a total value of €10m.

#### SAINT-LEONARD CLINIC, ANGERS

After a mere 16 months of work, GTM GCS handed over an €11m, 94 bed clinic in Angers with 4 operating theatres and a total surface area of 14,000 square metres.

#### RETAIL COMPLEX, VILLENEUVE D'ASCQ (NORD)

DUMEZ EPS is building a complex for Sorif near Lille. It is made up of 6,600 square metres of retail space and 4,200 square metres of office space. Built over former quarries, the structural work was completed in a record 8 months and handed over at the end of March 2004.

## SUSTAINABLE DEVELOPMENT

### COMMITMENT CHARTER

Safety, social responsibility, respect for the environment – the nine GTM Terrassement commitments to sustainable development were set out in 2003 in a charter sent to all employees and widely circulated outside the company. The initiative builds on the work done across GTM Construction as a whole in the fields of safety, environment and quality.

## AWARDS

### A TRADITION OF INNOVATION

Confirming GTM Construction's traditional commitment to innovation, the company entered an exceptional number of projects in the 2003 VINCI Innovation Awards (246 entries) and won an exceptional number of awards: 25 regional prizes (including 2 grand prizes) and 3 "Group" prizes, including the grand prize for its green breakwater concept, a new type of concrete maritime structure already on offer in Mediterranean ports. The trophies are a demonstration of GTM Construction's endeavour to develop modern tools to prepare its worksites, achieve more and more comprehensive integration of management and the quality-safety-environment triptych, and capitalise on knowledge.



# VINCI CONSTRUCTION FILIALES INT



## MANAGEMENT TEAM

**Philippe Ratynski,**  
Chairman and CEO

**Bernard Lenfant,**  
Vice-President, French Overseas  
Départements and Territories

**Sébastien Morant,**  
Vice-President, Managing  
Director of Sogea-Satom

**Jean-Louis Servranckx,**  
Vice-President, Special Projects  
and Central and Southern Europe

Chairmen and CEOs  
Subsidiaries:

**Endre Apáthy, Vladimír  
Brejcha, Gérard Bodel,  
Jean-Louis Choulot,  
Roger Georges,**

**Jean-Marc Huillard,  
Jean-Yves Le Pavec,  
Mauro Lisa,  
Jean-François Ozbolt,  
Jaroslaw Popiolek,  
Hervé Ronot,  
Jean-Louis Rousset,  
Christian Vidal.**

**François Ravery,**  
Chief Administrative and  
Financial Officer

**Jean-Marc Fonteyne,**  
Human Resources Manager

**Jérôme Benet,**  
Financing and Contracts  
Manager

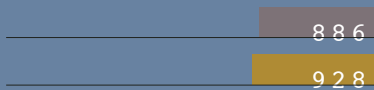
**Alain Gracias,**  
Audit Manager

# INTERNATIONALES

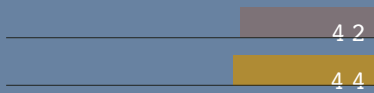
## KEY FIGURES

in millions of euros  
■ 2002 ■ 2003

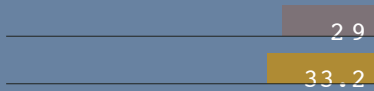
### NET SALES



### OPERATING INCOME



### NET INCOME



### WORKFORCE

9,000

### PROJECTS UNDER WAY

3,500

## BUSINESS LINES

Roads and earthmoving, hydraulic engineering, engineering structures, maritime works, building.

## MAIN BRANDS AND COMPANIES

**Africa:** Sogea-Satom, Sogea Maroc, Dumez Maroc, Sobeas Gabon, SGE-C Congo, SPC.

**Central Europe:** Warbud (Poland), FCC and SMP Construction (Czech Republic), Hídépítő (Hungary).

**French Overseas Départements and Territories:** SBTPC, Sogea Réunion, Sogea Mayotte, SMTPC, Sogea Martinique, SIMP, Dodin Guadeloupe, GTM Guadeloupe, Cogit, CIE, CBCI, Sogea Guyane, Dumez-GTM Calédonie.

**Belgium:** BPC, BPI.

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

## BUSINESS ACTIVITY

In 2003, net sales at VINCI Construction Filiales Internationales exceeded the 2002 level which itself was already high. In Central Europe, Africa and the French overseas départements and territories, the local roots, responsiveness and broad range of competencies of group companies enabled them to sustain a high level of performance throughout the ups and downs of the business cycle.

**Central Europe.** The increase in business activity was particularly spectacular in Poland (+ 62% in local currency) where the Warbud company, founded in 1992, continued its exemplary development despite a difficult economic environment. Highlights of the year were the handover of the structural work on the Arkadia shopping centre in Warsaw and the award of a number of large orders – a housing complex in Warsaw, a design-build industrial building for Valeo, two shopping centres in Poznan and Krakow and an office complex in Belgrade, the first contract Warbud has won outside Poland. Business activity was also sharply up in the Czech Republic (+ 19% in local currency). In Prague, FCC built a variety of buildings and won the contract to convert a former brewery into offices and shops. SMP continued its bridge construction activity while diversifying into hydraulic engineering (flood protection works in Prague, extension of the waste water treatment plant in Brezno).

In Hungary, Hídépítő did very good business in motorway engineering structures (15 bridges under construction on the M7 motorway). In Belgium, BPC confirmed its turnaround and obtained a major order

## VINCI CONSTRUCTION FILIALES INTERNATIONALES

➤ for the new Dexia head office in Brussels (€114m, BPC share 75%).

**Africa.** Sogea-Satom has historic locations that enable it to cultivate its traditional markets while rapidly moving onto new markets. Activity was brisk in Western Africa and declined in Central Africa as a result of the completion of the major projects being carried out for oil companies. Sogea-Satom's multidisciplinary competencies are evidenced by the diversity of the year's references. The main ones included the Niamey-Dosso national highway in Niger, roads in Cotonou in Benin and Bata and Acurenam in Equatorial Guinea, the hospital in Libreville, Gabon, the Ziga drinking water treatment station and the Kossodo purification plant in Burkina Faso, irrigation works in the N'Débougou rice-growing area in Mali and bridges over the Ntem on the Cameroon-Gabon border.

**French Overseas Départements and Territories.** The local roots of the companies belonging to VINCI Construction Filiales Internationales have enabled them to fully capitalise on renewed economic growth in the overseas départements and territories. Business activity was brisk in all sectors, especially public housing and schools. Sogea Martinique, SIMP, GTM Guadeloupe and Dodin Guadeloupe handed over or built nearly 1,500 public housing units during the year. Business activity in Reunion and Mayotte was sustained, especially for SBTPC.

### OUTLOOK

In Central Europe, the high level of the order backlog at the end of 2003 points to strong growth in 2004. The impending membership of Poland, the Czech Republic and Hungary in the European Union should lend new impetus to infrastructure investment programmes already committed in these countries. In Poland, the deployment of the regional Warbud network



and its diversification into hydraulic engineering should serve to spur growth. In Hungary, the spectacular expansion of Hidépitő in motorway infrastructure opens up prospects for substantial development in South-Eastern Europe.

In Africa, Sogea-Satom will continue its policy of building on its strong positions while moving onto new markets such as the major road projects in Madagascar.

In the French overseas Départements and Territories, business activity is expected to remain good. In addition to the continuation of a large number of public housing projects in the French West Indies, the major Tamarins road project coming up on Reunion Island should boost growth.





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**1 STRUCTURES ON THE M7 MOTORWAY, HUNGARY**

In 2003, Hidépítő began construction of 15 bridges and 3 viaducts on a 20 km section of the M7 motorway linking Budapest and Trieste. The project has a total value of €270m (Hidépítő share: 39%).

**2 FLORENC BUILDING, PRAGUE**

In the Czech capital, FCC completed construction of this building in February 2003 and won a contract to convert an old brewery into offices and retail space.

**3 DRINKING WATER SUPPLY, GABON**

This drinking water treatment station in Lambarene is one of the ongoing hydraulic engineering projects in Africa which also include the Ziga and Kossodo purification plants in Ouagadougou, Burkina Faso.

**4 SHOPPING CENTRE, WARSAW**

Warbud handed over the structural work on the Arkadia shopping centre in Warsaw, which includes two supermarkets (one belonging to the Carrefour chain), 200 shops and 4,000 parking spaces in two underground parking levels.

**5 NATIONAL HIGHWAY 1, NIAMEY - DOSSO**

Sogea-Satom has rehabilitated a 138 km section of this highway, including 10 km as 2 x 2 lanes.

**6 AGORA BUILDING, FORT-DE-FRANCE**

The construction of this 11,500 square metre building by Sogea-Martinique is one of the many building projects under way in Martinique and Guadeloupe, where nearly 1,500 public housing units were handed over in 2003.

**EXCHANGE OF EXPERTISE**

**TWINNING CHARTER**

The Equator regional division of Sogea-Satom signed a twinning charter with GTM Terrassement on 28 January 2003. The two VINCI Construction entities undertake to foster direct contacts among their teams with a two-fold objective – to promote exchange of expertise and technical support, and to encourage mobility by offering certain employees the opportunity to combine a career in France with international assignments, and even discover a vocation for long-term expatriate work abroad. The twinning operation was extended to the regional Central and Eastern Africa division of Sogea-Satom in September 2003.

**DEVELOPMENT**

**HÍDÉPÍTŐ TAKES OFF**

Former State-run company Hidépítő has undergone exemplary expansion since it was acquired by VINCI Construction in 1993. It rapidly adjusted to the market economy and was able to quickly establish itself as a leading civil engineering company in Hungary, with such projects as the structures on a 20 km section of the M7 motorway linking Budapest with Trieste via Zagreb, a contract to be handed over in June 2005. The country's membership in the European Union should enable the company to develop major infrastructure projects even further. Hidépítő is planning to double its activity to achieve net sales of 150 million euros by 2008.



# VINCI CONSTRUCTION UK - GERMANY



## MANAGEMENT TEAM

**John Stanion,**  
Chairman and CEO of VINCI  
Construction GmbH (Germany)  
and VINCI PLC (United Kingdom)

**David Joyce,**  
COO of VINCI PLC

**David Bowler,**  
Director, Project Structuring  
and Financing Division,  
UK and Northern Europe

**John Bergin,**  
Director, Project Development,  
United Kingdom

**Raoul Dessaigne,**  
CEO of VINCI Construction  
Deutschland OHG (Germany)  
and Services Division, USA

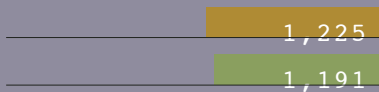
**Volker Petersen,**  
CEO of VINCI Bautech GmbH  
(Germany)

**Alec Comba,**  
CFO of VINCI PLC, Financial  
Coordination United Kingdom  
and USA

## KEY FIGURES

in millions of euros  
■ 2002 ■ 2003

### NET SALES



### OPERATING INCOME



### NET INCOME



### WORKFORCE

7,000

### PROJECTS UNDER WAY

4,000

## MAIN COMPANIES AND BUSINESS LINES

### United Kingdom

VINCI PLC, holding company for: Norwest Holst Construction Ltd. (building, civil engineering, public utility networks), Norwest Holst Soil Engineering Ltd (geotechnical and environmental impact studies), Crispin & Borst Ltd (construction, rehabilitation, restoration and maintenance), Simplex Foundations Ltd (piles, drilling, injection), John Jones Excavation Ltd (earthmoving and excavation), VINCI Services Ltd (engineering and maintenance services, ship fitting), Rosser & Russell Ltd (fitting and finishing and mechanical and electrical maintenance), Conren Ltd (manufacture and application of special surfacings) and VINCI Investments Ltd (project structuring and financing).

### Germany

- VINCI Construction Deutschland OHG, holding company for: Brüggemann (building), SKE, Ehrenfels Bauunternehmung, Stumpf & Müller Services, BOS (facility management).

- VINCI Bautech GmbH, holding company for: G+H Innenausbau (architectural fittings and finishings), G+H Schiffsausbau and G+H PrecCab (fitting out of ships), G+H Fassadentechnik (facades), G+H Kühllager- und Industriebau (refrigerated facility construction) Schuh Bodentechnik (double floors and industrial flooring).

### USA

SKE Support Services Inc. (facility management).

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 together in a single management division that optimises synergies and focuses their activities on a common strategy of selective order-taking, added value development and risk control.

## BUSINESS ACTIVITY

**United Kingdom.** Business activity continued to expand. VINCI PLC covers the full range of construction expertise, from project structuring to maintenance, and used it in two new public-private partnership (Private Finance Initiative) projects, one for a school in Sandwell and the other for the police force in Wiltshire. The company was also selected, as part of a consortium, as one of the main partners in the ProCure 21 public health programme which has a minimum duration of five years.

In civil engineering, VINCI PLC obtained the contract for the Vauxhall Cross bus station in London – the centrepiece of a major urban renewal programme – and the contract for the Gloucester bypass, while continuing work on the Channel Tunnel Rail Link (CTRL 342) project.

The Crispin & Borst company, acquired in 2002 and reorganised for strengthening its substantial positions in London and in the southeast of Britain, built a primary school in Kingshill as part of a framework contract with Kent County and won a renovation contract from the London & Quadrant Housing Trust.

**Germany.** The quality of the services deployed by SKE for the American Army over the last five years resulted in the renewal or award of several major contracts covering maintenance of the bases in Giessen, Friedberg, Hanau and Büdingen (€146m over five years), the renovation of housing at the bases in Stuttgart and Böblingen (€23m) as well as maintenance of the air conditioning and fire pro-

## VINCI CONSTRUCTION UK - GERMANY - USA

► tection systems at the bases in Bavaria, Baden-Württemberg and Rhineland-Palatinate (€36m over five years).

On a building market where the situation continues to worsen, Brüggemann maintained its profitability by focusing its activity on industrial buildings and turnkey office space. Examples are the orders placed by Kaufland (in Duisburg, Rheda-Wiedenbrück and Mayen) and by Thyssen (Duisburg); a complex for the city's technical department was built on a turnkey basis in Essen. In technical fitting and finishing, the VINCI Bautech companies were able to weather the market decline thanks to their specialisation.

**USA.** SKE Support Services Inc., a longstanding partner of the US Navy, won the contract, as part of a consortium, to modernise the generators and electrical systems at the Diego Garcia naval base (€12.5m), in addition to the ongoing contract for the maintenance of the facilities on the island (€37.5 per year). In addition, SKE has boosted its car park management and telecommunications equipment maintenance activities, signing several new contracts with US Air Force bases.

### OUTLOOK

In the United Kingdom, the upturn in public investment in schools and hospitals and more broadly the development of public-private partnerships have opened up new opportunities for VINCI PLC which should result in several new Private Finance Initiative (PFI) projects in 2004. As a conse-



quence, maintenance activities are expected to experience buoyant growth. The outlook is also satisfactory for Crispin & Borst, which has major growth potential, and for project structuring activities, where several construction operations are under preparation. The outlook is more uncertain, on the other hand, in civil engineering, with public investment declining. In Germany, service activities should continue to grow and SKE is expected to benefit from the expansion of public private partnerships, especially in the school sector. In building, where a recovery is not expected to set in until 2005, Brüggemann will be refocusing its activity on its traditional customers in the Ruhr basin and VINCI Bautech will be managing the activities of its national network of branches very carefully.

Lastly, in the United States SKE SSI is expected to benefit from the service outsourcing trend.





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**1 BUILDING DESIGN PARTNERSHIP, LONDON**

In record time, Crispin & Borst converted a former London brewery into the new head office of Building Design Partnership, one of Britain's largest architect firms.

**2 UNIVERSITY OF LEICESTER**

Norwest Holst Construction is carrying out the design-build construction of the new research centre at the University of Leicester – a five-storey building with a surface area of 9,400 square metres.

**3 COLD WAREHOUSE, SWITZERLAND**

G+H Kühlager- und Industriebau (VINCI Bautec) has built a high-ceilinged cold warehouse with a surface area of 5,300 square metres for Migros, the leading Swiss retail chain.

**4 CHANNEL TUNNEL RAIL LINK**

Norwest Holst Construction carried out the largest bridge “launching” ever undertaken in the United Kingdom, on section 342 of the high-speed rail link between London and the Channel Tunnel. Each of the two parts that make up the 111 metre long structure weighed approximately 12,000 tonnes.

**5 US EMBASSY IN VIENNA**

SKE Germany renovated the prestigious 1884 building in 2003. The contract mainly involved the restoration of the richly decorated facades.

**ARCHITECTURAL FITTING AND FINISHING**

**PRODUCTION OF PREFABRICATED CABINS**

VINCI Bautec subsidiary G+H Schiffsausbau expanded its high-end architectural fitting and finishing activity in 2003 with the creation of G+H PreCab. This company, specialising in prefabricated cabins for ocean liners and merchant ships, filled its first order (€10.3m) – 800 cabins for the passengers and crew of a ferry boat owned by the Brittany Ferries company, now under construction at the Meyer Werft shipyards in Papenburg. G+H Schiffsausbau is also responsible for the architectural fitting and finishing of the ship's restaurants.

**UNITED KINGDOM**

**PFIS TAKE OFF**

In the United Kingdom, public infrastructure is often build under PFI contracts under which the public authorities call on private-sector companies to provide project financing, construction and maintenance. VINCI PLC has operated on this market since 1999 and has a very diversified list of references (Cardiff Bay redevelopment, Dorset County police stations, Balfour secondary school in Stafford and another school in Seighford, Staffordshire, etc.). VINCI PLC is generating a growing share of its net sales in PFI contracts and intends to position itself among the leaders in this rapidly-expanding sector.



# VINCI CONSTRUCTION GRANDS PROJETS



## MANAGEMENT TEAM

**Philippe Ratynski**,  
Chairman

**Pierre Berger**,  
CEO

**Michel Bernard**, Vice-  
President, Eastern Europe -  
Africa - Asia

**Jean-François Ravix**, Vice-  
President, France - 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**,  
Legal Affairs Director

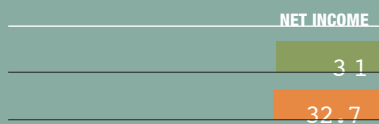
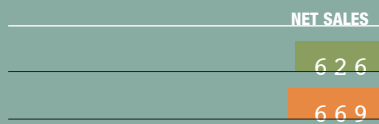
**Patrick Béchaux**,  
Human Resources Director

**Alain Gaumy**,  
Quality - Environment -  
Safety Director

**Henri Stouff**  
*was Chairman of VINCI  
Construction Grands Projets  
from its inception until the  
1<sup>st</sup> quarter 2004. He was then  
appointed to other positions  
within the VINCI Group.*

## KEY FIGURES

in millions of euros  
■ 2002 ■ 2003



### WORKFORCE

3,000

### PROJECTS UNDER WAY

33

## BUSINESS LINES

Design and construction of major civil engineering projects (tunnels, bridges, dams, major infrastructure) and building projects (high-rise buildings, major industrial infrastructure, complex structures) 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)

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.

## BUSINESS ACTIVITY

2003 was an excellent year for VINCI Construction Grands Projets. Business activity increased by 7% with net income close to 5%, i.e. a level of profitability far above the usual standard in the sector.

Activity was particularly strong in tunnels, with the completion of the Lefortovo road tunnel in Russia and the Pannerdensch Kanaal rail tunnel in the Netherlands. Work continued on the Airside Road Tunnel at Heathrow (7 structures built under the airport), the Soumagne tunnel in Belgium, the Saint Petersburg metro in Russia and the Mitholz rail tunnels in Switzerland. In France, the breakthrough of the first A86 motorway tunnel between Rueil-Malmaison and the A13, marked a major milestone in this large underground toll motorway project in the Ile de France region, built and operated by the VINCI Group under a concession contract. In Sweden, the last legal obstacles to the construction of two 5.6 km railway tunnels along the new high-speed rail line between Gothenburg and Malmö were lifted and work is expected to get under way in 2004. Finally, the company's strong engineering capabilities won VINCI Construction Grands Projets two new contracts: the first covers coordination of design studies for the Athens metro extension project; the second is a triple technical support contract with the Moscow city authorities as part of the Silver Forest tunnel project.

Business was also brisk in the other civil engineering sectors. In bridges, work on the Rion-Antirion bridge, the 2,884 metre multi-cable stayed structure spanning the Gulf of Corinth in Greece, continued on schedule; in port works, the extension of the La Condamine port in



# VINCI CONSTRUCTION GRANDS PROJETS

➤ Monaco was completed; in hydraulic works, work started on the Naga Hammadi dam in Egypt, which has required the diversion of the Nile for the second time in history, and on the pumping station for the Great Man-Made River Authority in Libya; in rail infrastructure, the last civil engineering works packages on the Channel Tunnel Rail Link in the United Kingdom were completed; in road infrastructure work proceeded, again in the United Kingdom, on the Newport bypass project and, in France, on the construction of a 25 km section of the A28 motorway in the Sarthe region which is scheduled to open to traffic in 2006; in major industrial infrastructure, the Cork Carrigrenan purification plant was completed in Ireland and two giant liquefied gas tanks were constructed in Egypt. Finally, in major building projects, 2003 saw the completion of the Orhideea shopping centre in Bucharest, the completion of the Four Seasons hotel reconstruction in Prague following the 2002 floods, and the completion of Asia's largest residential and commercial complex, the Berjaya Times Square in Kuala Lumpur.

## OUTLOOK

At the end of 2003 the order backlog was sharply down by comparison with the previous year, but nevertheless represented more than two years of business activity. VINCI Construction Grands Projets, which operates on a cyclical market, has anticipated a substantial reduction in activity in 2004 but expects a substantial recovery in order intake in the course of the year, since the increasing complexity and gestation time for major projects often lead to them being carried over from one year to the next. Against this backdrop, VINCI Construction Grands Projets will be intensifying its sales and marketing focus on contracts that meet its selective order-taking and risk control criteria. It will be developing synergies with the various



entities of the VINCI Group for this purpose. These efforts will be concentrated, in Europe, on the United Kingdom and the countries of Central Europe where transport infrastructure needs are substantial. In Asia, the end of the economic downturn heralds a resumption of major investments. A recovery is also expected in the countries of the Mediterranean rim. Finally, VINCI Construction Grands Projets has considerable expertise in gas storage and treatment facilities and will thus be able to take advantage of the strong expansion of that market sector.





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**1 RION-ANTIRION BRIDGE, GREECE**

Work on this structure – nearly 3 km long, built and operated by the VINCI Group under a concession contract – continued on schedule, with opening planned for the end of 2004. 368 cable stays weighing a total of 3,800 tonnes were installed by Freyssinet.

**2 LEFORTOVO TUNNEL, MOSCOW**

The 2,200 metre road tunnel on the outskirts of the city was drilled in record time – 60 weeks – by means of the largest tunnelling machine ever employed in an urban worksite (bore diameter: 14.2 metres).

**3 A86 TUNNEL, ILE DE FRANCE**

The breakthrough of the first 4.5 km section between Rueil-Malmaison and the A13 motorway on 14 October 2003 marked a major milestone in this large underground motorway project

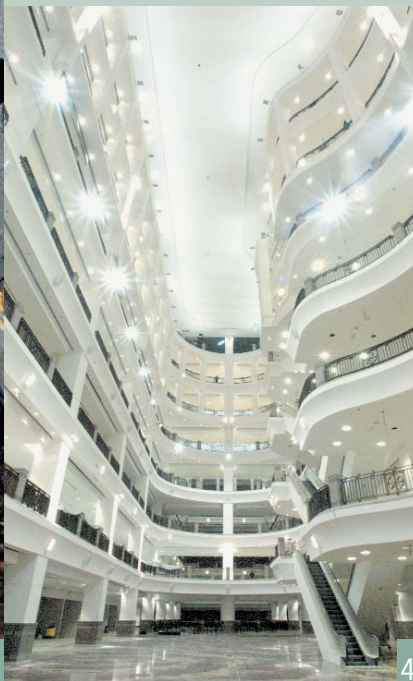
built and operated as a concession by VINCI. The second, 5.5 km, part of the tunnel connecting the A13 with the other end of the A86 in Versailles will be completed in 2009.

**4 BERJAYA TIMES SQUARE, KUALA LUMPUR**

The largest shopping and residential complex in Asia, consisting of two 200 metre towers and 46 storeys linked by a 15-storey, 200 metre long façade, was handed over in June 2003.

**5 ORHIDEEA SHOPPING CENTRE, BUCHAREST**

Built in one year, the 28,800 square metre site includes an 8,500 square metre Carrefour hypermarket and 56 shops and restaurants, all of which were sold prior to inauguration on 22 September 2003.



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**INNOVATION**

**TECHNOLOGICAL EDGE CONFIRMED**

VINCI Construction Grands Projets confirmed its commitment to ongoing innovation, with seven of its projects winning prizes in the regional 2003 VINCI Innovation Awards and three entries winning prizes in the finals – the special safety prize (fire protection in a tunnel); the special sustainable development prize (machine for decontaminating contaminated concrete); the special synergies prize (integrated landscape program for motorways). The company also won the 2003 Siemens Innovation Award in the building and civil engineering category for its new patented dual-layer fire-protection coating applied to tunnel segments.

**ACCIDENT PREVENTION**

**SAFETY FIRST**

The "Safety First!" programme included several additional initiatives in 2003: publication of a document presenting the company's safety policy, which was sent to all employees, customers and partners; drafting of a health-safety-environment management system guide for project operational staff; launch of the prevention and safety Challenge aimed at raising awareness among teams and fostering a change in accident-prevention behaviour.



# FREYSSINET



## MANAGEMENT TEAM

**Bruno Dupety,**  
Chairman and CEO

**Jérôme Stubler,**  
Director, Structures Division  
and Executive Vice President

**Philippe Héry,**  
Director, Soils Division

**Roger Bloomfield,**  
Director, North America

**Patrick Nagle,**  
Director, UK and Northern  
Europe

**Jorge Moreno,**  
Director, Spain and South  
America

**Philippe Zanker,**  
Director, Freyssinet France

**Yann Grolimund,**  
Chief Financial Officer

**Claude Lascols,**  
Administrative and Human  
Resources Director





## KEY FIGURES

in millions of euros  
■ 2002 ■ 2003

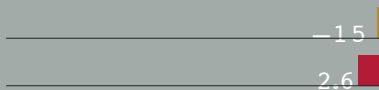
### NET SALES



### OPERATING INCOME



### NET INCOME



### WORKFORCE

3,000

### PROJECTS UNDER WAY

400

## BUSINESS LINES AND COMPANIES

**Structures (Freyssinet):** Construction, repair and maintenance of superstructures (bridges, tunnels, high-rise buildings, industrial and retail buildings, historic monuments): prestressing, cable-stays, construction methods, structure fittings (pavement joints, bridge supports), reinforcement techniques and processes.

**Soils (Terre Armée, Ménard Soltraitement):** Reinforcement, timbering and walling and soil improvement for transport infrastructure (roads, bridges, airports), industrial and retail sites, platforms.

Operating on five continents through a network of sixty agencies and subsidiaries, Freyssinet brings together comprehensive expertise in structures and soils. The group's technological edge, supported by a large number of exclusive processes and products, makes it a world benchmark in specialised civil engineering work.

## BUSINESS ACTIVITY

Freyssinet implemented a pro-active recovery strategy focused on making the most of the group's expertise and taking a more opportunity-driven approach to its markets. That, with the closure or restructuring of loss-making subsidiaries, enabled the group to return to profit in 2003.

**Structures.** The stay cable activity – a market on which Freyssinet is world leader – expanded considerably. Major projects started or continued included the Millau viaduct in France; the Rion-Antirion bridge built by VINCI Construction Grands Projets in Greece (368 cable stays weighing a total of 3,800 tonnes); the Boyne bridge, the largest bridge in Ireland and the country's first cable-stayed bridge; and the Bill Emerson bridge in Cape Girardeau, Missouri in the United States, the state's largest structure. The company's technological edge was also in evidence in the new-generation anchors used in the cable stays on the Sporting stadium in Lisbon, the Marine Parade bridge in the United Kingdom and the new arch bridge in Wolin, Poland.

Freyssinet's traditional prestressing expertise was put to use in new construction such as the Corgo viaduct in Portugal (prestressing of the deck and the central piers), the new bridge over the Panama Canal and the Capricorne and Al Jaber Complex towers (47 and 43 storeys) in Dubai. Business was brisk in engineering structure modernisation and repairs, especially in France, with the widening of the Bellevue bridge in Nantes, the renovation of the suspended bridge in Floirac (where the "cable tool" method used by Freyssinet won it a regional VINCI Innovation award) and reinforcement of the Saint-Gobain plant in Le Tréport following a fire (construction of 63 shotcrete beams).

# FREYSSINET

➤ In Libya, Freyssinet continued work on the repair, by means of additional prestressing, of the GMRA water pipeline.

Finally, contracts won in the course of the year included construction of the Deep Bay South bridge in Hong Kong, the Cooper River bridge in the United States, the Sungai Prai bridge in Malaysia and the Orenoco bridge in Venezuela as well as the repair of several bridges damaged by the war in Kosovo.

**Soils.** Ménard Soltraitements's soil improvement expertise is increasingly being called on in suburban and maritime construction projects involving difficult soils, and the company's achievements were much in evidence in a variety of projects that used the full range of its exclusive processes: the widening of the Quai des Flandres wharf in the port of Dunkirk (offshore ballasted columns); the re-development of the Persian Gulf coastal road in the north of Abu Dhabi (dynamic compacting of a one million square metre pavement support); the QSL sugar terminal in Australia (dynamic compacting and ballasted supports); the Newport bypass in the United Kingdom (9,500 controlled-modulus columns – CMCs); the Cepco-Aventis logistics facility in Marly-la-Ville in France, where Ménard Soltraitements used "matchstick" CMCs for the first time in order to optimise the dimensions of the slab pavement and the cost of the project.

Among the projects carried out by the Terre Armée entities, mention should be made of the architectural facings in Boulogne-sur-Mer and a welded wire mesh wall (among the country's largest of this type) in Montpellier in France; the repair of the Jameston bridge using TechSpan segments (the largest ever installed in North America) in the United States; and, in the Middle East, the start of construction work on 240,000 square metres of retaining walls as part of the Layari project.



Lastly, the main orders won during the year were, in reinforced earth, the Grenoble-Sisteron section of the A51 motorway in France (33,000 square metres of retaining walls); the supply of TechSpan segments in Portugal for the Porto-Lisbon motorway and, in soil improvement, the development of the embankment in the port of Kwan Yang in Korea as well as the Al Ain project in the United Arab Emirates.

## OUTLOOK

At the end of 2003, the order backlog stood at 300 million euros, the equivalent of nine months of activity. Continuation of the selective order-taking strategy and improvement in profitability should result in a further substantial increase in net income.

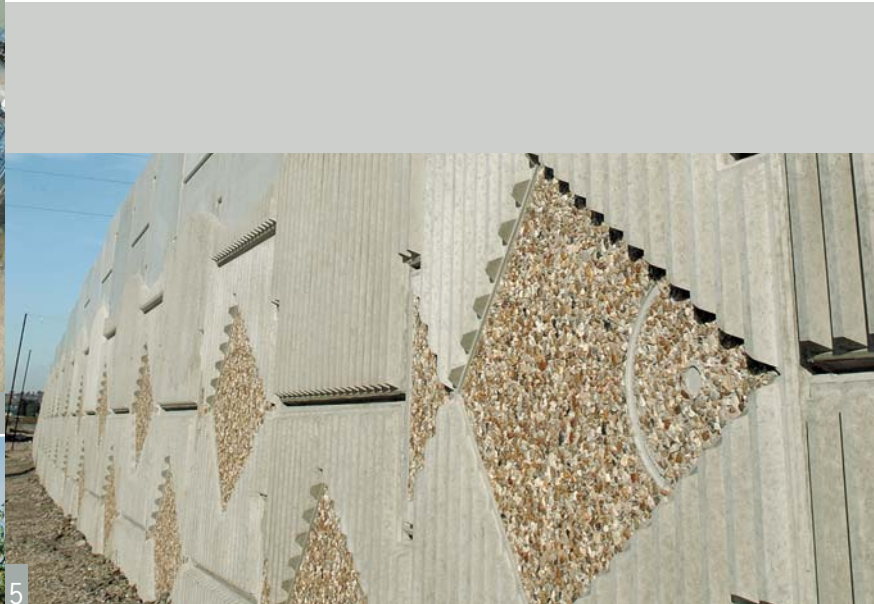




2



4



5



6

**1 SPORTING STADIUM, LISBON**

Freyssinet supplied, installed and designed the clamps (new Freyssinet HD anchors) for the 24 stay cables supporting the roof of the new Sporting stadium in Lisbon.

**2 NEW BRIDGE OVER THE PANAMA CANAL**

For this structure, Freyssinet is responsible for the heavy handling work (installation of mobile forms and pier formwork), interior and exterior deck prestressing (750 tonnes of steel) and installation of the 128 cable stays.

**3 KWAI CHUNG CONTAINER TERMINAL, HONG KONG**

To prevent corrosion in the reinforcement of the wharf slabs, Freyssinet installed cathode protection using anodes inserted into the surface of the concrete and then sunk into the repair mortar.

**4 MUAR BRIDGE, MALAYSIA**

The use of the Cohestrand strand and of "multi-tube" cable stay seats developed by Freyssinet made it possible to simplify the design of the pylons and improve the overall aesthetics of the structure.

**5 TERRE ARMÉE CLADDING, BOULOGNE-SUR-MER**

The new cladding systems developed by Terre Armée provide broad architectural design latitude, optimising the integration of structures into the landscape.

**6 BALLASTED COLUMNS, PORT OF DUNKIRK**

To install the 1,225 columns that stabilise the underwater slopes, Ménard Soltraitemement developed this machine suspended from the boom of a pontoon-mounted crane and equipped with a satellite positioning system.

**STRUCTURES**

**FNTPT INNOVATION AWARD**

Designed by Freyssinet engineers, the new compact anchoring system for carbon fibre cables (using thin film bonding and conical tightening) received the first prize at the FNTPT Innovation Awards. The Laroin footbridge in the Pyrénées-Atlantiques region, which is equipped with carbon fibre stay cables, is the world's first application of this solution.

**SOILS**

**OFFSHORE STONE COLUMNS**

To widen the Quai des Flandres wharf in the port of Dunkirk, Ménard Soltraitemement implemented an innovative application of its stone column process. Using a pontoon-mounted crane guided by satellite, 1,225 columns of siliceous aggregate were installed to a depth of 5 m in the sub-soil from the water's surface by pressure vibro-drilling. The volume of the material injected was continuously measured by transducers to track the height of the column.



# COMPAGNIE D'ENTREPRISES CFE



## MANAGEMENT TEAM

**Renaud Bentégeat,**  
Managing Director

**Jacques Ninanne,**  
Finance and Administration

**Gabriel Marijsse,**  
Human Resources

## CONSTRUCTION

**Bernard Cois,**  
Real Estate Services and  
Development

**Lode Franken,** Major Projects

**Ber Groot,** Netherlands

**Edouard Janssens,**  
Central and Eastern Europe

**Jean Van Tricht,**  
Belgium Centre and South,  
Luxemburg

**Patrick Verswijvel,**  
North Belgium

## DREDGING AND ENVIRONMENT

**Marc Stordiau,** DEME

## ELECTRICITY

**Christian Van Hamme,**  
Nizet Entreprise

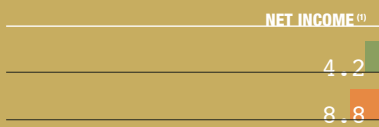
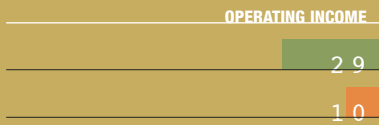
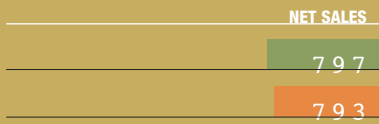
**Luc Vandeputte,**  
Vanderhoydoncks Engema





## KEY FIGURES

in millions of euros  
 2002 2003



<sup>(1)</sup> VINCI Share: 45.4%

### WORKFORCE

3 200

### PROJECTS UNDER WAY

215

## BUSINESS LINES AND COMPANIES

**Construction and real estate development** (MGB, ABEB, CFE Brabant, Bageci, CFE Services, CLE, CFE Polska, CFE Hungary, CFE Nederland, Sogesmaint): buildings, industrial structures, civil engineering and roads (design, construction, financing, structuring and development, maintenance and management).

**Dredging-environment (DEME):** maritime and river dredging, hydraulic works, remediation of contaminated soils.

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

CFE, a company in which VINCI Construction owns a 45% interest and which is listed on Euronext Brussels, is a major construction player in the Benelux countries. Its design office and its policy of forging partnerships with specialised companies enable it to create the synergies of teams and expertise that in turn enable it to offer its customers comprehensive design and build solutions, including project structuring and maintenance based on CFE's building management and electricity business lines. CFE also holds strong positions on the world dredging market through its stake in DEME.

## BUSINESS ACTIVITY

Moving into 2003 with a good order backlog, CFE posted sales for the year of 793 million euros.

**Construction.** This activity, which accounts for half the company's net sales, remained essentially stable. Business was particularly strong in the Netherlands, Luxemburg and the north of Belgium, in contrast to the weak market in Wallonia. Several important projects confirmed CFE's presence on all market segments: office space (Tour de l'Europe project in Luxemburg and Robelco project in Brussels); functional buildings (new courthouse in Antwerp); industrial construction (Tubize purification plant, extension of the Volkswagen plant in Forest); housing (Jette Gardens in Brussels, les Mouettes in Jambes); prestige renovations (Ostende casino). Difficulties with the structural renovation contract for the Gresham hotel in Budapest continued to adversely affect the results of the construction division, so that its profitability is expected to recover in 2004.

**Civil engineering.** Activity was also strong, with the continuation of significant projects in the Netherlands (Antwerp-Amsterdam high speed rail line) and in Belgium: the Asdam project in Antwerp, the double Soumagne tunnel on the Liege-Cologne high speed rail line, the Deurganckdok port project in Antwerp and the Guillemins railway station in Liege.





# COMPAGNIE D'ENTREPRISES CFE

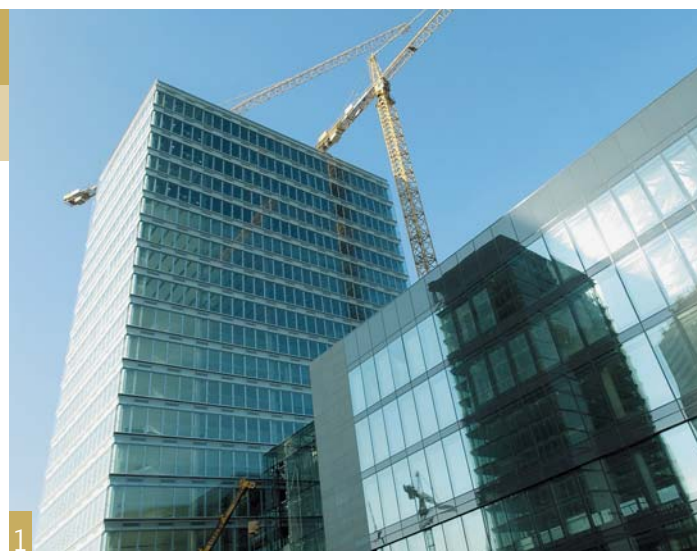
➤ **Services.** In services, which operate in synergy with building activities, the innovative project structuring and project management solutions devised by CFE were employed in such real estate projects as the Tour de l'Europe in Luxemburg and the Royal Brialmont in Brussels. Downstream from the construction process, CFE has also developed an administration, facility management and total guarantee activity for office and retail buildings; its specialised subsidiary Sogesmaint consolidated its leadership on this market in 2003 with 1,200,000 square metres under management for a variety of major owners.

**Electricity.** Nizet and Engema continued to show a good level of activity on a highly competitive market. Note should be taken of the excellent performance of Voltis, a retail store selling electrical supplies and tools which is located in Louvain-la-Neuve and managed to meet strong consumer demand. Restructuring proceeded apace at Vanderhoydoncks and is expected to achieve its full effects in 2004.

**Dredging.** Dredging subsidiary DEME, in which CFE holds an interest of nearly 50%, did satisfactory business in 2003 thanks to brisk activity in Belgium and France, where it is taking part with GTM Construction and Sogea Construction in the very large Port 2000 project in Le Havre. The decision taken at the end of the year to invest in a new megacutter will enable DEME to consolidate its edge in hard soil dredging and more generally to further bolster its excellent position on the world dredging market.

## OUTLOOK

The decline in the order backlog for construction and dredging work at the end of 2003 points to a downturn in business activity in 2004. However, external growth operations are planned in construction, real estate development and electricity and this should enable CFE to maintain its leading



position in its core businesses in the Benelux countries. Diversification into complementary business lines such as HVAC is also under consideration, the goal being to broaden the range of services on offer. Improved synergies among the different CFE divisions and development of a management model in phase with that of VINCI Construction should foster better mobilisation of the company's capabilities for the benefit of its customers. Last but not least, despite the difficulties experienced on the dredging market in Asia, the medium-term outlook for DEME remains satisfactory.



**1 TOUR B DE L'EUROPE, LUXEMBURG**

CFE is covering all stages of this 38,000 square metre project – design, development, construction, maintenance and financing in the form of a transfer of rental income.

**2 COURTHOUSE IN ANTWERP**

After carrying out the structural work, CFE is working within a consortium to make and install the "butterfly" roofs: six 41 metre high main elements and 26 smaller, 18 metre high, shells. The roof makes this project one of the most ambitious carried out in Belgium since the turn of the century.

**3 SHIP RECOVERY**

DEME, which is specialised in maritime and river dredging, took part in the recovery of the Norwegian cargo ship Tricolor which had sunk in the Pas-de-Calais straits. The wreck, which had been carrying 3,000 new cars, was cut into several pieces which were then salvaged.

**4 THE "LEIEN" IN ANTWERP**

CFE is carrying out the structural renovation of a first 3 km section of the Antwerp ring road. The operation includes complete replacement of streets, the creation of a 600-space underground car park and a 1 km long tunnel requiring the laying of 70,000 cubic metres of concrete.

**5 THE JETTE GARDENS IN BRUSSELS**

CFE is handling real estate development and construction of this complex comprising 32,000 square metres of office space, 110,000 square metres of housing, 2,000 square metres of retail space and 5 hectares of streets and public access.

**6 MAINTENANCE OF A HIGH VOLTAGE LINE**

Engema is performing maintenance work on the Beerst-Koksidge 150 kV line. The contract includes replacement of the market spheres using special cycles, replacement of the stiffeners and upgrading the towers to standards. Engema is also assembling and erecting operating towers.



**HUMAN RESOURCES**

**CFE FOCUSES ON YOUNG PEOPLE**

As a major building and civil engineering company in Belgium, CFE stepped up its efforts in 2003 to improve the image of the sector among young people, focusing especially on universities and schools of higher learning. Some thirty young people, two thirds of them with a university background, were recruited in the course of the year and all of them are being mentored by a senior. This programme will be continued in 2004.

**SUSTAINABLE DEVELOPMENT**

**DECONTAMINATION TRACK RECORD**

DEME has been investing for more than fifteen years in applied research concerning contaminated sludge treatment. The expertise of its teams – including more than 30 chemical engineers, biotechnicians and hydrogeologists – has enabled it to develop innovative maintenance dredging solutions that can be used even on highly toxic sludges. DEME's environmental expertise was put to good use on two major projects (€120m): the cleanup of the Korle Lagoon, a vast and highly polluted lagoon near Accra, Ghana; and decontamination of land located near a former gasworks in Dublin, Ireland, where the soil contaminated with arsenic and other heavy metals was taken by ship to the specialised DEME treatment site in Kallo near Antwerp.



# VINCI CONSTRUCTION 2003

CONSOLIDATED FINANCIAL STATEMENTS FOR



# CONSOLIDATED BALANCE SHEET

in thousands of euros

ASSETS		NOTES	EXERCICE 2003			EXERCICE 2002
			Gross	Amort., dep'n and provis.	net	
Intangible assets other than goodwill		2	131,679	90,128	41,551	40,823
Goodwill on acquisition		3	324,483	177,743	146,740	169,940
Tangible assets		4	1,778,022	1,046,453	731,569	747,933
Financial assets						
– Investments in subsidiaries and affiliates			5	89,473	57,388	32,085
41,450						
– Investments accounted for by the equity method				13,982		13,982
16,068						
– Long-term interest-bearing receivables		12	9,188	119	9,069	6,925
– Other financial fixed assets		6	42,472	4,660	37,812	40,769
TOTAL FIXED ASSETS		2	2,389,299	1,376,491	1,012,808	1,063,908
Inventories and work in progress		7-8	186,423	5,801	180,622	153,008
Trade and other operating receivables		8	3,849,569	199,528	3,650,041	3,530,553
Short-term financial receivables		9-12	1,014,771	14,591	1,000,180	896,646
Marketable securities		9-12	259,535	13	259,522	235,401
Cash		12	289,885	4	289,881	317,102
TOTAL CURRENT ASSETS		5	5,600,183	219,937	5,380,246	5,132,710
TOTAL ASSETS			7,989,482	1,596,428	6,393,054	6,196,618



in thousands of euros

<b>EQUITY AND LIABILITIES</b>			
	NOTES	EXERCICE 2003	EXERCICE 2002
Share capital		148,806	148,806
Share premiums		54,333	54,333
Consolidated reserves		265,022	215,166
Net income for the period		179,367	143,085
Interim dividend		(79,983)	(59,522)
<b>SHAREHOLDERS' EQUITY</b>		<b>567,545</b>	<b>501,868</b>
Minority interests	10	101,159	106,476
Investment subsidies		83	71
Provisions for liabilities and charges	11	845,065	858,927
Long- and medium-term debt			
– Bond loans	12	2,376	1,983
– Other debt at more than one year	12	225,504	225,567
<b>TOTAL EQUITY AND LONG-TERM DEBT</b>		<b>1,741,732</b>	<b>1,694,892</b>
Trade and other operating payables	8	4,329,373	4,180,750
Short-term borrowings	12	321,949	320,976
<b>TOTAL CURRENT LIABILITIES</b>		<b>4,651,322</b>	<b>4,501,726</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6,393,054</b>	<b>6,196,618</b>

# CONSOLIDATED STATEMENT OF

in thousands of euros

	NOTES	EXERCICE 2003	EXERCICE 2002
<b>OPERATING INCOME</b>			
Net sales	13	7,249,449	7,068,409
Other operating revenue	14	475,821	478,745
<b>OPERATING INCOME</b>		<b>7,725,270</b>	<b>7,547,154</b>
Operating expenses (*) (**)	15	(7,287,335)	(7,153,497)
<b>GROSS OPERATING SURPLUS</b>		<b>437,935</b>	<b>393,657</b>
Amortisation, depreciation, and provisions	15	(226,016)	(181,495)
<b>OPERATING INCOME</b>		<b>211,919</b>	<b>212,162</b>
Net income from financing activities		3,696	8,044
Net foreign exchange gains/(losses)		6,154	(6,837)
Other financial income and expenses, net		5,521	9,986
<b>NET FINANCIAL INCOME/(EXPENSE)</b>	<b>16</b>	<b>15,371</b>	<b>11,193</b>
<b>OPERATING INCOME AFTER NET FINANCIAL INCOME/(EXPENSE)</b>		<b>227,290</b>	<b>223,355</b>
Exceptional income and expenses		4,654	(34,069)
Exceptional amortisation, depreciation and provision charges		3,017	47,504
<b>NET EXCEPTIONAL INCOME/(EXPENSE)</b>	<b>17</b>	<b>7,671</b>	<b>13,435</b>
Income tax	18	(28,362)	(45,350)
<b>NET PROFIT FROM CONSOLIDATED ENTITIES BEFORE AMORTISATION OF GOODWILL</b>		<b>206,599</b>	<b>191,440</b>
Amortisation of goodwill		(15,141)	(48,247)
<b>NET INCOME OF CONSOLIDATED ENTITIES</b>		<b>191,458</b>	<b>143,193</b>
Share in earnings of companies accounted for by the equity method		1,791	890
<b>NET CONSOLIDATED INCOME</b>		<b>193,249</b>	<b>144,083</b>
Minority interest		(13,882)	(998)
<b>NET INCOME</b>		<b>179,367</b>	<b>143,085</b>
Number of shares		18,600,811	18,600,811
<b>EARNING PER SHARE (in euros)</b>		<b>9.64</b>	<b>7.69</b>

(\*) and transfers of operating expenses.



# CASH FLOW STATEMENT

in thousands of euros

	31.12.2003	31.12.2002
<b>OPERATING ACTIVITIES</b>		
Gross operating surplus	4 37 , 9 3 5	393 , 657
Financial transactions, exceptional items and write-downs of current assets (4 2 , 7 7 3 ) (32,216 )		
Tax and statutory profit-sharing	( 7 4 , 7 3 4 )	(54,887)
<b>CASH FLOW FROM OPERATIONS</b> (excl. dividends from companies consolidated using the equity method)	3 2 0 , 4 2 8	306 , 554
Net change in working capital requirement	( 6 3 7 )	230 , 396
<b>TOTAL (I)</b>	3 1 9 , 7 9 1	536 , 950
<b>INVESTING ACTIVITIES</b>		
Acquisition of industrial assets	( 2 1 1 , 4 0 0 )	(259,376)
Fixed asset disposals	5 6 , 7 2 7	47,322
Net investment in industrial assets	( 1 5 4 , 6 7 3 )	(212,054)
Acquisition of investments and securities	( 9 , 5 7 8 )	(17,810)
Proceeds from disposal of shares	3 3 , 3 6 8	11,904
Net financial investments	2 3 , 7 9 0	(5,906)
Net change in other financial fixed assets	2 1 , 2 4 3	(290)
<b>TOTAL (II)</b>	( 1 0 9 , 6 4 0 )	(218,250)
<b>FINANCING ACTIVITIES</b>		
Minority interest in capital increases of subsidiaries	—	(273)
Dividends paid by VINCI Construction	( 9 7 , 6 5 4 )	(82,773)
Dividends paid to minority interests in subsidiaries	( 7 , 5 4 8 )	(9,792)
Dividends received from companies accounted for by the equity method	1 , 6 2 8	1,055
Other long-term liabilities	2 , 2 8 8	5,843
<b>TOTAL (III)</b>	( 1 0 1 , 2 8 6 )	(85,940)
Cash flow for the period (I + II + III)	1 0 8 , 8 6 5	232 , 760
Net cash at the start of the period	9 0 7 , 5 4 8	679 , 809
Impact of exchange rate fluctuations, changes in scope of consolidation and other ( 7 , 5 9 0 ) (5,021 )		
<b>Net cash at the end of the period</b>	<b>1 , 0 0 8 , 8 2 3</b>	<b>907,548</b>

# NOTES TO THE CONSOLIDATED

## MOVEMENTS IN SHAREHOLDERS' EQUITY

in thousands of euros

SHAREHOLDERS' EQUITY	SHARE CAPITAL	PREMIUMS AND RESERVES	INTERIM DIVIDEND	TRANSLATION DIFFERENCES	RETAINED INCOME	TOTAL
At 31.12.2001 pro forma	148,806		163,935		7,293	133,237
Appropriation of net income		133,237			(133,237)	
Dividend paid		(23,251)				(23,251)
Interim dividend			(59,522)		(59,522)	
Translation and revaluation differences		226		(16,217)		(15,991)
Change in accounting methods		4,276				4,276
Net income after minority interest						143,085
143,085						
At 31.12.2002	148,806	278,423	(59,522)	(8,924)	143,085	501,868
Appropriation of net income		143,085			(143,085)	
Dividend paid		(17,671)				(17,671)
Interim dividend				(79,983)		(79,983)
Translation and revaluation differences		(257)		(8,995)		(9,252)
Change in accounting methods		(6,784)				(6,784)
Net income after minority interest						179,367

Shareholders' equity was increased by €4.3 million in 2002, in accordance with Opinion 2002-E of the Urgent Issues Committee dated 18 December 2002 concerning the treatment in the consolidated financial statements of the tax effect of internal disposals and of tax-deductible provisions for impairment or for liabilities, in respect of shares of consolidated companies.

In accordance with CNC Recommendation 2003-R.01 of 1 April 2003 and the COB Recommendation of 28 October 2003 relating to preparation of the 2003 financial statements, VINCI Construction has recognised a provision for its commitments in respect of long-service bonuses in its 2003 financial statements. The net effect after tax of this change in method has been recognised



## 1. ACCOUNTING POLICIES AND VALUATION METHODS

### GENERAL PRINCIPLES

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

#### 1.1 CHANGES OF METHOD

In accordance with CNC Recommendation 2003-R.01 of 1 April 2003 and the COB Recommendation of 28 October 2003 relating to preparation of the 2003 financial statements, VINCI Construction has recognised a provision for its commitments in respect of long-service bonuses in its 2003 financial statements. The net effect after tax of this change in method has been recognised against shareholders' equity in the opening balance sheet for €6.8 million. As this amount is not material, no pro forma accounts have been prepared.

#### 1.2 CONSOLIDATION METHODS AND SCOPE OF CONSOLIDATION

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

Companies over which VINCI Construction 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 group, and for

joint venture companies over which VINCI Construction exercises joint control.

Other joint ventures are consolidated according to a semi-proportionate method that involves recording only the group's share of sales and expenses in the income statement, but the full current accounts of partners in the balance sheet.

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

	FRENCH	FOREIGN	TOTAL
Full consolidation	2 2 3	1 8 9	4 1 2
Proportionate consolidation	3 5	1 4 2	1 7 7
Equity method	6	1 7	2 3
Total	2 6 4	3 4 8	6 1 2

Wiener und Trachte is accounted for using the equity method.

The German division of VINCI Construction is no longer consolidated, following the sale of VINCI Construction GmbH to VINCI Construction Deutschland, which is consolidated in VINCI's financial statements. No pro forma statements have been prepared; the German division's main indicators for 2002 were:

in millions of euros

Net sales	1 8 7
Operating income	1 1
Net income	7
Financial surplus	2 8

#### 1.3 ACCOUNTING TREATMENT OF ASSET CONTRIBUTION TRANSACTIONS UNDERTAKEN AS PART OF THE REORGANISATION OF THE VINCI GROUP CONSTRUCTION DIVISION

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

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

It was decided that the entities entering the consolidation scope would be recognised in the accounts of VINCI Construction for the carrying amount of their assets and liabilities in the consolidated financial statements of VINCI, after having taken account of any deferred tax and provisions for lump-sums payable to employees on retirement. The differences arising between the acquisition cost of the shares at fair value, as adopted in the asset transfer agreements to set the share exchange ratios, and these carrying amounts have been taken to shareholders' equity for €120.9m.

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

#### 1.4 TRANSLATION OF THE FINANCIAL STATEMENTS OF FOREIGN SUBSIDIARIES AND ESTABLISHMENTS

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

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

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

reserves.

#### 1.5 ITEMS DENOMINATED IN FOREIGN CURRENCY

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

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

#### 1.6 FOREIGN EXCHANGE FINANCIAL INSTRUMENTS

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

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

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

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 applies particularly to construction sites abroad, for which subcontracting and supply costs in the local currency greatly exceed costs in euros. In consequence, the group's exposure to exchange rate risks on commercial transactions is slight.

#### 1.7 GOODWILL ON ACQUISITION

Goodwill on first consolidation, which repre-

sents the difference between the acquisition cost of shares in consolidated companies and the corresponding share of equity at the date of acquisition, is allocated to the various assets and liabilities of the acquired entity.

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

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

#### 1.8 INTANGIBLE AND TANGIBLE FIXED ASSETS

##### INTANGIBLE ASSETS

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

Intangible fixed assets are valued at acquisition cost.

##### TANGIBLE FIXED ASSETS

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

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

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

#### CAPITAL LEASES AND OPERATING LEASES

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

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

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

#### 1.9 FINANCIAL FIXED ASSETS

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

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

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



## CONSOLIDATED FINANCIAL STATEMENTS

### 1.10 PROVISIONS FOR EMPLOYEE BENEFITS RETIREMENT BENEFITS

Provisions are made for retirement commitments, covering both lump-sum payments on retirement and supplementary pension benefits, for both current and retired employees. These commitments are assessed using the projected unit credit actuarial method.

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

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

However, commitments relating to lump-sum payments on retirement for manual construction

## 2. INTANGIBLE FIXED ASSETS

in thousands of euros

	31.12.2002				31.12.2003
		Increase	Decrease	Translation differences and changes in consolidation scope	
Gross	130,570	8,483	(4,797)	(2,577)	131,679
Amortisation and provisions	(89,747)	(5,978)	4,649	948	(90,128)
<b>TOTAL NET</b>	<b>40,823</b>	<b>2,505</b>	<b>(148)</b>	<b>(1,629)</b>	<b>41,551</b>

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

## 3. GOODWILL ON ACQUISITION

in thousands of euros

	GROSS	AMORTISATION	NET
Goodwill on acquisition at the beginning of the period	345,698	(175,758)	169,940
Goodwill on acquisition arising during the year	1,691		1,691
Amortisation charge for the period		(15,141)	(15,141)
Translation differences and others	(22,906)	13,156	(9,750)
<b>TOTAL</b>	<b>324,483</b>	<b>(177,743)</b>	<b>146,740</b>

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

in thousands of euros

	NET
Sogea Holdings UK	76,055
Sogea Investments Ltd	20,849
Rosser and Russell Building Services Ltd	7,716

## 4. TANGIBLE FIXED ASSETS

### 4.1 CHANGE IN THE PERIOD

in thousands of euros

	31.12.2002				31.12.2003
		Increase	Decrease	Translation differences and changes in consolidation scope	
<b>Gross</b>	1,766,709	203,130	(154,569)	(37,248)	1,778,022
Depreciation and provisions	(1,018,776)	(177,708)	122,482	27,549	(1,046,453)

### 4.2 BREAKDOWN BY TYPE OF ASSET

in thousands of euros

	GROSS	DEPRECIATION	NET
Land	49,034	(1,345)	47,689
Buildings	194,033	(72,287)	121,746
Plant and equipment	1,373,293	(877,225)	496,068
Office furniture, computer equipment, fixtures and fittings	127,503	(93,212)	34,291
Concession fixed assets	6,962	(2,384)	4,578
Assets under construction	27,197	27,197	

### 4.3 INVESTMENTS IN THE PERIOD

in thousands of euros

	31.12.2003
Land	2,345
Buildings	24,141
Plant and equipment	101,491
Vehicles	26,348
Office furniture, computer equipment, fixtures and fittings	15,690
Concession fixed assets	3,965
Assets under construction	29,150
<b>TOTAL INVESTMENTS</b>	<b>203,130</b>

## CONSOLIDATED FINANCIAL STATEMENTS

### 5. INVESTMENTS IN SUBSIDIARIES AND AFFILIATES

in thousands of euros

	31.12.2002	31.12.2003
Gross	103,113	89,473
Amortisation and provisions	(61,663)	(57,388)
<b>TOTAL NET</b>	<b>41,450</b>	<b>32,085</b>
Breakdown by division		
VINCI Construction Holding	6,375	7,435
GTM Construction	11,682	6,238
Compagnie d'Entreprises CFE	4,326	6,210
Sogea Construction	5,786	5,704
VINCI Construction Filiales Internationales	8,921	3,154
VINCI Construction Grands Projets	2,221	1,898
Freyssinet International	1,911	1,446
VINCI Construction UK-USA	228	
<b>TOTAL</b>	<b>41,450</b>	<b>32,085</b>

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

At 31 December 2003, the main unconsolidated companies were:

in thousands of euros

	% OWNED	NET
SCI Clichy	100	4,365
Doris Engineering	14	1,702
Dumez Atlantique	100	915
Chateau du Rouvray SCI	100	887
Soverema	99	801
Advitam	47	781
PY Sogethai	75	770
Dumez Produits Nationaux	100	762
Dumez Réunion	100	762
Garonne Networks (formerly Soges)	70	722
CTPR Canalisation et Travaux Publics	100	696
Compagnie de Travaux et Revêtements Spéciaux	100	669
Sogea Networks	100	600
Seeg	1	583
VINCI Construction SI	100	510
Dumez GTM SA	100	500
SARL du Val de Limayrac	70	427
Mélis@ Infrastructure	28	420
Barbe	100	420



## 6. OTHER FINANCIAL FIXED ASSETS (NET)

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

in thousands of euros

	31.12.2002	CHANGE	31.12.2003
Deposits and other financial fixed assets	39,277	(2,844)	36,433
Other securities	1,492	(113)	1,379
<b>TOTAL NET</b>	<b>40,769</b>	<b>(2,957)</b>	<b>37,812</b>

## 7. INVENTORIES AND WORK IN PROGRESS

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

in thousands of euros

	31.12.2002	31.12.2003
Inventories	63,704	85,136
Work in progress	89,304	95,486
<b>TOTAL NET</b>	<b>153,008</b>	<b>180,622</b>

## 8. WORKING CAPITAL REQUIREMENT/(SURPLUS)

in thousands of euros

	31.12.2002	31.12.2003
Inventories and work in progress (net)	153,008	180,622
Trade and other operating receivables	3,739,644	3,849,569
Provisions against operating receivables	(209,091)	(199,528)
<b>INVENTORIES AND OPERATING RECEIVABLES (I)</b>	<b>3,683,561</b>	<b>3,830,663</b>
Trade and other operating payables	4,180,750	4,329,373
<b>OPERATING PAYABLES (II)</b>	<b>4,180,750</b>	<b>4,329,373</b>
<b>WORKING CAPITAL REQUIREMENT (I-II)</b>	<b>(497,189)</b>	<b>(498,710)</b>

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

in thousands of euros

	31.12.2002	31.12.2003
Marketable securities	235,401	259,522
Other short-term financial receivables	896,646	1,000,180
<b>TOTAL NET</b>	<b>1,132,047</b>	<b>1,259,702</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 comprises an investment of €920,630,000 with the parent company VINCI, attracting interest at conditions close to those prevailing in the market.

## CONSOLIDATED FINANCIAL STATEMENTS

### 10. MINORITY INTEREST

Movements in minority interest during the period were as follows:

in thousands of euros

	31.12.2002	31.12.2003
OPENING BALANCE	117,018	106,476
Dividends paid	(9,782)	(7,548)
Changes in consolidation scope and miscellaneous	1,878	(10,653)
Translation difference	(3,636)	(998)
Minority interest in net profit or loss for the period	998	13,882
BALANCE AT THE END OF THE PERIOD	106,476	101,159

### 11. PROVISIONS FOR LIABILITIES AND CHARGES

in thousands of euros

	31.12.2002					31.12.2003
		Changes in consolidation scope and miscellaneous	Charges	Reversals	Reversals of unused provisions	
After-sales service	207,703	(6,047)	54,399	44,717	8,914	202,424
Losses on completion	137,877	2,035	101,970	81,164	1,477	159,241
Disputes	144,508	(2,875)	56,287	26,082	18,241	153,597
Other provisions	228,858	(37,688)	114,828	98,826	3,713	203,459
Operating provisions	718,946	(44,575)	327,484	250,789	32,345	718,721
Financial provisions	12,153	(131)	3,338	2,803	5,739	6,818
Exceptional provisions	127,828	(4,128)	51,496	36,676	18,994	119,526
<b>TOTAL</b>	<b>858,927</b>	<b>(48,834)</b>	<b>382,318</b>	<b>290,268</b>	<b>57,078</b>	<b>845,065</b>

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

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

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

## 12. NET CASH POSITION

At the year end the group had a net cash surplus of €1,008,823,000 which breaks down as follows:

in thousands of euros

	31.12.2002	31.12.2003
Long-term financial receivables	6,925	9,069
<b>TOTAL LONG-TERM FINANCIAL RECEIVABLES</b>	<b>6,925</b>	<b>9,069</b>
Portion of other loans and debt payable in more than one year	(227,550)	(227,880)
<b>TOTAL LONG- AND MEDIUM-TERM DEBT</b>	<b>(227,550)</b>	<b>(227,880)</b>
Portion of long-term debt payable in less than one year	(218,447)	(183,412)
Bank overdrafts and other short-term debt	(102,529)	(138,537)
<b>GROSS DEBT</b>	<b>(541,601)</b>	<b>(540,760)</b>
Marketable securities	235,401	259,522
Short-term financial receivables	896,646	1,000,180
Cash	317,102	289,881
<b>NET CASH POSITION</b>	<b>907,548</b>	<b>1,008,823</b>

## 13. NET SALES

Net consolidated sales exclude miscellaneous income and services, as well as services to unconsolidated entities, which are included under other operating revenue. Year-on-year changes in sales also take account of changes in consolidation scope. Net sales break down as follows:

in millions of euros

	31.12.2002	31.12.2003
Net sales for the period	7,068	7,249
of which:		
– Net sales of companies consolidated for the first time		(64)
– Net sales of companies no longer consolidated	(187)	–
– Impact of foreign exchange fluctuations	(172)	–
<b>SALES AT CONSTANT CONSOLIDATION SCOPE</b>	<b>6,709</b>	<b>7,185</b>

At constant consolidation scope and exchange rates, net sales show a strong increase of approximately 7% against the previous period.



## CONSOLIDATED FINANCIAL STATEMENTS

in millions of euros

	31.12.2002	31.12.2003
<b>Breakdown by division</b>		
Sogea Construction	1,873	2,132
GTM Construction	1,512	1,582
VINCI Construction Filiales Internationales	886	928
VINCI Construction UK – USA	981	773
Compagnie d'Entreprises CFE	797	793
VINCI Construction Grands Projets	626	669
Freyssinet International	430	421
Intragroup eliminations	(37)	(49)
<b>TOTAL</b>	<b>7,068</b>	<b>7,249</b>
<b>Breakdown by geographical area (by recipient country)</b>		
France (including overseas territories (DOM-TOM))	3,799	4,217
Europe excluding France	2,305	2,185
Africa	449	408
Asia	235	154
North and South America	227	222
Middle East	13	18
Oceania	40	45
<b>TOTAL</b>	<b>7,068</b>	<b>7,249</b>
<b>Breakdown by activity</b>		
Building	3,134	3,032
Civil engineering	2,485	2,706
Hydraulic engineering	401	562
Public works and environment	357	397
Facility Management and other services	298	220
Roads	296	232
Provision of services and other	97	100
<b>TOTAL</b>	<b>7,068</b>	<b>7,249</b>

## 14. OTHER REVENUE

in thousands of euros

	31.12.2002	31.12.2003
Income from joint ventures	6,930	(391)
Operating grants and subsidies	1,267	1,378
Other operating revenue	470,548	474,834
<b>TOTAL</b>	<b>478,745</b>	<b>475,821</b>

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

## 15. OPERATING EXPENSES

Operating expenses, of €7,287,335,000 can be broken down as follows:

in thousands of euros

	31.12.2002	31.12.2003
Purchases consumed	(1,738,506)	(1,817,666)
Subcontracting	(2,175,684)	(2,265,757)
Wages, salaries, benefits and social charges	(1,656,293)	(1,693,248)
Taxes and levies	(83,030)	(76,614)
Other external services and other operating expenses	(1,499,984)	(1,434,050)
<b>TOTAL</b>	<b>(7,153,497)</b>	<b>(7,287,335)</b>

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

in thousands of euros

	31.12.2002	31.12.2003
<b>NET AMORTISATION, DEPRECIATION AND PROVISION CHARGES</b>		
Intangible fixed assets	(5,756)	(4,803)
Tangible fixed assets	(166,938)	(173,783)
Concession fixed assets	(49)	(192)
<b>TOTAL</b>	<b>(172,743)</b>	<b>(178,778)</b>
<b>NET PROVISION CHARGES</b>		
Impairment of current assets	(6,217)	(2,891)
Operating liabilities and charges	(2,535)	(44,347)
<b>TOTAL</b>	<b>(8,752)</b>	<b>(47,238)</b>
<b>TOTAL AMORTISATION, DEPRECIATION AND PROVISIONS</b>	<b>(181,495)</b>	<b>(226,016)</b>

## CONSOLIDATED FINANCIAL STATEMENTS

### 16. FINANCIAL INCOME/(EXPENSE)

Financial income and expenses can be broken down as follows:

in thousands of euros

	31.12.2002	31.12.2003
Net income from financing activities	8,044	3,696
Dividends	480	2,170
Net foreign exchange gain/(loss)	(6,837)	6,154
Other financial income and expenses, net	9,506	3,351
<b>TOTAL</b>	<b>11,193</b>	<b>15,371</b>

### 17. EXCEPTIONAL INCOME/(EXPENSE)

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

in thousands of euros

	31.12.2002	31.12.2003
Gain on disposals	5,392	47,677
Exceptional income and expenses from operating transactions	(39,461)	(43,023)
Net provision charges for impairment and exceptional liabilities	47,504	3,017
<b>TOTAL</b>	<b>13,435</b>	<b>7,671</b>

### 18. INCOME TAX

#### 18.1 BREAKDOWN OF NET INCOME TAX CHARGE

in thousands of euros

	31.12.2002	31.12.2003
Current tax	(54,502)	(67,796)
Deferred tax	9,152	39,434
<b>TOTAL</b>	<b>(45,350)</b>	<b>(28,362)</b>



## 18.2 EFFECTIVE TAX RATE

in thousands of euros

	<u>31.12.2003</u>
NET INCOME BEFORE TAX AND AMORTISATION OF GOODWILL	234,961
Theoretical tax rate	35.43%
EXPECTED TAX CHARGE	(83,247)
Effect of earnings being taxed at reduced rate	335
Tax rate differential between current and previous year	(22,032)
Tax rate differences (foreign countries)	12,509
Creation (use) of carryforward losses not giving rise to deferred tax	13,442
Fixed-sum and other additional taxes	12,468
Other permanent differences	33,303
Other	4,860
TAX CHARGE ACTUALLY RECOGNISED	(28,362)
Effective tax rate	12.07%

## 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:

in thousands of euros

Assets	136,808
Liabilities	31,691
Net	105,117

## 18.4 UNRECOGNISED DEFERRED TAX ASSETS

Deferred tax assets unrecognised because their recovery is uncertain amounted to €66 million at 31 December 2003.

## 19. OFF BALANCE SHEET COMMITMENTS

Off balance sheet commitments break down as follows:

in thousands of euros

	COMMITMENTS RECEIVED	<u>COMMITMENTS GIVEN</u>
Performance guarantees	66,805	762,820
Retention payments	170,543	668,882
Future payments to sub-contractors and suppliers	18,595	476,928
Joint and several guarantees covering of partners		19,422
Bid bonds		34,983
Collateral security		99,104
Operating leases		78,055
Other commitments	108,379	199,316
<b>TOTAL</b>	<b>364,322</b>	<b>2,339,510</b>

## CONSOLIDATED FINANCIAL STATEMENTS

### 20. PROVISIONS FOR EMPLOYEE BENEFITS

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

in thousands of euros

	31.12.2002	31.12.2003
<b>RETIREMENT BENEFIT COMMITMENTS</b>		
Discount rate	5.5%	4.75%
Inflation rate	1.5-2%	2%
Rate of salary increases	2-3%	2-3%
Rate of benefit increases	1.5-2%	1.5-2.5%
Amortisation period of initial actuarial liability	10 to 15 years	10 to 15 years

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

in thousands of euros

	31.12.2003
<b>TOTAL RETIREMENT COMMITMENTS</b>	296,662
of which:	
covered by provisions	82,799
covered by pension funds	162,632
<b>OTHER EMPLOYEE BENEFITS</b>	
Total commitments covered by provisions	10,823

Actuarial losses not provided for amounted to €51.2 million at 31 December 2003 and are amortised over the remaining working life of employees in service, an expense of €3.1 million in the period.

In accordance with Opinion 2004-A adopted by

the CNC Urgent Issues Committee on 21 January 2004, the impact of Act 2003-775 of 21 July 2003 (the Fillon Act) relating to lump-sums payable on retirement will be amortised through the income statement over the average remaining working life of beneficiaries. The

### 21. EMPLOYMENT COSTS/EMPLOYEE NUMBERS

in thousands of euros

	31.12.2002	31.12.2003
Engineers and managers	6,503	6,046
Non-management	38,276	36,119
<b>TOTAL</b>	<b>44,779</b>	<b>42,165</b>

Employment costs for all companies in the group amounted to €1,693,248,000.

## 22. OTHER INFORMATION

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

### LEGAL

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

### LITIGATION AND ARBITRATION

In 1997, SNCF (French Railways) lodged multiple claims with the Paris Administrative Court against a large number of construction and civil engineering enterprises with a view to obtaining financial compensation for the prejudice it claims to have suffered between 1987 and 1990 during the award of tenders for the construction of the TGV Nord and Rhône-Alpes lines (and their interconnections). This claim was the consequence of the finding by the competition authority against the enterprises concerned in 1995, which the Paris Appeal Court upheld overall (making a second ruling after its 1997 decision was overturned). The group continues to consider that SNCF suffered no financial prejudice on the award of these tenders to its subsidiaries involved. This administrative procedure is currently the subject of an expert review of two

tenders concerned (the other petitions are still being studied by the Court).

Sogea Nord-Ouest, a subsidiary of Sogea Construction, was ordered on 10 October 2000 by the Lyon Commercial Court to pay €9 million to HIL, a principal, in respect of penalties for late delivery due to delays in delivering a hotel building because of a fire caused by a subcontractor. Sogea Nord-Ouest appealed against this ruling and on 15 January 2004 the Lyon Appeal Court reduced the sum due by Sogea Nord-Ouest to €3 million. The other party has until 3 April 2004 to ask for the Appeal Court's decision to be overturned by the Court of Cassation, at which date the decision will be considered final. Sogea Nord-Ouest will also sue the subcontractor responsible and insurers.

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



# CONSOLIDATED FINANCIAL STATEMENTS

## 23. ESTABLISHMENTS AND MAIN COMPANIES CONSOLIDATED AT 31 DECEMBER 2003

	Consolidation method	% holding		Consolidation method	% holding
<b>PARENT COMPANY</b>					
VINCI CONSTRUCTION	FC	100			
<b>SUBSIDIARIES</b>					
<b>SOGEA CONSTRUCTION</b>	<b>FC</b>	<b>100</b>			
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			
SICRA	FC	100			
SOBEA ENVIRONNEMENT	FC	100			
SOGEA ATLANTIQUE	FC	100			
SOGEA NORD	FC	100			
SOGEA NORD-OUEST	FC	100			
VINCI ENVIRONNEMENT	FC	100			
<b>GTM CONSTRUCTION</b>	<b>FG</b>	<b>100</b>			
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			
ENTREPRISE PETIT	FC	100			
<b>VINCI CONSTRUCTION GRANDS PROJETS</b>	<b>FC</b>	<b>100</b>			
BARRAGE NAGA HAMMADI (Egypt)	PC	33			
STATION D'ÉPURATION DE CORK (Ireland)	PC	50			
JANIN ATLAS (Canada)	FC	100			
CTRL (Channel Tunnel Rail Link)	PC	38			
PONT RION-ANTIRION (Greece)	PC	53			
TUNNELS HALLANDSAS (Sweden)	PC	40			
SOCASO	PC	67			
SOCATOP	PC	42			
<b>VINCI CONSTRUCTION FILIALES INTERNATIONALES</b>	<b>FC</b>	<b>100</b>			
BPC - BÂTIMENTS ET PONTS CONSTRUCTION (Belgium)	FC	100			
DUMEZ-GTM CALÉDONIE	FC	100			
FIRST CZECH CONSTRUCTION COMPANY - FCC (Czech Republic)	FC	100			
GTM GUADELOUPE	FC	100			
HÍDÉPÍTŐ (Hungary)	FC	97			
SOGEA-SATOM	FC	100			
SOBEA GABON	FC	90			
SOGEA MARTINIQUE	FC	100			
SOGEA RÉUNION	FC	100			
SMP CONSTRUCTION (Czech Republic)	FC	88			
SBTPC (Reunion)	FC	100			
WARBUD (Poland)	FC	72			
<b>FREYSSINET</b>	<b>FC</b>	<b>100</b>			
FREYSSINET FRANCE	FC	100			
FREYSSINET HONG-KONG	FC	100			
FREYSSINET INTERNATIONAL & CIE	FC	100			
FREYSSINET KOREA (Korea)	FC	90			
IMMER PROPERTY (Australia)	FC	70			
MÉNARD SOLTRAITEMENT	FC	100			
THE REINFORCED EARTH CY (USA)	FC	100			
<b>SOGEA HOLDINGS LTD (UK)</b>	<b>FC</b>	<b>100</b>			
CRISPIN & BORST	FC	100			
ROSSER AND RUSSELL	FC	100			
VINCI INVESTMENTS	FC	100			
VINCI PLC	FC	100			
<b>COMPAGNIE D'ENTREPRISES (Belgium)</b>	<b>FC</b>	<b>44</b>			
BAGECI	FC	44			
DEME (Dredging Environmental and Marine Engineering)	PC	21			
MBG	FC	44			
VAN WELLEN	PC	22			
<b>VINCI CONSTRUCTION USA</b>	<b>FC</b>	<b>100</b>			
SKE SSI	FC	100			
<b>VINCI CONSTRUCTION HOLDING</b>					
DUMEZ CONSTRUCTION	FC	100			
WIEMER UND TRACHTE (Germany)	EM	50			

FC = Full consolidation; PC = Proportionate consolidation; EM = Accounted for using the equity method.

# REPORT OF THE STATUTORY AUDITORS ON THE

In accordance with our appointment as auditors by your Shareholders General Meeting, we have audited the accompanying consolidated financial statements of VINCI CONSTRUCTION for the year ended 31 December 2003. The Board of Directors is responsible for the preparation of the consolidated financial statements. Our role is to express an opinion on these consolidated financial statements based on our audit.

relating to the recognition of long-service bonuses. Note 1.3 describes the accounting treatment of the asset contributions made in connection with the reorganisation of the VINCI group's Construction division.

## **1. OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS**

We conducted our audit in accordance with the professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance that the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in these financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion expressed below. In our opinion, the consolidated financial statements give a true and fair view of the financial position, the assets and liabilities and the results of the operations of the companies included in the consolidation, in accordance with accounting principles generally accepted in France.

Without calling into question the opinion stated above, we draw your attention to Note 1.1 and Note 1.3 to the consolidated financial statements. Note 1.1 describes a change in accounting method



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