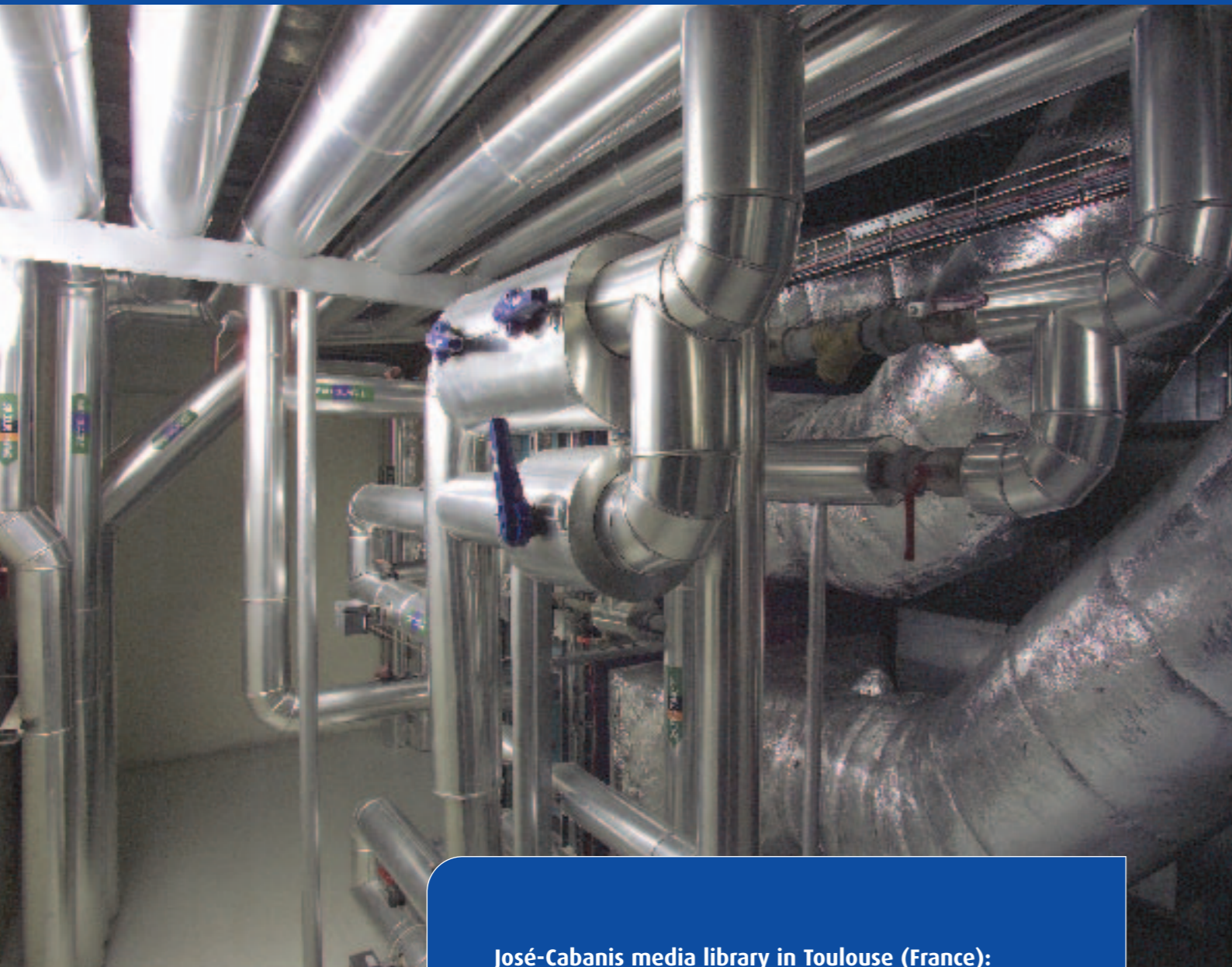


Activity report for 2003





José-Cabanis media library in Toulouse (France):
Implementation of HVAC, fire protection, plumbing and building automation systems.

Message from the Chairman

Xavier Huillard

Chairman and Chief Executive Officer of VINCI Energies

Enterprising energy

In an economic environment that was difficult on the whole, VINCI Energies recorded business activity growth of 2.3% in 2003 as well as a further improvement in operating profitability, which amounted to 4.1% of net sales compared to 3.9% in 2002. The increase was particularly sharp in France, where VINCI Energies originated and where Group business units were able to hold up very well in a wait-and-see business environment, raising their net sales by 5% and achieving operating income of 5.4%. Reflecting VINCI Energies' momentum in Europe, satisfactory results were also recorded in the United Kingdom, the Netherlands and above all in Spain – where Spark Iberica entered the Group's scope of consolidation on 1 January 2003.

Beyond the figures, this performance reflects the strong local roots and the responsiveness of the VINCI Energies business units on their individual markets. It highlights the consistency of a strategy of offering global solutions which are tied together by strong brands deployed Europe-wide, together with local solutions implemented by a tightly-knit network of local business units.

In 2004, VINCI Energies will be pursuing its development strategy aimed at increasing its presence on its markets, combining organic growth with external acquisitions.

In energy infrastructure, the opening up of the electricity markets in Europe and the local authority demand for global urban lighting solutions herald opportunities for Omexom (high voltage networks) and Citéos (urban lighting) business units. In industry, the extension of the Opteor (maintenance) and Actemium (process solutions) networks in Europe and the reinforcement of VINCI Energies' system integration capabilities should enable the Group to take full advantage of the expected recovery in capital investment. In the service sector, the strong synergies among Group business units and the diversity and quality of their offerings meet a growing demand for integrated solutions which optimise the design, construction and management of technical equipment in functional buildings. In telecommunications infrastructure, the development of broadband services and the requirements of operators for maintenance services and network operation support hold out prospects for significant growth at Graniou; and finally, in company communications the major new technology investments made by Axians poise the Group to take advantage of the expected market upturn when it takes place.

VINCI Energies moves confidently into 2004 in all its business lines.

Management team and locations

Management of Divisions within France



XAVIER HUILLARD
Chairman and CEO




PATRICK LEBRUN
Deputy Managing Director



PHILIPPE CONUS
Financial Director



MANUEL de DIEULEVEULT
Human Resources Director



JEAN-YVES LE BROUSTER
Co-Chief Operating Officer




PHILIPPE TOUYAROT
Deputy Managing Director



FRANÇOIS-XAVIER HANICOTTE
Deputy Managing Director



FRANÇOIS LE MOULLEC
Deputy Managing Director



VINCENT BOUFFARD
Nord



BERNARD LATOUR
Est



MICHEL SALMON
Rhône-Alpes Auvergne



JEAN-MICHEL BÉGUÉ
Sud-Est

FRANÇOIS-XAVIER HANICOTTE
Sud-Ouest



HERVÉ ADAM
Omexom

FRANÇOIS LE MOULLEC
Ouest Centre



PATRICK HOMMETTE
Ouest Atlantique



JACKY JODEAU
Normandie



LAURENT DROUGARD
Île-de-France Industrie Infrastructures

PHILIPPE TOUYAROT
Île-de-France Services



FRANÇOIS LANGLOIS
Île-de-France Télécoms



MARC BERNARD
Île-de-France Tertiaire

JEAN-YVES LE BROUSTER
Activités Spéciales

Management of Divisions outside France



JEAN-MARIE DAYRE
Deputy Managing Director, Deutschland



YVES MEIGNIÉ
International (Spain, Netherlands, Sweden, United Kingdom)



MICHAEL RADECKE
TMS


Cross Division Management



JÉRÔME GUIRAL
Actemium



OLIVIER MONIÉ
Citéos



ÉRIC BÉRARD
Graniou



GERHARD SCHUPP
Director of Automobile Development



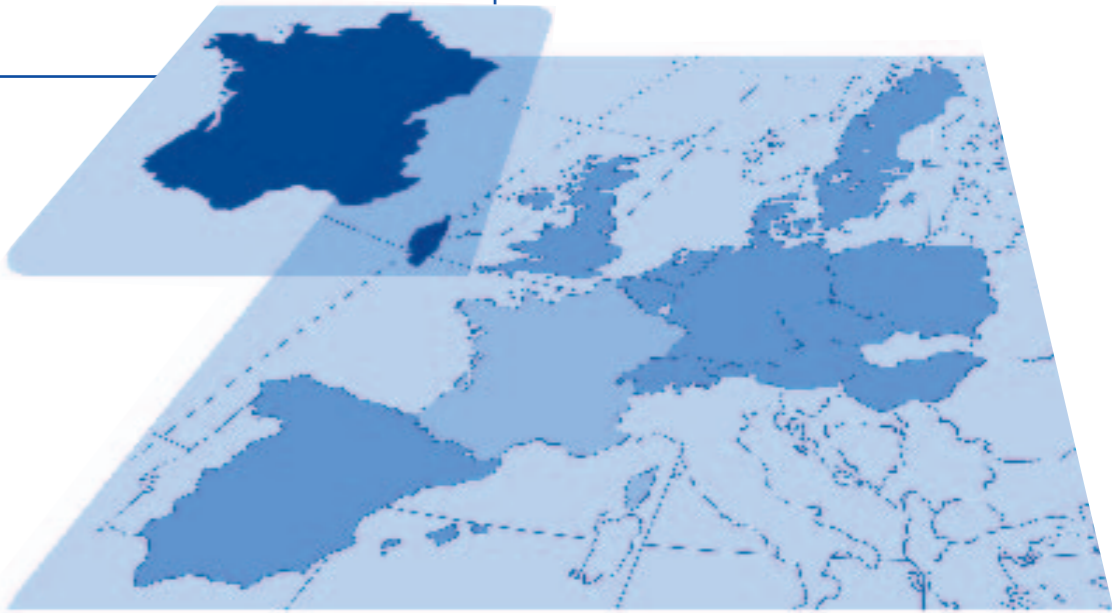
THIERRY MOUTON
Automotive Network, France

FRANÇOIS LANGLOIS
Axians

FRANÇOIS LE MOULLEC
Opteor

VINCI Energies locations in Europe

- > Austria
- > Belgium
- > Czech Republic
- > Denmark
- > France
- > Germany
- > Hungary
- > Netherlands
- > Poland
- > Spain
- > Sweden
- > Switzerland
- > United Kingdom



Profile

As an energy and information technologies specialist, VINCI Energies designs, implements and maintains solutions for industry, the service sector and local authorities.

VINCI Energies is a leader in its various markets in France and today is establishing itself as one of the leaders on the European stage. With its workforce of 26,000 spread across approximately twenty countries, mostly in Europe, VINCI Energies generates 29% of its net sales outside France.

Its mastery in its many complementary areas of expertise enables it to develop solutions with high value added in the sectors in which it participates: energy infrastructure, industry, the service sector and telecommunications. 700 business units well established in their markets and united through a closely-meshed network are responsible for project execution. VINCI Energies in its approach as an integrator of global solutions supports its customers at each stage in their local, multi-site and international projects.

VINCI Energies is one of the four divisions of VINCI, the world leader in concessions, construction and related services, and accounts for 17% of its net sales.

Net sales: **3.115**
billion euros

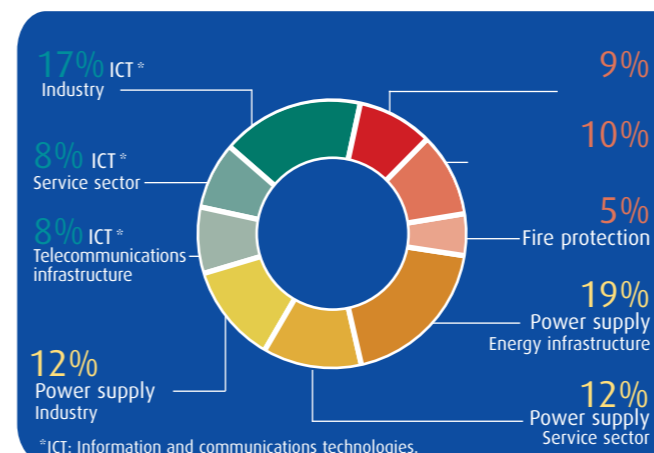
of which **29%** outside France

26,000
employees

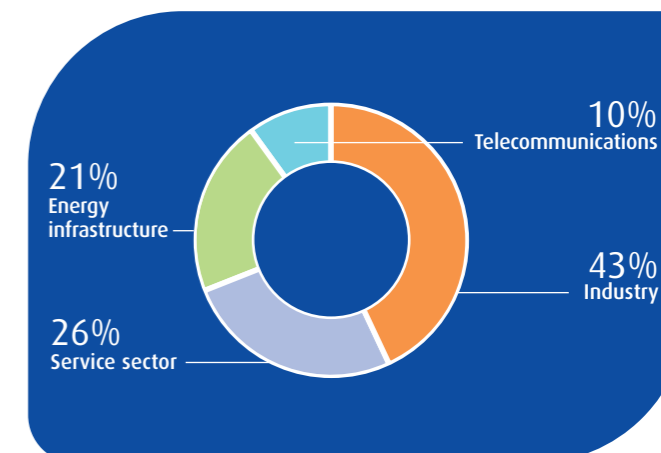
700
business units

129
million euros
operating income,

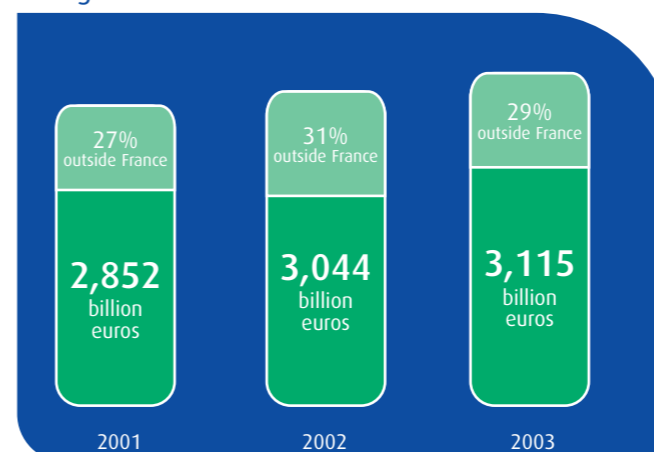
Areas of expertise Net sales breakdown



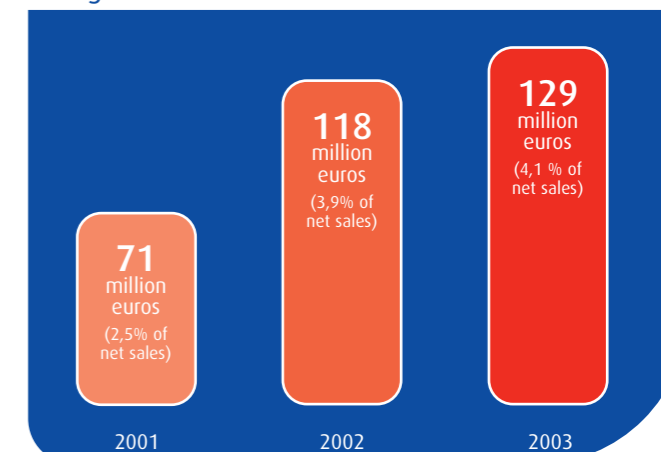
Lines of business Net sales breakdown



Net sales Change from 2001 to 2003



Operating income Change from 2001 to 2003



2003 highlights

Energy infrastructure

Urban lighting

A year after its deployment, Citéos Services, the new online service accessible to Citéos customers, has 150 user municipalities. 9,000 orders for works were placed through it.

High voltage power

Completion and inauguration of the VHV 2 x 400 kV Vigy-Uchtelfangen overhead line interconnecting France and Germany, for which Omexom installed 15 km (of the total 40).

Industry

Process solutions

In chemical and petrochemical facilities, Actemium is developing new global solutions dedicated to security and safety of operations in Seveso-type environments.

Maintenance

VINCI Energies was selected to build a new workshop for Cray Valley (Atofina Group) in the Oise region (western France), thanks to a global offer bringing together Actemium for the process solutions (from design studies to implementation of facilities) and Opteor for the industrial maintenance.

Service sector

Design and build developments

After carrying out the design and build development of new process rooms at Canal Satellite in five months, VINCI Energies has been entrusted by Canal+ with similar work to convert office space into technical facilities.

Maintenance

Cegetel is renewing and extending the multi-service maintenance contract awarded to Opteor, covering 24 hour, 7 day on-call service for 74 buildings and facilities housing telecommunications centres classified by the operator as strategic.

Telecommunications

Integration of telecom solutions

Axians has been deploying, maintaining and supervising WAN routers for Cegetel serving 1,600 convenience stores (Shopi, 8 à Huit, Sherpa, etc.) belonging to the Carrefour group.

Infrastructure

Graniou has consolidated its position as leader in the implementation of microwave transmission links with the installation and commissioning of Alcatel, Nec and SIAE equipment for SFR and Bouygues Telecom.

Local and global solutions integrator

Building on its traditional electricity business lines, VINCI Energies has developed a comprehensive range of complementary expertise in energy and information technologies. Its strength is the integration of these technologies into solutions with high added value which meet the full requirements of its customers.

VINCI Energies provides engineering, implementation and maintenance to industrial undertakings, service businesses and local authorities at all stages of their projects, whatever the field of application.

VINCI Energies pioneered the development of a management philosophy aimed at placing the bulk of the business's resources and intelligence as close to the field as possible. The 700 business units of the Group are autonomous, responsive and firmly established in their markets. They have developed a detailed understanding of each customer's processes enabling them to provide each one with a **local response** fully adapted to their expectations.

This proximity goes hand in hand with a strong service culture and a networking reflex. This increases the capacity for initiative from teams and brings together their expertise in **global solutions** to support customers of the Group in the deployment of their projects.

In response to the trend towards globalisation in its markets, particularly in the manufacturing and telecommunications sectors, VINCI Energies has developed **network brands linking expertise**, as a guarantee of the standards and the quality of the know-how employed, particularly in the context of multi-site projects.

- **Actemium**
process solutions for the industry
- **Axians**
VDI communication in businesses
- **Graniou**
telecommunications infrastructure
- **Citéos**
urban lighting
- **Opteor**
industrial and services maintenance
- **Omexom**
transmission and transformation of high voltage electrical energy

Solutions developed by VINCI Energies are both local and global, draw on synergies from the Group network and illustrate its capacity to offer integrated solutions based on the needs of each customer, associating expert responses to complex problems and quality of service delivered day to day at each customer site.



Automobile: global engineering for production equipment
VINCI Energies designed (mechanical, electrical and automatic control design studies) and built a machine for automotive equipment manufacturer Faurecia which produces head rests for the new Audi A3. Assembled and adjusted in Group workshops and then installed in the Faurecia plant in Walbrzych, Poland, the carousel-shaped machine is 8 m in diameter and equipped with 18 mould carriers and a synchronisation device which prevents down-time, so that 14,800 head rests can be manufactured daily. A similar line is being designed for arm rests.



Major projects: offshore platform in Angola
VINCI Energies Contracting, an organisation dedicated to managing major projects, worked in partnership with eight other VINCI Energies business units to provide design studies, electrical work and instrumentation of the FPSO Kuito offshore oil platform currently anchored in Angolan territorial waters. It belongs to SBM Monaco and is operated by Chevron and Sonangol.



Comprehensive equipment for a high-tech building
Renault selected VINCI Energies to equip a new building at its Guyancourt Technocentre in the Paris region, where the teams are assembled to design new models. The building covers 47,000 m². VINCI Energies installed the surveillance (access control, video-surveillance, licence-plate readers), outdoor lighting, IT systems, building management systems, communications networks and electrical distribution panels.



Motorway operation support system
VINCI Energies is designing and installing the Sanef motorway monitoring system covering 2,000 km of motorways in the north and east of France, providing, in particular: the creation of a database with map display of motorway infrastructure (bridges, toll stations, etc.); technical operation of dynamic equipment (variable message boards, cameras, weather stations and metering stations) and real-time data processing; operational support with action plans for incidents occurring on the network. The Group is also responsible for system maintenance for a period of three years. VINCI Energies carried out a similar project on Reunion Island.



- Energy infrastructure
- Industry
- Service sector
- Telecommunications

Energy infrastructure

Transmission, transformation and distribution of electrical energy, urban lighting, traffic signing – in all these areas, VINCI Energies covers an unparalleled range of expertise and provides comprehensive offerings encompassing engineering, implementation and maintenance. The design and build approach is well-illustrated in the solutions devised by **Omexom** in high-voltage networks and by **Citéos** in urban lighting.

» In transmission and transformation of electrical energy VINCI Energies has built on its strong position and unremitting efforts to diversify its offerings. The activity carried out by **Omexom** in high-voltage networks has achieved the overall level expected. The VHV line business activity generated by capital investments made by operator RTE to enhancing safety on the French grid following the storm at the end of 1999 and to establish interconnections with other European grids partly offset the reduction in public-sector orders for transformer stations. An effort to refocus on industrial customers also contributed to the re-balancing endeavour. Rural electrification business units, long rooted on their local markets, have for their part done brisk business.

In urban lighting **Citéos** expanded its network of local business units, acquiring five new locations in the west and the north of France (bringing the nation-wide total to 31) and continued to broaden its global management and heritage enhancement offering by developing its capabilities upstream of projects. In a highly competitive business environment, a number of significant commercial successes confirmed the quality of its offerings.

In Spain, a booming electricity infrastructure market enabled Spark Iberica to record growth of more than 20% in its net sales.

Global management of urban lighting

The city of Chartres awarded a six-year contract to **Citéos** in 2003 to provide global urban lighting management. The contract covers 6,000 lighting points and includes energy management, renovation of more than half the installed lights and maintenance of facilities. Under a contract of similar duration awarded in 2003, **Citéos** has also been managing the 880 lighting points of the city of Longueau in the greater Amiens area. To perform this work, **Citéos** employs innovative techniques: network mapping, databases accessible to teams on the ground and real-time, transparent monitoring of municipal requests for work via the shared **Citéos Services** tool.



City of Chartres (western France)



Sollac steel plant

Largest privately-owned substation in France

For the Sollac steel plant in Dunkirk, **Omexom** implemented the largest privately-owned 225 kV substation set up in France in recent years, as well as a 225 kV underground link with the site's electricity generating plant fueled with gas from the blast furnaces and natural gas from Norway. In addition, **Omexom** designed and installed a 90 kV substation in a building in Trévins for SIEDS (electricity authority

Public lighting and traffic signs

In Reims, VINCI Energies has been in charge of the lighting of the dedicated-lane public transport system, comprising 400 lighting points, since the end of 2002. This project, for which the Group is also managing the traffic lights of the four avenues along the route, has enabled VINCI Energies to combine its expertise in traffic lights, lighting and illumination – a wave of light accompanies the bus all along its route. In Marseille, **Citéos** was awarded the contract to renovate lighting and power distribution equipment in the Pointe Rouge port. Work got under way at the end of 2003.



City of Reims (eastern France)
The urban furniture was designed by Yves Adrien



Transformer station in Franqueses (Spain)

Public transformer stations: Endesa is reinforcing its network in Spain

VINCI Energies' Spanish subsidiary Spark Iberica designed and built two new transformer stations to support the region's booming industrial development for Catalan operator Endesa. One is in Franqueses (two 40 MVA transformers, two 220 kV lines and twelve 25 kV lines), the other in Iluro (two 40 MVA transformers, two 132 kV lines and sixteen 25 kV lines).

Renovation and maintenance of intersections with lights

In 2003, **Citéos** won the three-year renovation and traffic-light maintenance contract (90 intersections) for the Communauté de Communes des Portes de l'Essonne, as well as the upgrade (cables, equipment and controller) and renovation of 34 intersections with lights in the city of Montreuil-sous-Bois (Paris region).



Communauté de Communes des Portes de l'Essonne (Paris region)



2 x 225 kV Biançon/Mougins and Biançon/Plan-de-Grasse underground lines (southern France)

Line burial

Omexom installed the underground conduits for the 225 kV Biançon/Mougins and Biançon/Plan-de-Grasse lines in the Alpes-Maritimes region, working on highly irregular terrain that required the use of a helicopter. In central France, several VINCI Energies business units are burying 500 km of 20 kV lines for the EDF utility in 54 worksites covering 6 regions.



■ Energy infrastructure
 ■ **Industry**
 ■ Service sector
 ■ Telecommunications

Industry

Operating for many years within the full range of industrial sectors, VINCI Energies supports its customers in optimising their production facilities, from engineering to maintenance, with offerings that make use of its expertise in electrical engineering, monitoring and control, insulation air treatment, fire protection, etc. Combining the local service of a network of business units with roots close to customer production sites with the range of expertise of a ranking partner of European industry, VINCI Energies meets the growing demand for multi-site integrated solutions commensurate with the performance and operating safety requirements of industry.

Despite a decline in industrial capital investment, especially in France, VINCI Energies business units were able to maintain their overall activity level in 2003 with the quality of their offering and their commercial momentum. Across all sectors VINCI Energies accentuated its targeted approach focused on customer requirements.

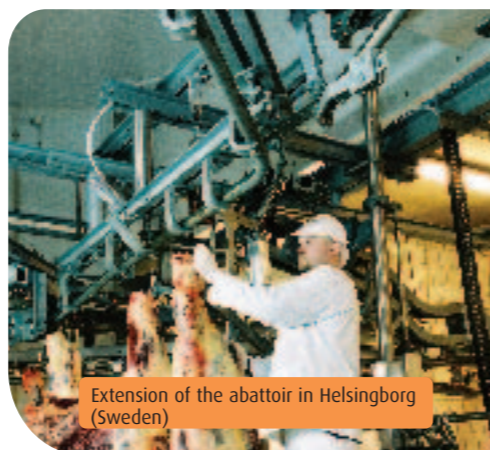
Actemium broadened its European network made up of 30 business units and 1,200 employees at the end of 2003 in five countries – Sweden, Germany, Poland, France, and the Netherlands. Responding to strong customer demand (performance and responsiveness of industrial facilities, strict compliance with quality and safety standards, controlled traceability), Actemium continued to specialise its process offerings, developing, in particular, its position on the buoyant pharmaceutical and biotechnology markets.

The development of **Opteor** in multi-technical maintenance, confirmed by several significant contracts, supports the growing trend toward outsourcing of this function by businesses, with solutions that combine the full range of expertise needed in engineering, operational maintenance and equipment maintenance. At the end of 2003 the Opteor network covered 31 business units and 1,350 employees.

In the environmental industries market, the development of innovative offerings (data acquisition, processing and reporting of information, graphic information systems, etc.), brought together under single management in 2003, meets a strong demand from such services as weather observation, risk prevention at industrial sites, etc. •

Food-processing process

Among other agrofoods references in 2003, **Actemium** renovated the entire range of automated cold room, warehouse and shipping zone systems at the SLP abattoir in Helsingborg. In the Netherlands, it set up automated systems for a plant to process and treat whey at the CVN cooperative. In France, it implemented an innovative traceability system on a powdered milk production line for Ingredia in Saint-Pol-sur-Ternoise in the Pas-de-Calais region. VINCI Energies also implemented the automation and production process monitoring systems for the Cointreau liqueur plant in Saint-Barthélemy-d'Anjou (Maine-et-Loire region).



Extension of the abattoir in Helsingborg (Sweden)



Chipping Sodbury quarry (Hanson Aggregates, United Kingdom)

Mechanical and electrical quarry equipment

Working for Hanson Aggregates, RDJ Quarry Maintenance, a British subsidiary specialising in quarry equipment, has implemented the monitoring and control and the electrical and mechanical systems for the new crushed stone conveyors at the Chipping Sodbury quarry near Bristol.



A380 project (EADS group)



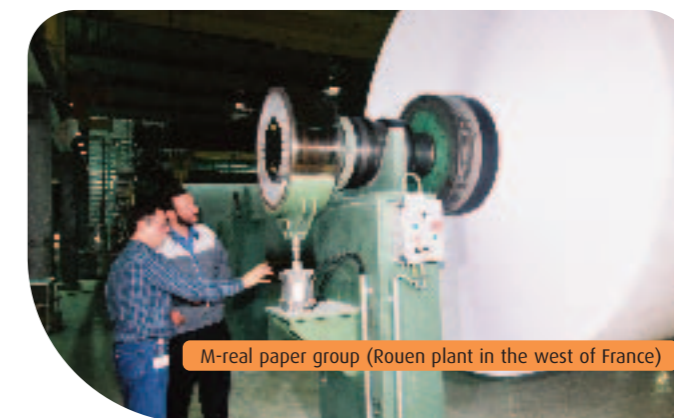
Golf 5 assembly (Volkswagen, Germany)



Grafenrheinfeld power plant (E.ON, Germany)

Combined expertise for the aerospace industry

VINCI Energies, deploying its broad range of expertise for EADS, is performing complementary services as part of the major A380 project: design and implementation of a hydraulic test bench for the central segment of the aircraft, climate control at the Aéroconstellation hangar, electricity works on the barge elevator in Langon (used to transfer elements to Toulouse). At the end of 2003, **Opteor** won the four-year multi-technical maintenance contract at the Jean-Luc-Lagardère assembly site. In Germany, at the Airbus site in Hamburg, Calanbau has performed the fire protection for the new A380 painting unit. And in Spain, the TMS Aritex Cading subsidiary, which received AS/EN-9100 aeronautical certification in December 2003, designed and built the machines to manufacture, at its Getafe and Illescas plants, the horizontal stabilisers located at the rear of the plane. VINCI Energies is also working with several aeronautical equipment manufacturers, including Zodiac-Aératur (thermowelding machines used to make the fabric for aircraft escape slides).



M-real paper group (Rouen plant in the west of France)

Automated systems for the automotive industry

As a partner of the main automotive manufacturers, TMS implemented an innovative laserwelding technology for the assembly lines of the new Volkswagen Golf 5 in Wolfsburg, Germany. In addition, Daimler Chrysler entrusted TMS with the installation of the final assembly handling systems of the new M Class at its Tuscaloosa site in the United States. In France, the Group was selected by PSA to set up a "dynamic honeycomb warehouse" at its Poissy site to optimise storage of painted vehicles prior to their entry into the assembly shop.

Industrial maintenance

Opteor has signed a contract with Finnish paper manufacturer M-real covering the maintenance of one of its largest production sites in Europe. The five-year contract includes a performance commitment and a mutual incentive scheme. A dedicated team will ensure round-the-clock maintenance of a part of the production facilities and industrial utilities as part of an improvement programme which aims to reduce maintenance costs by 15% over five years. In the automotive sector, PSA has renewed the Opteor contract covering maintenance of the pre-painting assembly lines for the 206 at its Poissy site in the Paris region.

Insulation for the nuclear industry

In Germany, G+H Isolierung is working for power generator E.ON Kernkraft GmbH to implement the fire protection system in the electricity distribution building at the Grafenrheinfeld power plant, using an innovative cable covering technique.



- Energy infrastructure
- Industry
- Service sector
- Telecommunications

Service sector

Office buildings, educational, cultural and retail facilities, hospitals, etc. – VINCI Energies business units implement the interior equipment of all types of buildings, performing a comprehensive range of services: energy networks, climate engineering, fire protection, access control, multi-technical and multi-service maintenance, etc.

VINCI Energies has consistently endeavoured to differentiate its operations, highlighting the quality of its expertise in markets subject to increasing competitive pressures. Quality of services offered in the health care, education, culture, leisure and retail chain sectors, confirmed by a number of significant contracts, enable it to take full advantage of the favourable trends of these markets – offsetting the temporary decline in new construction of major projects with office space construction. The differentiation effort is particularly in evidence in equipment for buildings open to the public, with offerings including the latest developments in building management systems, safety, sound systems and communications networks.

Commercial and technical synergies among Group business units (electrical and climate engineering, plumbing, fire protection, communications, etc.) also contribute to broadening their presence on service sector markets, particularly on the buoyant renovation market. The technical works packages covered by the Group can account for a major share – often more than half – of such projects, as several major references in 2003 demonstrated.

Last but not least, the development of multi-technical and multi-site maintenance offerings meets the increasing requirements of companies for integrated solutions that enable them to optimise the management of their property assets. Several nation-wide contracts won in 2003 by **Opteor** (Autogrill, banking networks, etc.) confirm the trend. The renewal of major contracts (Musée d'Orsay, Hospices Civils de Lyon, SFR-Cegetel, TNT) also bear witness to the confidence customers place in the brand.

Multi-site property maintenance

Opteor was selected by express transport company TNT as the single provider of maintenance for its cold rooms (used, in particular, for medicines) at all its sites in France. Opteor has set up a meshed network of 17 business units in permanent contact with the 78 TNT sites, guaranteeing uniformity of work performed and deadlines (24-hour service in most cases) throughout France.

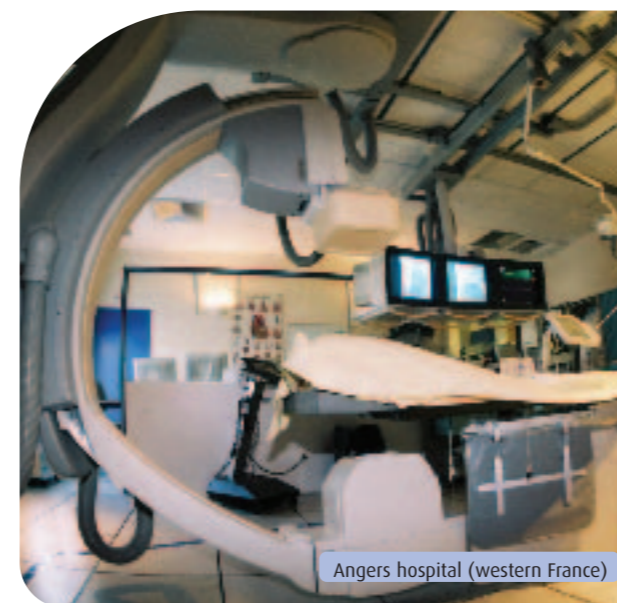


Complete building equipment

VINCI Energies subsidiary Van der Linden Elektrotechniek in the Netherlands implemented the electrical systems, voice and data networks, audio equipment and energy management equipment at seven distribution centres and several offices belonging to TPG, the Dutch post office.

A number of services for supermarket chains

VINCI Energies designed, built and installed the distribution switchgear in 29 new supermarkets and 19 refurbished supermarkets for the Tesco chain in the United Kingdom and Ireland. The contract also included a preventative maintenance programme. In France the Group was awarded, as part of the extension work on the Evry II shopping centre, the contract to install fire protection systems (a network of 11 control stations and 9,300 sprinklers, with the construction of a new water source).



Integrated solutions for hospitals

The complementary expertise provided by VINCI Energies solves complex technical problems comprising reliability requirements in the hospital sector. In 2003, the Group implemented the electricity networks and equipment of the coronarography and radiology rooms in a new building and the patient paging system in a maternity wing and installed an MRI and a CAT scan at the Angers hospital. Other references for 2003 in the hospital sector included: the cancer centre in Rouen (electrical networks and patient paging); the teaching hospital in Lille (fluids); the hospital centre in Doué-la-Fontaine in the Maine-et-Loire region (high current, low current, fire protection), the gerontology centre in Chevreuse in the Île-de-France and the Belvédère clinic in Nice (climate control).

Multi-technical services for renovation projects

The range of VINCI Energies offerings and the efficiency of its networked operations are well illustrated in a number of major renovation operations in Paris: multi-technical services for the office complex at the Valhubert place and the Initiale tower (40,000 m² of office space on 30 levels) in Paris-la Défense; design-and-build works for the AIG tower in Paris-la Défense and the Boucicaut hospital (comprehensive management of the renovation of 23,000 m² of buildings housing the physics laboratories at the Jussieu-Paris-VI university); fire detection and electrical networks for the outdoor lighting of the Baccarat museum.



Climate engineering for an exhibition centre

VINCI Energies installed, in six months of work, the climate, heating, ventilation and smoke venting systems at La Grande Halle d'Auvergne in Clermont-Ferrand, the new exhibition grounds comprising a 200 m long hall and a 900 seat conference centre.



■ Energy infrastructure
 ■ Industry
 ■ Service sector
 ■ Telecommunications

Telecommunications

VINCI Energies telecommunications expertise is brought together in two Europe-wide networks of business units:

- **Graniou** designs, implements and maintains fixed-line networks and mobile networks for telecommunications operators and local authorities, providing long-term local service meeting international standards;
- **Axians** provides a comprehensive network integration and business communication service. As a major player on the data security market it is also a benchmark in telephony and video over IP as well as in customer relations management (CRM).

With its business activity up 16% in 2003, **Graniou** consolidated its position as the French leader and a European player in telecommunications infrastructure. Mobile systems operators increased their capital investments, generating brisk business in GSM and UMTS (construction and re-development of sites, commissioning of active equipment) as well as on the fast-growing Wi-Fi (local wireless broadband) networks. In fixed-line networks, Graniou maintained its positions despite a less favourable business situation and intensified its sales and marketing activities with local authorities, which should provide growth opportunities in coming years. Building on its network deployment expertise, Graniou continued to expand its range of services with maintenance and operating support solutions tailored to the requirements of operators.

In business communication, **Axians** experienced an increase of 5%, in a market in which manufacturers had suffered a further decline in sales of equipment. The increase in market share bears out the strategy based on high-service-content, high-expertise offerings, especially in new technologies such as Voice over IP and Wi-Fi. A number of contracts were signed with major accounts (3M, CNP, Cegetel) which will help to sustain activity in 2004.

Development of GSM networks

To support SFR in implementing new services on its GSM network, seven **Graniou** business units supported the upgrade to GPRS of 204 concentrators (Nokia BSCs) throughout France for four months. The switch was carried out at night to avoid disruption to SFR customers as far as possible.



Nokia concentrators (BSCs)



Palais des Festivals in Cannes (southern France)



Deployment of Wi-Fi hotspots

Graniou and **Axians** are working together for SFR to deploy Wi-Fi hotspots in France, which enable the users of laptops to access the Internet by radiowave connection when travelling. The Group service includes validation of locations, installation of antennas and switching equipment and commissioning. The first operation of this type was carried out at the Palais des Festivals in Cannes in 2003, where 128 hotspot terminals were installed. The two brands were also selected by Orange to equip several sites for the Accor hotel chain, including the Sofitel Arc-de-Triomphe in Paris (Nomad Access solution connecting the hotel's 130 rooms and public areas).



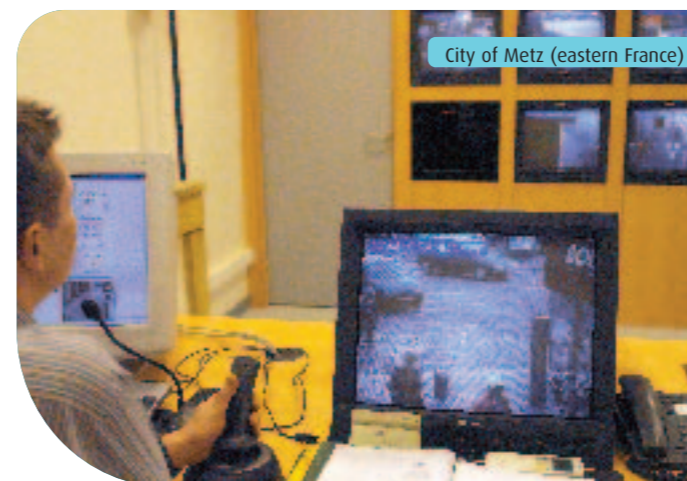
HI3G (Sweden)



3M group (France)



CDC Ixis head office (France)



City of Metz (eastern France)



Maintenance of UMTS sites

Graniou was chosen by Scandinavian telecommunications operator HI3G to maintain its new UMTS sites installed in Sweden (550 in 2003, 1,100 in 2004) as well as a variety of services in conjunction with their deployment (network tuning, mast and tower work, etc.).



New generation networks

In partnership with Alcatel, **Axians** is reshaping the passive infrastructure and local data networks of the 3M group in France. The operation includes technical migration of Token Ring to Gigabit Ethernet so as to increase the passband and make possible access to a new generation of services (telephony over IP, video, access control, flow prioritisation). Axians is also responsible for round-the-clock maintenance of the core network.



Telephony: migration to IP

As part of the company's move to new offices, **Axians** performed the migration of the CDC Ixis telephone system, implementing a progressive Voice over IP (voice and data carried on the same network) solution. The operation, involving 3,100 extensions, was completed in one weekend, thanks to the mobilisation of 45 Axians technicians.



Urban video-surveillance

In the pedestrian zone in Metz, **Axians** partnered with another VINCI Energies business unit to set up an urban video-surveillance system made up of nine cameras controlling retractable terminals and four remote-controlled dome (360°) cameras linked to a central command post managed by the city.

A shared continuous improvement programme

The VINCI Energies culture, based on responsibility and trust in people, is illustrated in its ongoing effort to foster team creativity, deepen competencies, share knowledge, improve accident prevention and safety at the workplace – and enhance the commitment of everyone in the Group to serving customers and the business unit.

Involving teams in the success of the Group

Momentum at VINCI Energies is based in large measure on its management system, which in turn is based on the principles of autonomy and responsibility, trust in people and solidarity among teams. This creates an environment in which each employee can fully develop his or her talents. This management mode gave rise to a policy of profit-sharing which involves teams in the success of their business units. The profit-sharing

and employee shareholder agreements led to distribution of a total of over 21 million euros in 2003. In addition, over 15 million euros were invested in the VINCI Group employee savings schemes. Providing transparency with respect to the economic decisions taken by the Group and conveying respect for the individual, the dialogue with employee representatives which is carried out on the ground is also a key element of the VINCI Energies social policy.

Ongoing exchange of experience and resources

The “meshing” of VINCI Energies business units constitutes a basic principle of the Group’s operation – and a state of mind – that are part and parcel of the Group culture and of the everyday operation of each and every business unit. This is amply illustrated in the dynamic “discussion and suggestion groups” and networking clubs devoted to individual market segments, technologies disseminated throughout the Group, and other Group-wide management activities. Another illustration of the networking culture is to be found in the VINCI Energies Intranet, designed as a tool for knowledge sharing and exchange, which was deployed throughout the Group in 2003. The in-house magazine *Energies*, published quarterly in three languages, also contributes to the dissemination of a common culture linking the Group’s 26,000 employees in France and abroad.



Accident prevention and safety: a priority focus of continuous improvement

Accident prevention is a core priority at VINCI Energies. The goal is to make safety second nature on the job, at all levels, in order to significantly amplify the downward trend of workplace accident frequency and severity.

To this end VINCI Energies has introduced a safety action plan which aims at increasing the number of “zero accident” business units and at making a determined effort to improve those which report the worst results in this field. The action plan comprises, in particular, enhanced monitoring of business unit safety data and an expanded training effort for all employees. This is backed by a wide variety of actions taken on the ground: orientation procedures on worksites, awareness-raising concerning personal protective equipment, risk evaluation programmes, worksite safety audits, etc. It is also bolstered by strong management involvement at all levels. Aware of its responsibilities in the area of safety, VINCI Energies is determined to do everything in its power to drastically reduce the number of accidents and their severity.



An active hiring and training policy

To support its growth and the constant development of its business lines, VINCI Energies carries out an active human resources development policy. More than 3,000 new employees joined the Group in 2003, including nearly 1,000 young people. VINCI Energies’ European dimension and diversity of know-how give them broad career opportunities. The Group has taken a large number of initiatives with the training centres for young graduates in France and in Europe: partnerships with schools, participation in a large number of student trade fairs and forums, over 700 internships each year – and students can apply directly for a job with Group business units on the Group’s website at www.vinci-energies.com. High-quality induction of new employees is also a priority. Personalised induction programmes have been introduced, orientation days organised and mentoring expanded within the business units. Training policy constitutes a major lever for

adapting to ongoing changes in the Group’s business lines and markets and offers every employee an opportunity to expand his or her skills. The Académie VINCI Energies, which has a dedicated training centre at the Group’s head office, is developing training programmes for the workforce as a whole – fitters, technicians, project managers, business unit managers, directors, etc. The programmes are tailored to meet their specific needs in the fields of technology, management, administration, sales and marketing and legal affairs.

Corporate citizenship

In 2003, ten projects were set up and supported by VINCI Energies business units and employees within the Fondation d’Entreprise VINCI pour la Cité, which supports community work by VINCI employees and solidarity with organisations helping people find jobs in each economic activity. The projects included: community partnership set up by the Axians business unit in Caen in conjunction with R’Pur, an association which helps people in difficulty by offering them socially useful work in the field of environmental protection and quality of life enhancement. The partnership involves elimination and recycling of electronic equipment collected from Axians customers.



Road accident prevention initiative

Under the leadership of Cofiroute, two VINCI Energies business units installed an innovative device on the A10 motorway in the Eure-et-Loir region to encourage safe driving. The speed of cars is measured by cameras located on two bridges 13 km apart. If the car exceeds the speed limit, the licence number is displayed on a variable message board. The system can easily be adapted to highways and urban streets.

Environment: a responsible group

VINCI Energies business units are involved in a process of limiting the impact of their business activity on the environment. The process includes, in particular, certification programmes, participation in “high environmental quality” projects and development of recycling solutions. VINCI Energies also helps protect the environment through its dedicated service offering.

Environmental certification

The Entreprise Électrique, located in Clermont-Ferrand, became the first French VINCI Energies business unit to receive ISO 14001 certification in 2003. In the United Kingdom, Lee Beesley PAG and Twyver have had the same environmental certification for a number of years. In addition, the GT Vendée business unit has undertaken a triple quality-safety-environment certification programme with the goal of receiving ISO 14001 certification by the end of 2004.

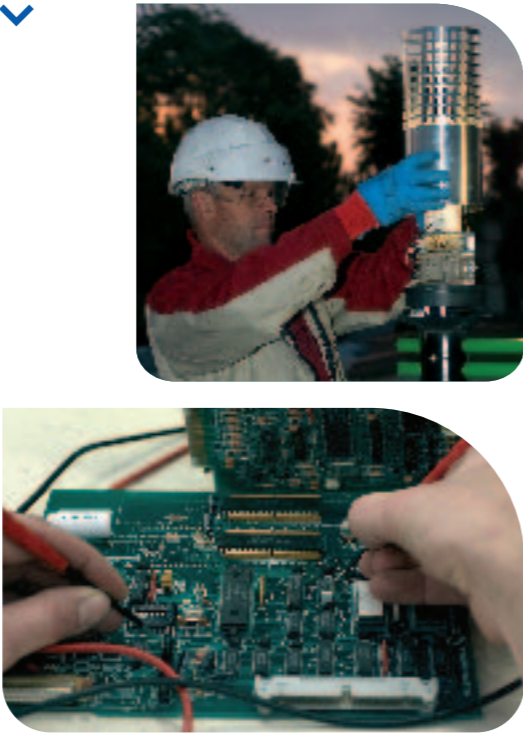
Environmentally-friendly projects

As part of the “high environmental quality” project at the building housing the Nord-Pas-de-Calais regional authorities in Lille, Santerne Fluides is installing a rainwater drainage system which enables the water to be used to water plants and fill basins. The pipes installed are made of cast iron and recycled PVC (instead of the chlorinated PVC which is usually employed).

In Abbeville, in the Somme region, Santerne Réseaux Littoral buried a high-voltage cable for EDF to enable an overhead line to be taken down. The ISO 14001 project, which lies along the Somme canal, included a system for recycling materials and treating waste, as well as a set of procedures aimed at preventing the risk of pollution (retention tanks, absorbent dams, etc.). A cross-audit carried out in conjunction with the EDF department validated the quality of these measures.

Limiting consumption and recycling

In the field of lighting, VINCI Energies signed a three-year contract in July 2003 with Sarp Industrie (Veolia Environnement) which aims to control the destruction of used light bulbs. 27 business units have already availed themselves of the contract and 11 tonnes of light bulbs and fluorescent tubes were recycled as part of the programme in the second half of the year. Aserti Électronique, a subsidiary specialising in industrial electronic equipment maintenance, develops high-performance solutions for preventive maintenance and repair (component by component) which extend the service life of customer equipment.



Environmental services business lines

Through a number of specialised subsidiaries VINCI Energies offers a broad range of environmental services:

- Degreane Horizon designs and implements data acquisition networks operated by met offices world-wide;
- Iséo, specialising in air quality monitoring, was selected in 2003 by the Walloon authorities (following the Flemish government and the Brussels authorities) to manage its air quality monitoring networks. Iséo now covers Belgium as a whole as well as Luxembourg and part of the Netherlands. It also monitors air quality in several tunnels in Brussels and metro stations in Paris;
- Générale d'Infographie implements geographic information systems which are used, in particular, to manage environmental risks. SiteGeo, its new software dedicated to facilities classified for environmental protection purposes (ICPE), supports industrial companies in managing sites at risk. The business unit is also working with the Ministry of Ecology and Sustainable Development to set up a database listing all sensitive areas (particularly flood-prone zones) on French territory;



Sustainable development prize for “Recycâble”

In the 2003 VINCI Innovation Award, open to all Group employees, Sdel Alsace won a special sustainable development prize (East region) for its “Recycâble” machine: when industrial facilities are renewed, the system mechanically sorts cable components so that PVC waste can be recycled instead of being incinerated, as is usually the case. At the same time the machine eliminates the risk of accidents during tricky manual operations.

- The 3D *i.g.o.* display software developed for use in the impact studies carried out prior to setting up high voltage electricity lines has a variety of applications in regional planning, especially in urban areas. The Communauté Urbaine de Strasbourg equipped its departments with the tool, followed by the city of Nîmes which selected *i.g.o.* to present its new development organisation project aimed at anticipating population increase and economic development between now and the year 2015;



- Finally, VINCI Energies developed specific know-how in the field of electricity line burial. Such undergrounding of overhead lines contributes to enhancing quality of life and also improves safety of people and installations while optimising urban lighting and reducing energy consumption as a result of the introduction of higher-performance techniques and equipment. As part of the EDF utility's sustainable development project, seven VINCI Energies business units are helping to bury 500 km of 20 kV lines in six French regions.



Summary of financial elements

In millions of euros	31/12/2003	31/12/2002	31/12/2001
Net sales of which, outside France	3,115 897	3,044 949	2,852 781
Gross operating surplus as % of net sales	196 6.3%	175 5.7%	133 4.7%
Operating income as % of net sales	129 4.1%	118 3.9%	71 2.5%
Profit before tax and goodwill amortisation as % of net sales	123 4%	133 4.4%	97 3.4%
Net income as % of net sales	72* 2.3%	79 2.6%	47 1.6%
Operating cash flow as % of net sales	137 4.4%	138 4.5%	94 3.3%
Investments of which operating investments	52 51	100 81	206 72
Shareholders' equity	321	279	241
Provisions for liabilities as % of total balance sheet	299 12.9%	298 13.6%	273 12.9%
Net financial surplus	360	392	336

* Excluding exceptional goodwill impairment at TMS (18 million euros after tax).



Queen Mary 2
VINCI Energies implemented the electrical and communications networks and the wiring of the four engines on the liner, which is 345 m long and 41 m wide and has 15 passenger decks.



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