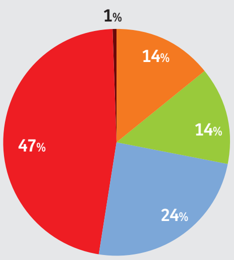
2008 ANNUAL REPORT

CONTENTS

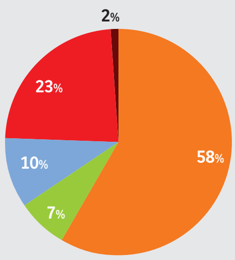
KEY FIGURES

Revenue by business line[1]



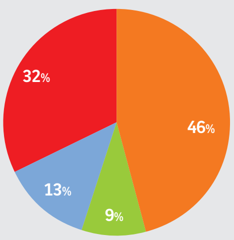
Concessions	4,781
Energy	4,614
Roads	8,183
Construction	15,722
Holding companies and misc.	157

Operating profit from ordinary activities by business line



Concessions	1,966
Energy	245
Roads	346
Construction	773
Holding companies and misc.	48

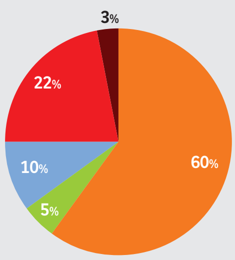
Net profit attributable to equity holders of the parent by business line



Concessions	756
Energy	148
Roads	209
Construction	527
Holding companies and misc.	(49)

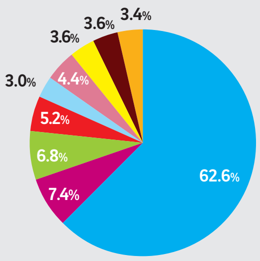
Cash flow from operations

before tax and cost of debt



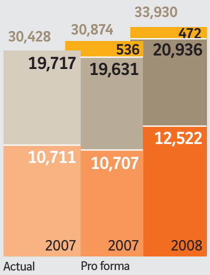
Concessions	2,936
Energy	249
Roads	501
Construction	1,059
Holding companies and misc.	127

Revenue by geographical area[1]



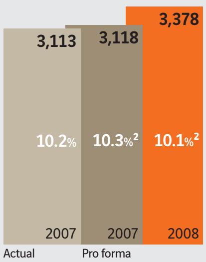
France	20,936
Central & Eastern Europe	2,468
United Kingdom	2,279
Germany	1,732
Belgium	998
Rest of Europe	1,489
The Americas	1,208
Africa	1,204
Middle East and rest of the world	1,144

Revenue

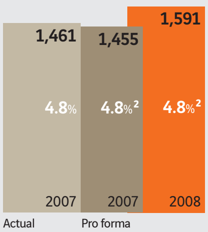


France
International
Revenue excluding that realised by concession operators for the construction of new infrastructure by third parties

Operating profit from ordinary activities

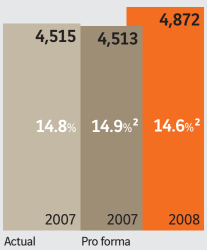


Net profit attributable to equity holders of the parent

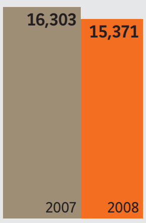


Cash flow from operations

before tax and cost of debt



Net financial debt at 31 December



Pro forma: after application of Interpretation IFRIC 12, Service Concession Arrangements

In € millions

1 – Excluding revenue realised by concession operators for the construction of new infrastructure by third parties

2 – Percentage of revenue [1]

3 – Estimated number of projects in progress

Workforce
164,000 employees worldwide

Revenue[1]
€33.5 billion

Market capitalisation
€15 billion at 1 January 2009

Net profit attributable to equity holders of the parent
€1,591 million

Number of projects[3]
246,000

PROFILE

VINCI, the world's leading concession and construction group(*)

From the outset, we have built our growth on our strategic business model of integrated construction and concession operation. Our 164,000 employees are tasked with financing, designing, building and operating infrastructure that enhances everyone's life: transport infrastructure, public and private buildings, car parks, urban development projects, communication and energy networks, etc. With operations in over 90 countries, we are implementing a long-term economic and social responsibility programme with the aim of sharing our success with our employees, clients, shareholders and the community at large.

(*) Source: ENR, December 2008.

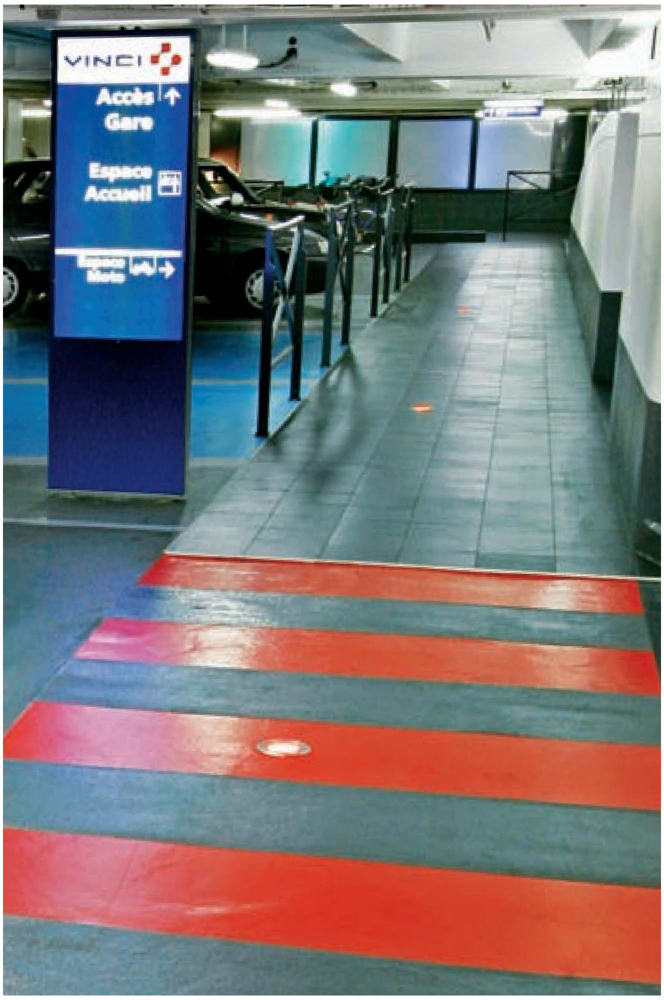
PROFILE ONE GROUP, FOUR BUSINESS LINES

Concessions

VINCI Concessions finances, designs, builds and operates transport infrastructure and public facilities under public-private partnership (PPP) contracts.
VINCI Concessions in the world's largest private-sector operator of motorway and car park concessions.

Energy

VINCI Energies is a market leader in France and a major player in Europe in energy and information technology services (design, installation and maintenance). In its activity sectors (infrastructure, industry, service sector and telecommunications),
VINCI Energies develops solutions that are both local and global and are provided by 800 business units operating as a network.



Roads

Ranked among the world's leading players in roadworks, Eurovia builds, refurbishes and maintains transport infrastructure (roads, motorways, railways, airports), carries out urban, industrial and retail development projects, and is expanding into complementary maintenance and service business activities. Eurovia is also one of Europe's leading producers of roadworks materials.

Construction

As market leader in France and a major player in the world construction market, VINCI Construction brings together a comprehensive range of capabilities in building, civil engineering, hydraulic engineering and related services. With strong roots in its local markets in France and Europe through its networks of subsidiaries, VINCI Construction also plays a leading role in the world market for major engineering structures and specialised, technically sophisticated civil engineering, dredging and oil and gas infrastructure projects.

CORPORATE GOVERNANCE

BOARD OF DIRECTORS

Chairman

Yves-Thibault de Silguy, Chairman of the Board of VINCI

Directors

Dominique Bazy
Vice-Chairman Europe of UBS Investment Bank

Robert Castaigne
Former Chief Financial Officer and former member of the Executive Committee of Total

François David(1)
Chairman of Coface

Patrick Faure(1)
Chairman of Patrick Faure et Associés

Dominique Ferrero
Chief Executive Officer of Natixis

Xavier Huillard
Chief Executive Officer of VINCI

Bernard Huvelin(2)
Vice-Chairman of the Board of VINCI

Jean-Pierre Lamoure(3)
Chairman of Soletanche Freyssinet

Jean-Bernard Lévy
Chairman of the Management Board of Vivendi

Michael Pragnell(4)
Founder, former Chief Executive Officer and former Chairman of the Executive Committee of Syngenta AG

Henri Saint Olive
Chairman of the Board of Banque Saint Olive

Pascale Sourisse
Senior Vice-President of the Land & Joint Systems Division of Thales

Denis Vernoux
Design Engineer and Chairman of the Supervisory Board of the Castor corporate mutual funds

(1) Renewal of appointment proposed to the Shareholders' Meeting of 14 May 2009.
(2) Term of office expiring at the Shareholders' Meeting of 14 May 2009.
3) Co-optation to the Board in 2008 to be approved by the Shareholders' Meeting of 14 May 2009.
(4) Appointment proposed to the Shareholders' Meeting of 14 May 2009.

AUDIT COMMITTEE

This committee helps the Board monitor the accuracy and fair presentation of VINCI's consolidated and parent company financial statements, as well as the quality of financial information.

Composition:
> Henri Saint Olive (Chairman)
> Robert Castaigne
> Pascale Sourisse

STRATEGY AND INVESTMENTS COMMITTEE

This committee helps the Board develop the Group's strategy. It examines proposed investments and divestments that could have a material impact on the Group's scope, business activity, results or stock market performance.

Composition:
> Yves-Thibault de Silguy (Chairman)
> François David
> Patrick Faure
> Bernard Huvelin
> Pascale Sourisse
> Denis Vernoux

REMUNERATION COMMITTEE

This committee proposes the terms and conditions of remuneration of company officers to the Board.

Composition:
> Jean-Bernard Lévy (Chairman)
> Dominique Bazy
> Robert Castaigne

APPOINTMENTS COMMITTEE

This committee examines all candidacies for appointments to the Board and senior management, and expresses an opinion and recommendation to the Board as regards these candidacies.

Composition:
> Yves-Thibault de Silguy (Chairman)
> Dominique Bazy
> Henri Saint Olive

MESSAGE
FROM THE CHAIRMAN

YVES-THIBAULT DE SILGUY
Chairman of the Board of VINCI

VINCI held its course in 2008, demonstrating the resilience of its business model in a more difficult economic and financial environment. We feel calmly confident for 2009, but remain vigilant and are keeping a particularly close watch on evolving market trends and on developments in our business lines. While the economic climate is clearly affecting VINCI and its businesses, it is also highlighting the strength of our positioning and the quality of our management. And I am happy to see that both the board and senior management share a common vision of our corporate strategy.

More than ever, we need strong corporate governance and a stable shareholder base to reinforce the confidence that we enjoy. This year, the board has co-opted a new director, Jean-Pierre Lamoure, chairman of Soletanche Freyssinet. We are also proposing the appointment to the board of Michael Pragnell, former chief executive officer of Syngenta AG, a world leader in agribusiness.
On the issue of corporate governance, my priorities for the board remain full involvement of directors, thorough preparation of the issues before them, high quality debate and collaborative decision-making. In 2008, the board met eight times and its committees worked hard to prepare its meetings. This was particularly true of the audit committee, which met five times in 2008. In line with changes in European regulations, it reviewed the systems and mechanisms for internal control and risk management. The Report of the Chairman (see page 150) describes our internal control and risk management procedures. In addition, maintaining its firm commitment to our current credit rating, the board is closely monitoring VINCI's financial position and debt.

A stable shareholder base boosts confidence. It is a source of both satisfaction and pride that in the current financial crisis, our highly diversified shareholder base has undergone little change and has continued to support the company. Our employees too have proven their confidence in the Group by maintaining their share ownership at a stable level. At the same time, the number of individual shareholders and their share in the company have continued to increase. Our principal institutional investors have remained loyal. All this is proof that VINCI's strategy, management, profit, outlook and financial situation retain the backing of all our shareholders.

Although we have every reason to feel confident in the short term, it is my responsibility to ensure that VINCI retains its strengths in the longer term. The company must continue to innovate in all areas in order to meet the challenges that lie ahead, to successfully embrace the "green revolution" and to continue to move up the value chain. It is precisely for this reason that we set up "The City Factory", a think-tank that aims to facilitate dialogue on sustainable mobility and eco-urbanism, bringing together designers, builders and managers of our cities. We will continue down that path in 2009, broadening our focus, breaking down barriers and bringing a wider range of options into the equation in an ongoing process of innovation – inventing tomorrow's cities today.

To sum up my message in a single word, it is "confidence". Not blind confidence, but calm and carefully considered confidence; vigilant confidence on which we can build the future and ensure VINCI's sustainable and profitable development. ■

MESSAGE FROM THE CEO

XAVIER HUILLARD
Director and Chief Executive Officer of VINCI

Steady and reliable are the two adjectives that best describe VINCI's performance over many years. And they are particularly meaningful during the current period of economic uncertainty.

Our performance in 2008 bears the stamp of steadiness, with revenue growth of 10% and profit in line with previous years. Our strategy of international expansion and the development of technological niches stimulated growth in our contracting divisions. Our concessions increased their toll revenue despite the economic downturn. We are moving into 2009 with confidence, both in our contracting activities, where the order book is at a record high, and in concessions, where the business model has demonstrated its resilience. VINCI's ability to finalise financing for major public-private partnership (PPP) contracts amidst the financial turmoil of the second half of 2008 confirms the credibility of this model.

We are confident for the short term; we have every reason to be just as confident for the long term. Our business growth will be fuelled through time by three underlying trends that are – and will remain – favourable to us: increasing urbanisation; growing awareness of mobility issues; and growing concerns about energy, whether relating to expanding production facilities or improving the energy performance of buildings. VINCI is fully in step with these major trends. We have expertise as a concession operator, investor, constructor and service operator. We also have the mass and resources needed to achieve our goals. These strengths give us the capacity to meet even the biggest infrastructure needs. And we can do so in all our markets, whether in developing economies where there will be a plethora of new projects, or in mature economies that have to modernise their infrastructure.

Although VINCI is a dynamic group in markets that will generate opportunities for many years to come, the deterioration in the economic climate leads us to expect a decline in business volumes in our target markets over the medium term.

We will take advantage of this intermediate period to hone our principles, our strategy and our managerial and social responsibility policies.

What are our principles? Disciplined, forward-looking management of our companies with the primary goal of maintaining our operating margin, even if that means a voluntary reduction in business volume. We have to be more selective than ever in the projects we undertake, and adapt our production tool and organisation rapidly to change. This, along with prudent management of our cash and financial policy, will ensure that our companies remain competitive and that our Group as a whole remains sound.

Our strategy is to maintain a balance between activities with short business cycles and activities with long cycles. We will add depth to this business model by broadening the scope of contracting activities to include operation and maintenance, which will extend our construction entities' business cycle. To the same end, we will develop new PPP projects, focusing in particular on governments' economic stimulus packages. We will also add depth by working to enhance all the levers for our organic growth. This will involve developing cross-fertilisation between our subsidiaries' networks, deploying the full spectrum of our expertise in target countries, taking advantage of contracts won in our specialist activities to penetrate new growth segments, and fleshing out our expertise in the management of complex projects.

Our managerial and social responsibility policies are based on corporate values that unite us and guide us in our day-to-day operations. They form a management model that frees up people's energy and stimulates performance. These policies also involve a constant effort to recruit, train and promote our employees and develop the skills we will need in the future. It is an investment in human resources that makes the most out of the company and each of its employees. We are also determined to promote equal opportunities, both within our Group and in our civic engagement.

Our corporate strategy is clear, our fundamentals are sound, our business model is resilient. By being true to ourselves, we will make sure our performance endures for the future, just as it has done over the past decade of virtuous growth. This will make us stronger for when the markets take off again. ■

"Our corporate strategy is clear, our fundamentals are sound, our business model is resilient.
By being true to ourselves, we will make sure our performance endures for the future, just as it has done over the past decade of virtuous growth."

CORPORATE MANAGEMENT **STRUCTURES**

2009 EXECUTIVE COMMITTEE

The Executive Committee is responsible for managing VINCI. It met 47 times in 2008.

Xavier Huillard
Director and Chief Executive Officer, VINCI

Richard Francioli
Chairman, VINCI Construction

Christian Labeyrie
Executive Vice-President and Chief Financial Officer, VINCI

Jean Rossi
Chairman, VINCI Construction France

MANAGEMENT AND CO-ORDINATION COMMITTEE

The Management and Co-ordination Committee brings together the members of the Executive Committee and senior VINCI executives. Its remit is to ensure broad discussion of VINCI's strategy and development. It met four times in 2008.

Pierre Anjolras
Chief Executive Officer,
Autoroutes du Sud de la France

Renaud Bentegeat
Managing Director, CFE

Pierre Berger
Chairman,
VINCI Construction Grands Projets

Dominique Bouvier
Chairman and Chief Executive Officer,
Entrepose Contracting

Pierre Coppey
Chairman and Chief Executive Officer,
Cofiroute and Arcour

Philippe-Emmanuel Daussy
Chairman and Chief Executive Officer,
Escota

Jean-Marie Dayre
Deputy Managing Director,
VINCI Energies

Bruno Dupety
Chief Executive Officer,
Soletanche Freyssinet

Pierre Duprat
Director of Corporate Communications,
VINCI

Denis Grand
Chairman and Chief Executive Officer,
VINCI Park

Jean-Pierre Lamoure
Chairman, Soletanche Freyssinet

Olivier de La Roussière
Chairman, VINCI Immobilier

Patrick Lebrun
Deputy Managing Director,
VINCI Energies,
Operating Officer, VINCI Assurances

Erik Leleu
Director of Human Resources, VINCI

Jean-Louis Marchand
Executive Vice-President, Eurovia

Yves Meignié
Deputy Managing Director,
VINCI Energies

Sébastien Morant
Chairman, VINCI Construction Filiales Internationales

Patrick Richard
Director of Legal Affairs, VINCI

Daniel Roffet
Executive Vice-President, Eurovia

John Stanion
Chairman, VINCI PLC

Philippe Touyarot
Deputy Managing Director,
VINCI Energies

Guy Vacher
Executive Vice-President, Eurovia

Jean-Yves Le Brouster
Chairman and Chief Executive Officer,
VINCI Energies

Jacques Tavernier
Chairman and Chief Executive Officer, Eurovia

Henri Stouff
Co-Chief Operating Officer, VINCI Concessions

Louis-Roch Burgard
Co-Chief Operating Officer, VINCI Concessions

Jean-Luc Pommier
Vice-President, Business Development, VINCI

STRATEGY AND OUTLOOK INCREASING THE RESILIENCE OF OUR BUSINESS MODEL

Our strategy is to expand on VINCI's business model by maintaining a balance between the development of activities with short business cycles and activities with long cycles. This will ensure both growth and resilience, while creating value for shareholders.

Urban development, together with transport and energy infrastructure needs, will provide business opportunities for VINCI over the long term.

Over time, we have based VINCI's development on an integrated concession-construction business model. This model has generated growth, making VINCI world leader in its sector, with revenue multiplied by 1.7 and net profit multiplied by 2.2 in four years. By diversifying the Group's risk profile, the model has also generated resilience, giving VINCI the capacity to withstand economic downturns.

Our strategy is to expand on this model in all our target markets by aiming for balanced growth of activities with short business cycles and activities with long cycles.

BALANCED GROWTH OF ACTIVITIES WITH SHORT BUSINESS CYCLES...

The growth strategy for activities with short cycles – mainly design-build activities – is based on three complementary levers:

> strengthen our networks in order to anchor ourselves even more firmly in our local markets and capture growth segments;

> acquire expertise enabling us to penetrate technological niches that open up opportunities in growth markets around the world. Recent examples include the acquisition of Solétanche Bachy in ground technology, ETF-Eurovia Travaux Ferroviaires (formerly Vossloh Infrastructure Services) in rail track laying and overhead line installation, and Entrepose Contracting in oil and gas infrastructure;

> strengthen our ability to manage complex projects and assume the roles of client-side project manager and main contractor. This will enable us to meet the growing need for comprehensive solutions to projects of ever increasing size that require a high level of competence in systems and closer co-ordination between our business lines.

These three components can be combined in a single market. In the United Kingdom, for instance, we recently: acquired Nuvia (formerly known as Nukem), a company specialising in services in the nuclear sector; took over Taylor Woodrow Construction, which gave VINCI Construction UK critical mass in its market; and signed a partnership agreement with Balfour Beatty, one of the local market leaders, with a view to developing a tailored full-service response to the country's EPR reactor construction programme.

... AND ACTIVITIES WITH LONG BUSINESS CYCLES

Activities with long business cycles generate recurring sales and margins. The growth strategy here applies naturally to the concessions division, whose expertise as an operator of motorways, airports, parking facilities and so on can be extended beyond the scope of the concession contracts themselves and can be carried out within the framework of service contracts involving no capital investment. This strategy also covers operation, maintenance and services carried out under multi-year contracts in other Group activities: facilities management in the service sector, management of public lighting, road maintenance and so on. In addition, we are developing contracting activities for which multiple orders are booked regularly over time, giving them the same stability as activities with a long business cycle. Examples include power distribution in rural areas and water network maintenance.

ORGANIC GROWTH

We are implementing this strategy mainly through organic growth because we want to limit financial investments payable in cash in order to keep debt under control in the current uncertain economic and financial climate.


HOTE
ATRIUM
ATRIUM
nH
ECE

▮▮▮ Europe remains our main geographical target. However, we are also seeking to expand in the Middle East and North America as an extension to significant contracts won recently in these two regions. We may also seek growth in countries where subsidiaries operating in technological niches have established a foot-hold. This applies particularly to the international networks of Solétanche Bachy and Freyssinet, now merged within a new VINCI Construction division for specialised civil engineering.

BUOYANT MARKETS FOR THE LONG TERM

The underlying trends in our markets are urban development, growing awareness of mobility issues and growing needs for energy infra-structure. These three trends will combine to open up business opportunities over the long term. About 5 billion people will be living in cities in 2030, which will generate huge needs for public facilities, housing, special purpose buildings, transport infrastructure, power net-works, communication networks, water supply networks, wastewater collection systems, etc. These needs will arise in emerging economies, where there will be a plethora of new projects, and in developed economies that have to modernise their facilities and infrastructure in order to remain globally competitive. The economic stimulus packages, programmes to fight climate change and eco-efficiency poli-cies of governments around the world will also fuel the flow of projects.

In addition, several factors will combine to accel-erate the development of public-private part-nerships (PPPs) with private operators capable of assuming every aspect of a project, including financing, engineering, design, construction and operation. Those factors are the urgency of projects, their increasing complexity, the need for financing and for a life-cycle approach, and the "user pays" culture.

Our business mix and strategic model are fully in step with these underlying trends, which will generate growth over the long term.

←

By acquiring Vossloh Infrastructure Services, now known as ETF-Eurovia Travaux Ferroviaires, VINCI moved into the specialist segment of laying rail tracks and installing overhead lines.

↑

Taylor Woodrow Construction, now a subsidiary of VINCI Construction UK, has three business activities: building, infrastructure and facilities management.

CONSOLIDATING OUR MANAGEMENT MODEL

Our management model is as important as our business model to our Group's performance. Founded on a decentralised organisation and the principles of independence, responsibility and trust, this model boosts the performance of each profit centre, located close to its market and customers. It also makes best use of each employee's potential within the scope of clearly defined guidelines, the most important of which is transparency. Encouraging individual initiative goes hand in hand with networking teams and skills, promoting cross-business activities and adopting a project approach.

This management model, which is the cultural pillar common to all our diverse activities and geographical locations, guarantees the unity of our Group. We will use the upcoming period of slower growth to consolidate this pillar by opti-mising the performance of our organisation and production tools, and by investing in our human resources to develop their management and other skills. ■

↑

Entrepose Contracting is a major player in the world market for oil and gas infrastructure.

↑

VINCI is seeking to expand in the Middle East by piggy-backing on significant contracts such as the Wadi Dayqah dam in Oman.

MILESTONES IN OUR HISTORY

1891 Creation of Grands Travaux de Marseille (GTM).

1899 Creation of Girolou, a company that built electricity generating stations and networks, and won its first concession contract for the Lille–Roubaix–Tourcoing tramway.

1908 Creation, as part of Girolou, of Société Générale d'Entreprises (SGE).

1908-1920 SGE experienced rapid growth until World War I, when it participated in the war effort and then in post-war reconstruction. The company became renowned for major projects such as building dams and power stations.

1920-1946 SGE grew by focusing mainly on electricity. When that sector was nationalised in 1946, the company moved into building and civil engineering.

1966 Compagnie Générale d'Électricité acquired control of SGE.

1970 SGE participated in the creation of Cofiroute, which financed, built and now operates the A10 (Paris–Orleans) and A11 (Paris–Le Mans) motorways.

1984 Compagnie de Saint-Gobain became SGE's majority shareholder.

1988 Saint-Gobain sold its interest in SGE to Compagnie Générale des Eaux, which contributed its building and civil engineering subsidiaries, Campenon Bernard and Freyssinet, as well as Viafrance, its roadworks subsidiary.

The 1990s Several acquisitions gave SGE a European dimension.

1996 SGE reorganised into four core businesses: concessions, energy, roads and construction.

1997 Compagnie Générale des Eaux reduced its holding in SGE to 51%. SGE sold its services assets to Compagnie Générale des Eaux and, in exchange, acquired GTIE and Santerne in electrical engineering and CBC in construction.

1999 The Group carried out a friendly takeover of Sogeparc, the leading French car park operator.

2000 Vivendi completed its withdrawal from SGE's share capital. SGE changed its name to VINCI and made a friendly takeover bid for GTM; Suez contributed its majority shareholding. The merger of the two companies formed the world's leading group in concessions, construction and related services.

2002 VINCI entered the CAC 40 and acquired 17% of ASF's share capital.

2005 The French government selected VINCI to acquire ASF as part of its programme to privatise motorway companies.

2008 VINCI, the world's leading integrated construction and concession operation group, generated revenue of €33.5 billion(*).

(*) Excluding revenue realised by concession operators for the construction of new infrastructure by third parties.

SUSTAINABLE DEVELOPMENT AN APPROACH BASED ON RISK MANAGEMENT AND RESPONSIBILITY

The VINCI approach on sustainable development[1] forms part of the Group's overall performance objectives and is based on a will to control risks, be they present or future. On the business front, VINCI companies, which are actively involved in numerous operations in many different countries, are particularly concerned to comply with good commercial practice vis-à-vis both their clients and their suppliers. As regards social aspects, VINCI's policy is centred on safety, forward-looking jobs and skills management (GPEC) and ensuring equality of opportunity, and involves temporary worker recruitment companies and subcontractors in its promotion of responsibility. On the environmental front, VINCI is convinced of the need to adopt a responsible attitude in the face of climate change, assessing each structure by the yardstick of an analysis of its life cycle. This approach makes it possible to allocate responsibility to each actor in the value chain, from the design through the works to the operational stage, and thus reduce environmental impact. It also underlies the Group's active participation in its sector's efforts to acquire scientific measuring instruments that are neutral and totally reliable.

↑

VINCI's policy on social responsibility is centred on safety, forward-looking jobs and skills management, and ensuring equality of opportunity.

CO-ORDINATION OF THE APPROACH

General co-ordination of the approach has been entrusted to the Delegation for Sustainable Development, an extremely streamlined structure which reports to the Executive Committee. Risk analyses are regularly reviewed by the members of the Sustainable Development Committee, a body composed of 25 members representing all areas of the Group's activities. All new risks identified are analysed and closely monitored by specialised working groups. In 2008, the social review focused in particular on ethical alert mechanisms and the prevention of risks relating to health/the environment. The environmental review opened the way to improving the prevention of risks relating to chemical substances/REACH (Registration, Evaluation and Authorisation of Chemicals) and biodiversity. It also considered eco-driving, and the drawing up of a set of guidelines specifically for eco-neighbourhoods. In addition, the CO_2 pivot club, which rallies the operational managers of the different business lines around the themes of "finance", "carbon economy" and "energy management", has considerably increased its demands as regards the level of relevance and coverage of environmental indicators. The VINCI approach on sustainable development is expressed in a series of priority commitments that involve all its subsidiaries and all employees. VINCI's backing of the ten principles of the Global Compact is also the subject of active in-house communication[2]. As regards their content, this contributes to an implementation of programmes and projects within a familiar, reliable and neutral framework.

VINCI IN THE NON-FINANCIAL INDICES

The VINCI approach on sustainable development is regularly – and positively – assessed by analysts and rating agencies specialising in socially responsible investment. VINCI has notably featured for a number of years now in the Vigeo Group agency's Aspi Eurozone index, composed of the 120 companies in the euro zone with the best social and environmental performance. In 2008, thanks in particular to the progress it has made as regards quantification of its CO_2 emissions and eco-design, VINCI was included in the "Dow Jones Sustainable Index World (DJSI World)", which selects the "top 10 responsible companies" from among those worldwide with the biggest market capitalisations, i.e. some 200 companies. VINCI is also one of the shares analysed in the annual Carbon Disclosure Project survey which assesses large companies' capacity to react when facing the challenges of climate change; the 2008 version of this survey gave the Group a "best in class" ranking in its sector. ■

(1) The 2008 version of the report on sustainable development is included in the management report (pp. 121-136). All texts, data and initiatives can also be accessed via the website at www.vinci.com, under Sustainable development.

(2) The "statement on progress" drawn up by VINCI in respect of the Global Compact can also be consulted at www.vinci.com, under Sustainable development, and features on p.121 of this document, in the Board's management report.

OUR PRIORITY COMMITMENTS

Commitments	2008 results	2009 commitments
Social		
1/ Jobs Promote the creation of permanent jobs	- 26,359 people hired on unlimited-term contracts worldwide - 10,036 people hired on unlimited-term contracts in France	- Continue to create permanent jobs
2/ Training Set up a forward-looking jobs and skills management	- 3.1 million hours of training worldwide, i.e. an average of 19 hours of training per employee	- Increase the number of hours of training in France by 10%
3/ Safety Achieve a zero accident rate	- VINCI's accident frequency rate: 11.59 - VINCI's accident severity rate: 0.64	- Actively pursue the accident prevention policy
4/ Equal opportunities Promote diversity	- 7,750 hours of diversity training in Europe - Publication of results of the diversity audit carried out in 2007; second audit undertaken by the Vigeo agency, in 40 European subsidiaries - Formation of a body of in-house auditors to follow up the diversity audits	- Put the management of diversity onto a permanent footing
5/ Share ownership Promote increased employee share ownership	- 87% of employees in France are shareholders. 8.2% of VINCI's capital is owned by employees	- Promote employee share ownership among lower-paid employees: new scale of employer contributions for 2009 with the employer exceptionally doubling this contribution for the first 300 euros invested
6/ Civic engagement Encourage employee initiatives	- 121 projects supported by the VINCI Foundation in Europe - More than 150 employees engaged in volunteering of expertise	- Develop the sponsorship tools - Continue to deploy employee initiatives in Europe and elsewhere
Environment		
7/ Climate change Quantify greenhouse gas emissions in accordance with ISO standard 14064	- Deployment worldwide of the Group's environmental reporting - Second Scope 2 quantification exercise in France	- Apply this approach systematically in order to limit reducible sources of emissions - Step up exchanges of information and consultation with all parties involved in the value chain
8/ Eco-design Implement the eco-efficiency policy, starting with life-cycle analysis	- Development of eco-comparison tools for each activity - Launch of the ParisTech chair in the eco-design of building complexes and infrastructure	- Develop research and teaching activities in the areas of eco-neighbourhoods, biodiversity, materials, rehabilitation of built structures and mobility
9/ Customers-suppliers Work together with partners in the value chain	- Continuation of training courses in purchasing and sustainable development - Inclusion of environmental clauses in VINCI framework contracts - Proposal of environmental alternatives when responding to calls for tenders	- Design and implement the second version of the training course "Integrating sustainable development into the purchasing function" - Design and implement a training course on "Integrating sustainable development in proposals"
Research & Development		
10/ Co-operation Involve all stakeholders in the issues of the future	- Creation of The City Factory, a think-tank dedicated to reflecting on tomorrow's city together with representatives from the worlds of business, science and public administrations	- Organise City Factory seminars in the French regions and abroad
11/ Applied R&D Enhance the Group's technological capability	- 45 research programmes under way in the subsidiaries - 180 in-house research workers - A global R&D budget of more than €30 million	- Increased emphasis on joint programmes (involving more than one business line)
12/ Participative innovation Encourage employee innovation	- Launch of the 5th VINCI Innovation Awards Competition - Promote technological innovation and encourage in-house dissemination of innovations	- Continue to disseminate innovations emerging from Innovation Awards Competitions

SUSTAINABLE DEVELOPMENT SOCIAL RESPONSIBILITY

CREATING PERMANENT JOBS

On 31 December 2008, VINCI had 164,057 employees worldwide (3% more than in 2007), 87% of them on unlimited-term contracts. Despite a difficult economic context, worldwide the Group hired 26,359 people on permanent contracts in the course of the year, 10,036 of them in France.

ANTICIPATING THE NEED FOR NEW BUSINESS SKILLS

VINCI's economic model requires a workforce of men and women capable of seeing projects through to the end over the short, medium and longer term in a wide range of technical and operational circumstances. The deployment in all subsidiaries of a forward-looking jobs and skills management (GPEC) approach, in line with the Group's commitments, aims to meet this challenge. Approximately 100 GPEC agreements were signed in 2008. These will enable VINCI companies to better anticipate changes occurring in their business lines and markets – and the corresponding need to develop skills. In step with the Group's strategic objectives, the human resources policy also aims to put recruitment and the career development of its employees on a more international basis, and to enhance its expertise as a project integrator capable of taking charge of ever more complex projects, notably within the framework of public-private partnerships.

OFFERING ALL EMPLOYEES A TRAINING PROGRAMME

VINCI aims to offer each employee an individually tailored training programme. In 2008, Group employees benefited from 3.1 million hours of training, 24% more hours than in 2007. VINCI companies continued to develop their in-house training centres – at locations all over France.

Upstream of the recruitment and training phases, VINCI companies cultivate particularly active contacts with schools and other sources of recruitment. A network of campus managers organises and co-ordinates the links with about a hundred schools, each year "reaching" over 30,000 pupils and students. In 2008, Group companies welcomed 6,484 of them on work-experience placements, and 3,249 within the framework of work-study contracts. VINCI is also active in helping young people in troubled circumstances into the labour market, notably via GEIQ, an association of employers working for integration and training formed in the Paris region by some 10 Group companies.

↑
VINCI aims to create permanent jobs, despite a difficult economic context.

ENSURING THE SAFETY OF ALL EMPLOYEES

VINCI aims to achieve a "zero accident" rate. In five years, the number of training hours devoted to safety has increased by a factor of 2.1, and the frequency of occupational accidents has gone down by 35%. Over the same period, the number of companies recording no lost-time accidents remained constant at around 50%.
Led by a network of 300 safety correspondents operating within an international co-ordination system set up in 2008, the policy on accident prevention and safety calls for considerable input on the part of management, and is deployed at all levels within the Group via a whole range of actions adapted to its various business lines: 15-minute safety sessions, accident-prevention competitions, analysis of accidents and near-miss incidents, etc.
This policy extends to subcontractors and temporary worker recruitment companies, notably via the safety clauses introduced into framework contracts.
Road travel risk is specifically tackled by the Vigiroute plan, which is widely implemented in all European subsidiaries.

GUARANTEEING EQUAL OPPORTUNITIES FOR ALL

In 2008, VINCI's workforce included 21,229 women; they accounted for 13% of new hires. There were 2,634 disabled employees; business activity entrusted to undertakings employing a majority of disabled people increased by 19%, generating revenue of €2.5 million.

VINCI pursues a proactive policy as regards managing equality of opportunity. In line with its Manifesto commitment, for the second year running the Group commissioned an audit of its policy on diversity. Carried out by an independent organisation, the Vigeo Group, the 2008 audit covered 40 subsidiaries, and 900 people were interviewed. The results for the four themes examined (gender mix and employment of disabled people, people from an immigrant background and older people) show practices have improved. With the help of the Vigeo Group analysts, a body of in-house auditors was formed and trained in order to develop the audit approach. Furthermore, past audits are the subject of a subsequent follow-up.

ENCOURAGING EMPLOYEE SHARE OWNERSHIP

VINCI is committed to making it easier for its employees to participate in its capital through an attractive employer contribution policy that favours the smallest savers. In 2008, €48 million were paid in the form of employer contributions. Employee share ownership remained stable despite the difficult stock market context. 89,236 employees, more than half of the workforce, were VINCI shareholders at the end of the year, testifying to their confidence in the Group's employee savings scheme. In France, 87% of employees are shareholders. As regards 2009, the maximum employer contribution has been raised to €3,800, with a new, exceptional tranche offering an employer contribution of 200% for the first €300 invested.
In addition, 91% of French employees benefit from incentive and/or profit-sharing schemes.
At Group level, €290 million were distributed in 2008 in the form of incentives, profit-sharing, employer contributions and social protection. ■

SUSTAINABLE DEVELOPMENT CIVIC ENGAGEMENT

↑

Mob d'Emploi 36 is a job-creating workshop supported by the VINCI Foundation for the Community.

ENCOURAGING THE INVOLVEMENT OF GROUP EMPLOYEES IN COMMUNITY PROJECTS

VINCI contributes to social development by supporting community projects that promote employment and improve the quality of life. Co-ordinated mainly by the VINCI Foundation for the Community, our approach combines financial backing and employee support through sponsorship and skills. In 2008, 121 projects were supported by the Foundation, involving total subsidies of more than €2 million. In the Czech Republic, a foundation created on the same principles supported six projects, to the tune of 65,000 euros, in its first year of operation. In Africa, Sogea-Satom's Initiatives for Africa programme (Issa) encourages participation by employees in community projects benefiting local people in countries where the Group is working on projects or maintains offices.

HERITAGE PRESERVATION

VINCI also contributes to protecting our heritage. Group companies continued their policy of turning to best possible account the archaeological and palaeontological finds made, in particular, during the construction of motorways. In addition, VINCI funded (€2 million) and built the new visitors centre at the Château de Versailles (see p. 30), after having completely restored the Hall of Mirrors over the preceding few years within the framework of an unprecedented skills-based sponsorship operation. ■

Established in 2006, Sogea-Satom's Initiatives for Africa programme (Issa) encourages employees to engage in community projects.
↓

Archaeological and paleontological excavations ahead of works to widen the A8 motorway.
↓

←

Within the framework of a skills-based sponsorship operation, VINCI financed and built the temporary visitors centre at the Château de Versailles.

SUSTAINABLE DEVELOPMENT ENVIRONMENT

In 2008, VINCI extended its environmental policy, based on common indicators and a single reporting system, to cover all Group companies. Performance objectives are defined per business activity and as a function of geographical context.

QUANTIFYING GREENHOUSE GAS EMISSIONS

Having carried out its first CO_2 assessment in 2007, in 2008 VINCI again measured its own greenhouse gas emissions, in accordance with the international standard ISO 14064, adjusted for the nature of its activities. As promised, the 2008 CO_2 assessment was extended to cover the Group's activities worldwide, all companies having equipped themselves with the appropriate measuring tools and networks of trained people. It reveals total emissions of 2.9 million tonnes (on a Scope 2 basis, direct emissions + electricity). Several companies, notably motorway operators, carried out a more broadly-based CO_2 audit (Scope 3, including indirect emissions and those generated by customers). The various results were critically analysed and a number of decisions taken with a view to making best use of resources as regards limiting emissions. Special training sessions were organised to allow employees to share experiences.

DEPLOYING AN ECO-EFFICIENCY POLICY

VINCI is very conscious of the changes the fight against climate change will bring for its companies. The reflection process begun in 2007 on the need to speed up the process of re-engineering constructive solutions and professional practices continued, with all involved in the value chain being made aware of their responsibilities. VINCI companies increased their contacts with the various stakeholders making up this chain, from project initiator through to the user of the finished product, in order to make clear the agreed global design-construction-operation approach.
Deployment of an eco-efficiency policy also involved developing guidelines and shared measuring instruments, in addition to the first tools already being used: Equer (assessment of a building's energy performance); Gaia.BE® (an environmental comparator used for road works); Freyssinet's Sustainable Technology approach. These tools make it possible, when responding to calls to tender, to offer alternative options that are relevant both environmentally and economically. More generally, the synergies between activities engendered by VINCI's integrated concession-construction business model tend to favour the emergence of integrated solutions offering a high performance in terms both of energy and the environment.

↑
Eurovia's Recyclovia® process allows the refurbishing of pavements in situ, using a cold bituminous binder.

↑
Sustainable Technology, the Freyssinet "hallmark", is indicative of the firm's preference for techniques involving low consumption of natural resources and low greenhouse gas emissions.

PROMOTING RESEARCH IN ECO-DESIGN

In late 2008, VINCI and three of the ParisTech engineering schools (Mines Paris, Ponts and Agro) signed a partnership agreement resulting in the establishment of the first chair in the eco-design of building complexes and infrastructure. Associating teaching and research, this new chair has two complementary objectives: give eco-design a central place in the training provided for future generations of engineers; develop new concepts and tools that cover all aspects of eco-design (buildings, mobility, management of transport infrastructure, etc.) and will become real decision-making aids for economic operators. VINCI's involvement in this partnership is both financial (€600,000 a year for five years) and operational (experiments at pilot sites, hosting of researchers and trainees in Group companies). ■

SUSTAINABLE DEVELOPMENT R&D AND INNOVATION

STIMULATING FORWARD-LOOKING REFLECTION ON THE SUSTAINABLE CITY

A think-tank created by VINCI, The City Factory provides a forum for the sharing of experiences and expertise and for the discussion of the whole range of viewpoints and analytical work relating to the sustainable city. Its first seminar, in London, considered the theme of urban mobility, bringing together more than 50 international experts from complementary professional backgrounds: universities, non-governmental organisations, companies, politics, administrative bodies. The second meeting, held in Paris, was devoted to transport infrastructure projects in greater Paris and their impact on the region's economic development. These two events provided an opportunity to present the Pirandello® urban model, developed by VINCI; this tool can measure the impact of public planning decisions (introduction of a congestion charge, construction of a new transport link, etc.) on urban settlements and mobility, in terms of population density, property prices, and traffic flows. In 2009, City Factory will be focusing its attention on the subject of the ecological city and eco-neighbourhoods.

STRIVING FOR TECHNOLOGICAL EXCELLENCE

There were 45 research programmes under way in VINCI's various business entities in 2008, with a total budget of €30 million. In-house R&D occupies more than 180 research workers and scientists. The VINCI teams include some twenty PhD students on Cifre (training through research) contracts who are at the same time working on their thesis.
VINCI's Research, Development and Innovation Committee, the central body bringing together the scientific directors of the various divisions, covers the entire range of the Group's activities. Reporting to the Executive Committee, it facilitates the exchange of information about research projects under way in Group companies or within the framework of national or European programmes. Each division manages its own R&D budget and selects its research themes as a function of its sector.

↑

Designed by two Group experts, Pirandello® is a decision-making tool for use in urban development projects.

FOSTERING PARTICIPATIVE INNOVATION: THE VINCI INNOVATION AWARDS COMPETITION

In order to develop the Group's creative potential by turning employees' innovations to good account, every two years VINCI organises a major competition open to all employees: the VINCI Innovation Awards Competition. The 2007 version extended into 2008 with the dissemination within the Group of the most significant innovations. For the 2009 version, VINCI has slightly adjusted the concept underlying the competition in order to better reflect the extent to which its employees use the innovations, and better capitalise on technological breakthroughs. The projects entered in the four main categories (Materials, Processes and Techniques; Management; Equipment and Tools; Marketing and Services) as well as the special "Safety" and "Sustainable Development" prizes are assessed by technical and commercial experts. A first series of regional prizes will be awarded in the autumn of 2009; the final winners will be presented with their prizes at a ceremony early in 2010, in Paris. ■

The solar radiotelephony relay station, a winner in the VINCI 2007 Innovation Awards Competition, is powered by photovoltaic energy. Thanks to its battery, this device can function for about ten days without sunshine.

↓

More than 180 research workers and scientists are engaged in R&D work at VINCI.

↓

STOCK MARKET AND SHAREHOLDER BASE
VINCI SHARE INCREASED DIVIDEND AND RESILIENCE OF SHARE DURING FINANCIAL MARKET TURMOIL

Amid the global financial and stock market crisis in 2008, our share closed at €30 on 31 December 2008, down 41% over the year but outperforming the CAC 40 index by 3%. Against this backdrop, it continued to be an attractive investment, as illustrated by the 17% growth in the number of individual shareholders.

Benefitting from the Group's business profile and prudent management, the dividend proposed to the Shareholders' Meeting on 14 May 2009 will be €1.62 per share, representing a 6.6% increase.

PAY-OUT RATIO HELD AT 50%

In 2009, we will maintain the 50% pay-out policy introduced three years ago and propose a dividend of €1.62 per share to the Shareholders' Meeting of 14 May 2009. This represents a 6.6% increase over the previous year and a return of 5.4% on the share price on 31 December 2008.

After taking account of the interim dividend of €0.52 per share paid on 18 December 2008, the final dividend to be paid on 18 June 2009 is €1.10 per share, which is payable in cash or, as an option, in new shares.

SIGNIFICANT GROWTH IN THE NUMBER OF INDIVIDUAL SHAREHOLDERS

The number of individual shareholders rose 17% to 285,000 in December 2008, representing 12.5% of VINCI's share capital.

In line with his commitment, Yves-Thibault de Silguy, chairman of the Board of directors, visited several major cities in France to meet individual shareholders and host meetings to present the Group, its business activities, strategy and results. Similar meetings will be organised in 2009.

Our shareholder relations department received several awards in 2008. On 14 October, for instance, it received the Fils d'Or jury's prize organised by *La Vie Financière*, a French weekly newspaper, in recognition of the quality improvements made within the department.

The shareholder relations department has a free-phone number (see opposite) for callers using a fixed-line telephone in France, as well as a shareholders' page on our website at www.vinci.com. Through this page, shareholders have direct access to full information about our business and financial performance. They can also register to receive press releases in real time and become members of the Shareholders' Club. A newsletter (available in French only) keeps shareholders up to date about the Group's news and outlook.

VINCI SHAREHOLDERS' CLUB BENEFITS

The VINCI Shareholders' Club had 7,500 members at 31 December 2008, of which 1,200 were new members who joined during the year.

The club proposes visits to sites and facilities, hosted by local operations managers. In 2008, over 600 members visited some of the finest structures built by the Group: the A19 motorway, Térénez bridge, Dijon–Mulhouse high-speed line and the Stade de France.

In addition, as part of the renewed skills sponsorship arrangement under which we built the temporary visitors centre in the courtyard of the Château de Versailles in spring 2008, free access to the Château has been extended to 30 June 2011 for club members.

Anyone owning at least one VINCI share can apply to the shareholder relations department to become a club member and benefit automatically from these special offers.

INSTITUTIONAL INVESTORS AND FINANCIAL ANALYSTS

Our communication policy as regards institutional investors (shares and bonds) and financial analysts aims to establish close dialogue with the financial community. To that end, we send analysts and investors regular information so that they can better understand our strategy and financial situation, as well as events that could impact on our performance.

In 2008, we contacted over 1,200 institutional investors and financial analysts around the world through various communication initiatives:

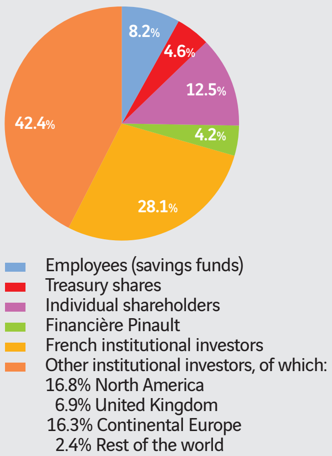
> information meetings when we published our annual and interim results;

> participation of senior managers in general or themed events organised for institutional investors by financial institutions;

> telephone conferences when we published our quarterly data;

> road shows held in major financial centres in Europe and North America so that our senior management could meet investors (about 20 days in 2008);

> individual meetings and telephone conferences between our financial department and institutional investors. ■



BALANCED AND DIVERSIFIED SHAREHOLDER BASE(*)

At 31 December 2008, our employee savings funds were our leading shareholder group, with 89,236 employees holding over 8% of our share capital.
Some 285,000 individual shareholders, up 17% on the previous year, held 12.5% of our share capital. Institutional investors, of which there were more than 500, accounted for about 75% of our share capital. They were located mainly in France, the rest of Europe and North America.

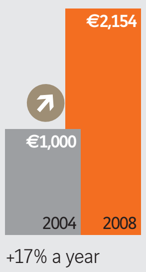
(*) Estimate based on a schedule of identifiable bearer shares at 31 December 2008.

VINCI SHAREHOLDER RELATIONS DEPARTMENT

1 cours Ferdinand de Lesseps
92851 Rueil Malmaison Cedex, France

> Shareholders' page on www.vinci.com

> Individual and institutional shareholders
Tel: +33 1 47 16 45 39
Fax: +33 1 47 16 36 23



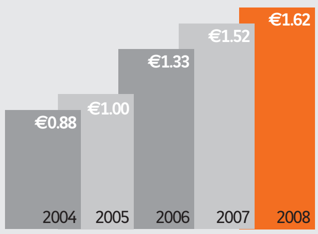
RETURN ON INVESTMENT IN VINCI SHARES OVER FIVE YEARS

A VINCI shareholder who invested €1,000 on 1 January 2004 and reinvested all the dividends received (including tax credits until 31 December 2004) would have had an investment of €2,154 on 31 December 2008. This represents an annual return of 17%.

VINCI: 17th BIGGEST MARKET CAPITALISATION IN THE CAC 40 ON 1 JANUARY 2009

€15 billion
at 31 December 2008
based on a price of €30 per share.

VINCI ranked 17th in the CAC 40 by market capitalisation and 14th by index weight.

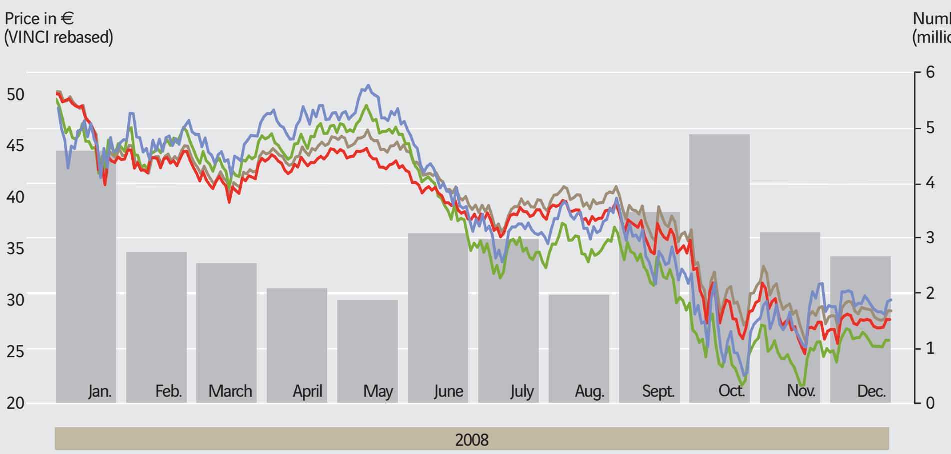


DIVIDEND PER SHARE DOUBLED IN FIVE YEARS(*)

The dividend proposed to the Shareholders' Meeting in respect of 2008 was €1.62 per share, a 6.6% increase over the 2007 dividend.

(*) After restatement following the two-for-one VINCI share splits in May 2005 and May 2007.

SHARE PERFORMANCE AND AVERAGE DAILY TRADING VOLUME



Between 31 December 2007 and 31 December 2008, our share price declined 41%, while the CAC 40, DJ Eurostoxx 50 and DJ Eurostoxx Construction & Materials indexes fell 43%, 44% and 48% respectively. In 2008, a daily average of 3 million shares were traded on the market (Euronext).

2008 PHOTO ALBUM

THE YEAR IN FACTS AND IMAGES

04.02.2008 GROUND CONSOLIDATION IN THE DESERT

In February, Freyssinet subsidiary Ménard performed an unprecedented project in Saudi Arabia: consolidation by dynamic compaction of 270 hectares of sandy ground with high clay content on the Red Sea coast (100 km to the north of Jeddah), where King Abdullah University of Science and Technology will be built in 2009.

To complete the contract in less than eight months, 13 cranes were used to release masses of 15–20 tonnes from a height of 20 metres.

18.03.2008 **VINCI PARK MOVES INTO TOP 10 PARKING COMPANIES IN THE UNITED STATES**

LAZ Parking, owned 50% by VINCI Park since 2007, expanded strongly in 2008, both through external growth (acquisition of two companies totalling 26,500 spaces) and organic growth (new contract to operate 36,000 on-street parking spaces in Chicago). This momentum carried over into the beginning of 2009 with the acquisition of Ultimate Parking (130 contracts in Boston, Providence and San Diego), which specialises in hotel, restaurant and private event parking.
In total, LAZ Parking now operates over 1,000 car parks and 325,000 spaces in 19 states and 90 cities in the United States.

02.04.2008 INVENTING TOMORROW'S CITIES TODAY

The role of The City Factory is to stimulate collective thinking on urban development issues. Initiated by VINCI, the think-tank brings together a wide variety of stakeholders –elected officials, public-sector managers, academics, urban development specialists and private operators – who compare their points of view and pool their expertise in an informal setting conducive to discussion. Two seminars were organised in 2008. The first was devoted to mobility in the city and the development of intermodality, a forward-looking urban transport concept geared to combining the various transport modes rather than promoting competition between them. The second focused on the greater Paris area and compared transport infrastructure projects and the challenges of regional development.

30.06.2008 NEW SKILLS SPONSORSHIP AGREEMENT IN VERSAILLES

Repeating the unique collaboration implemented to restore the Hall of Mirrors, VINCI again used its know-how to build the visitors centre at the Château de Versailles. As contracting authority and supervisor of the works, carried out mainly by Group subsidiaries, VINCI completed the project in barely three months.

The new centre, which was opened officially on 30 June, is only a temporary structure. It is nevertheless a singular and ambitious piece of architecture, with its contemporary curve marrying perfectly with the Château's courtyard. VINCI's financial investment in this new sponsorship agreement was approximately €2 million.

18.10.2008 COMPREHENSIVE SOLUTION FOR CHANNEL TUNNEL REPAIR

A consortium of VINCI companies carried out all the repair work on the Channel Tunnel following the fire on 11 September 2008. Selected for its capacity to propose and implement a comprehensive solution from 18 October, the consortium included VINCI's three contracting divisions. Consortium leader Freyssinet (VINCI Construction) was in charge of civil engineering in general, and repairing the roof using a shotcreting process in particular. ETF-Eurovia Travaux Ferroviaires repaired the tracks and overhead lines, while VINCI Energies dealt with the electrical equipment. As a result of technical synergies and careful site organisation to ensure that several activities could be ongoing at the same time (up to 120 people working in the tunnel), the consortium was able to deliver the project on 6 February 2009.

31.12.2008 OFFSHORE WIND FARM IN BELGIUM

On the Thornton Bank site, some 30 km off the coast of Ostend, VINCI Construction's Belgian teams erected the first six wind turbines after designing, building and positioning the foundations. Ultimately, the C-Power wind farm will have about 60 turbines. The first of these, 183 metres high at the tip of its blade, was connected to the Belgian national grid on 31 December 2008. On completion, the farm will have an installed capacity of about 300 MW, which would meet the power needs of a town with a population of 600,000.

24.01.2009 **MOBILISATION ON THE GROUND AFTER WINTER STORM KLAUS**

Just like after the storm in 1999, VINCI Energies teams were in the front line to repair the damage caused by winter storm Klaus, which hit south-west France and northern Spain on 24 January 2009.
In the days that followed, more than 400 employees of 62 VINCI Energies entities in France and Spain went to work on the ground. Alongside ERDF, RTE and Iberdrola teams, they repaired damaged networks, re-connected high voltage overhead lines, made sites safe and installed generator sets to supply power to France Telecom's distribution frames and those of mobile phone operators such as SFR and Bouygues.

BUSINESS REPORT

CONCESSIONS

PROFILE

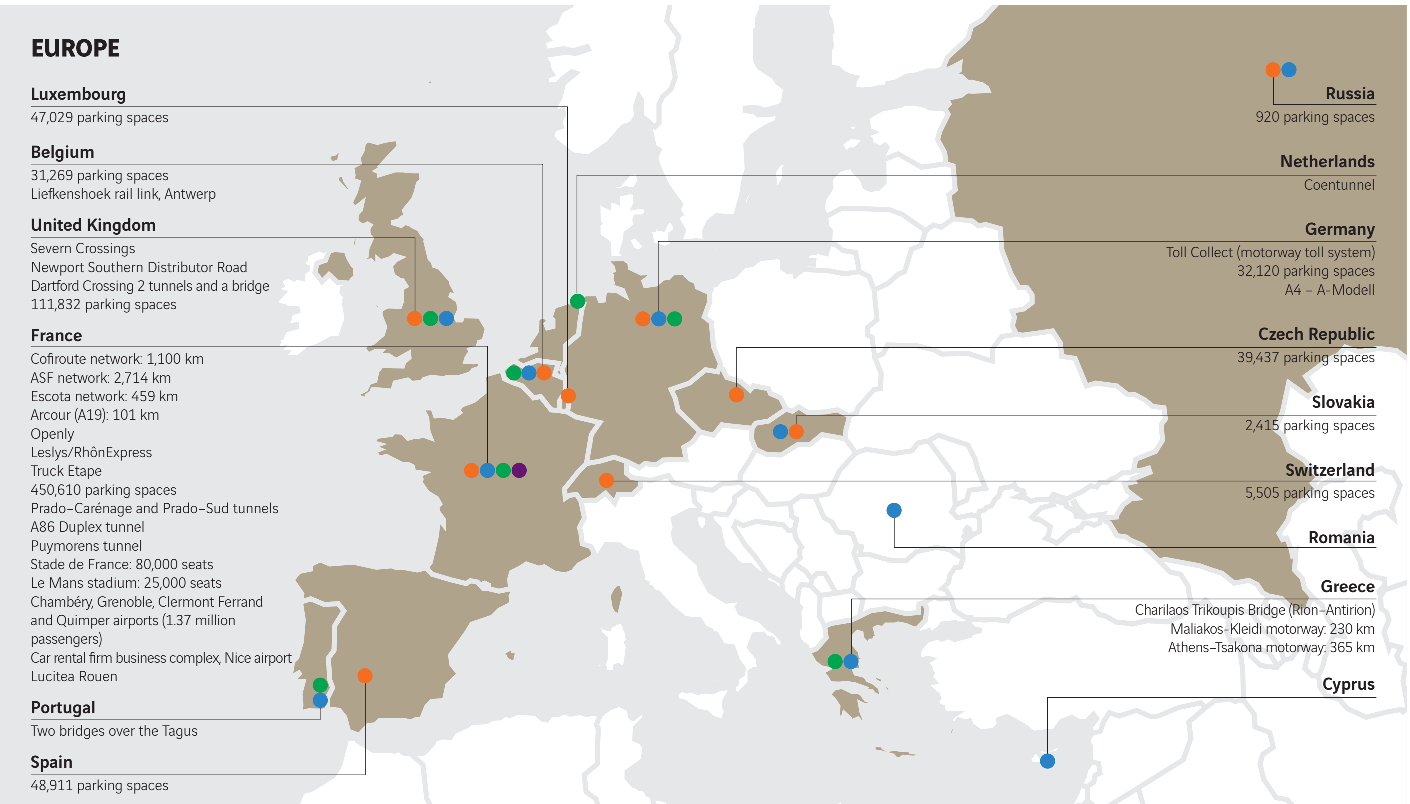
VINCI Concessions is Europe's leading operator of transport infrastructure concessions (motorways, tunnels, bridges, car parks, airports and rail links) and the world's biggest private operator of motorway concessions.

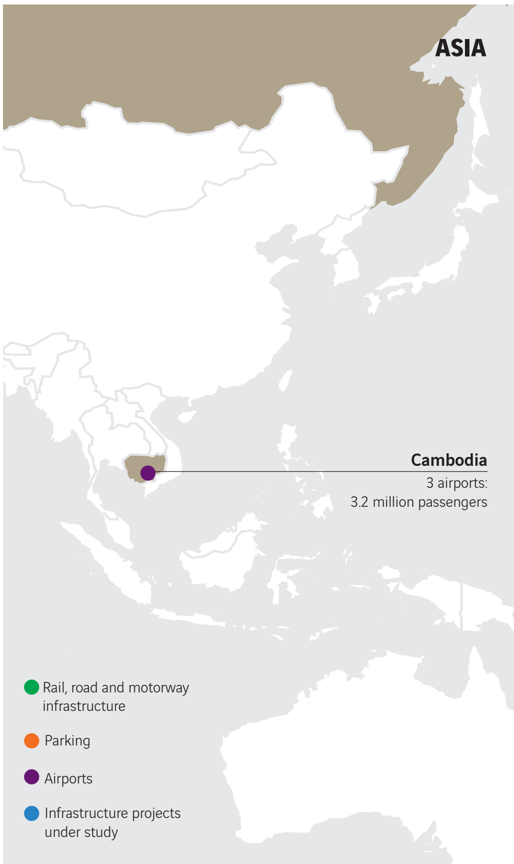
> In France, VINCI Concessions holds a very strong position, with 4,374 km of motorway under concession to ASF, Cofiroute, Escota and Arcour (holder of the concession for the A19 between Artenay and Courtenay) and 450,000 parking spaces managed by VINCI Park. The company also has shareholdings in several concession and infrastructure operators: SMTPC, the operator of the Prado–Carénage tunnel in Marseilles; Openly, the operator of the northern ring road around Lyons; the operators of Grenoble-Isère, Chambéry-Savoie, Clermont Ferrand-Auvergne and Quimper-Cornouaille airports; and the Stade de France consortium. In 2008, it added the concessions for the MMArena in Le Mans, the Prado–Sud tunnel in Marseilles and the car rental firm business complex at Nice-Côte d'Azur airport to its business portfolio.

> Outside France, VINCI Concessions operates the Charilaos Trikoupis Bridge (Rion–Antirion) and two new motorway concessions totalling 600 km in Greece; Toll Collect, the electronic toll system, and a 45 km motorway concession in Germany; the bridges over the River Severn, the Dartford Crossing on the M25 around London and the Newport Southern Distributor Road in the United Kingdom; two bridges over the River Tagus in Lisbon, Portugal; the Fredericton–Moncton motorway and Confederation Bridge in Canada; the SR-91 and I-394 Express Lanes in the United States; a 34 km motorway section in Jamaica; the three international airports in Cambodia; and 770,000 parking spaces managed by VINCI Park in 11 countries. In 2008, it added the Liefkenshoek rail link in the Port of Antwerp and the Coentunnel in Amsterdam to its business portfolio.

In a socially responsible approach to managing public services and with a view to meeting the expectations of its 600 million end-customers, VINCI Concessions is developing services that optimise the operation of the infrastructure for which it holds concession contracts.

VINCI CONCESSIONS AROUND THE WORLD





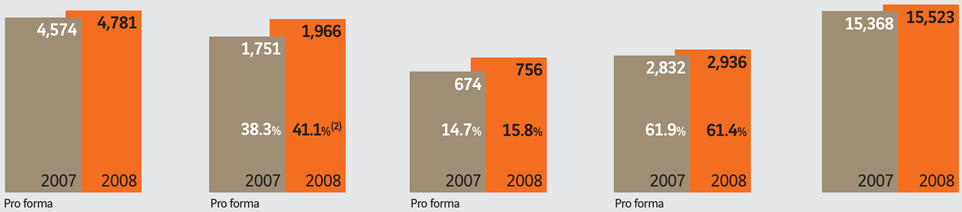
INFRASTRUCTURE MANAGED BY VINCI CONCESSIONS

Structure	Description	Country	Share capital held	Residual term of concession (in years) from 31 Dec. 2008
Motorways	**Network under concession**			
ASF network [1]	2,714 km	France	100%	24
Cofiroute network	1,100 km	France	83%	22
Escota network	459 km	France	99%	18
Arcour (A19) [2]	101 km	France	100%	62
A4 – A-Modell [2]	45 km	Germany	50%	29
Athens–Tsakona motorway [2]	365 km	Greece	36%	29
Maliakos–Kleidi motorway [2]	230 km	Greece	14%	27
Fredericton–Moncton motorway	200 km	Canada	12%	20
SR-91 Express Lanes	17 km	United States	83%	1 [3]
I-394 Express Lanes	16 km	United States	83%	1 [3]
Trans Jamaican Highway	34 km	Jamaica	34%	28
Ring roads				
Newport Southern Distributor Road	10 km	United Kingdom	50%	34
Openly, Lyons	10 km	France	100%	5 [3]
Rail links				
Liefkenshoek [2]	Rail link tunnel (16 km), Antwerp	Belgium	37%	41
Leslys/RhônExpress [2]	Light rail system (23 km), Lyons	France	32%	29
Bridges and tunnels				
A86 Duplex tunnel [2]	Rueil Malmaison–Versailles	France	83%	70 [4]
Prado–Carénage tunnel	Tunnel in Marseilles	France	33%	17
Prado–Sud tunnel [2]	Tunnel in Marseilles	France	59%	45
Charilaos Trikoupis Bridge	Peloponnese-mainland	Greece	57%	31
Tagus bridges	Two bridges in Lisbon	Portugal	37%	22
Severn Crossings	Two bridges over the Severn	United Kingdom	35%	8 [5]
Dartford Crossing	Two tunnels under and a bridge over the Thames	United Kingdom	43%	1 [3]
Coentunnel [2]	Tunnel in Amsterdam	Netherlands	28%	30
Confederation Bridge	Prince Edward Island–mainland	Canada	19%	24
Car parks				
VINCI Park	1.2 million spaces, of which 382,942 under concession or freehold	France/Europe, United States, Canada	100%	25 [6]
Airports				
France	Chambéry, Clermont Ferrand, Grenoble, Quimper	France	50%	3 to 14 years [3]
Cambodia	Phnom Penh, Siem Reap, Sihanoukville	Cambodia	70%	32
Car rental firm business complex, Nice [2]	60,000 sq. metre building	France	100%	30
Other public facilities				
Stade de France	80,000 seats	France	67%	17
Le Mans stadium [2]	25,000 seats	France	100%	35
Public lighting in Rouen (Lucitea)		France	100%	19
Service companies				
Lorry Rail	Rolling motorway Luxembourg–Perpignan	France	12%	
Truck Etape	Two secure parking facilities for heavy goods vehicles	France	100%	

(1) Including the Lyons–Balbigny section
(2) Under construction or to be built
(3) Service, management or public service contracts.
(4) From the date on which the tunnels go into full service
(5) Estimated date of end of contract
(6) Average residual term for the 368,305 spaces under concession.

VINCI CONCESSIONS

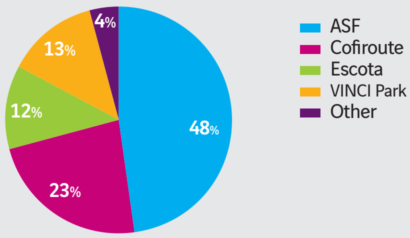
Revenue (1) | Operating profit from ordinary activities | Net profit attributable to equity holders of the parent | Cash flow from operations (3) | Net financial debt (4)



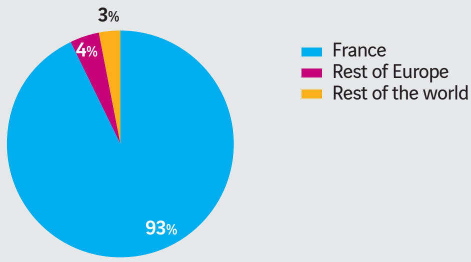
In € millions and as a percentage of revenue (1)

Pro forma: after application of Interpretation IFRIC 12, Service Concession Arrangements.

Revenue by business line (1)

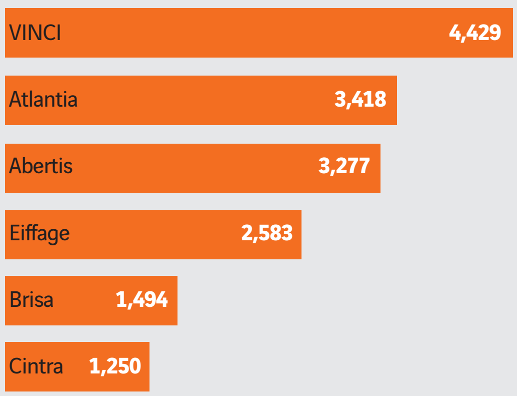


Revenue by geographical area (1)



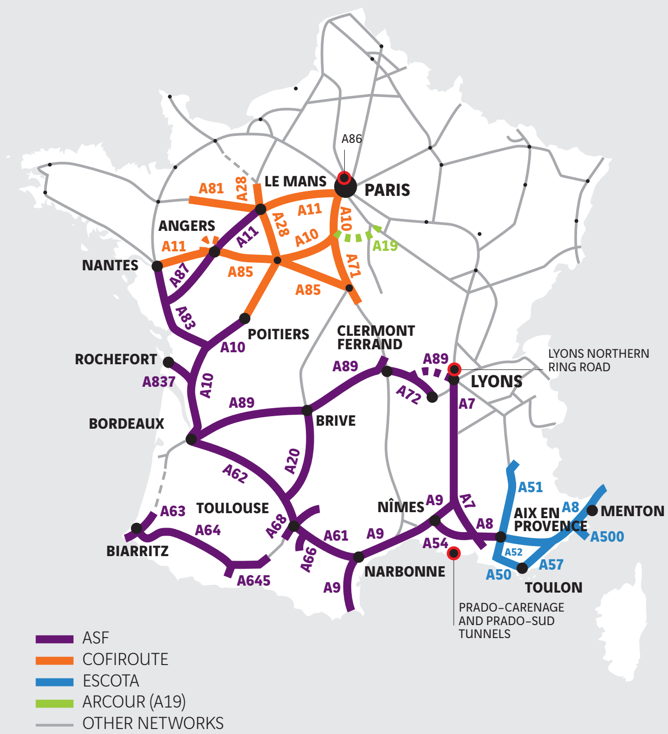
(1) Excluding revenue realised by concession operators for the construction by third parties of new infrastructure.
(2) 38.6% of revenue excluding non-recurring items.
(3) Before tax and cost of debt.
(4) At 31 December 2008.

MOTORWAY NETWORKS UNDER CONCESSION IN EUROPE (in km) (*)



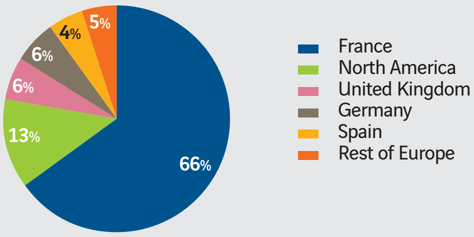
(*) Networks in which the companies are the majority shareholder
Source: company press releases.

VINCI'S MOTORWAY CONCESSIONS IN FRANCE

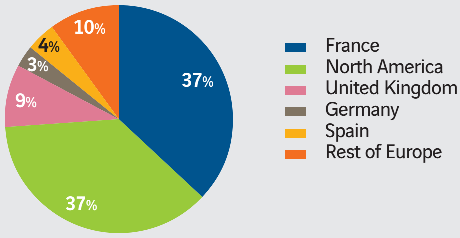


VINCI PARK

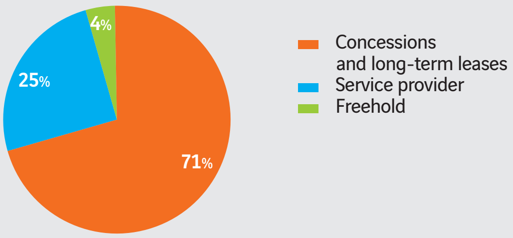
REVENUE BY GEOGRAPHICAL AREA (1)



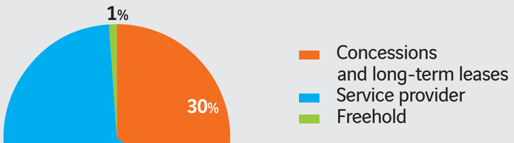
PARKING SPACES BY GEOGRAPHICAL AREA



REVENUE BY TYPE OF CONTRACT (1)

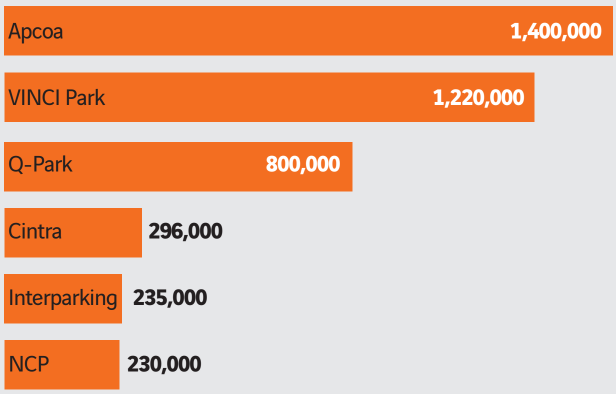


PARKING SPACES BY TYPE OF CONTRACT



(1) Revenue after application of Interpretation IFRIC 12 – excluding construction revenue.

VINCI PARK, A EUROPEAN PARKING LEADER (*)

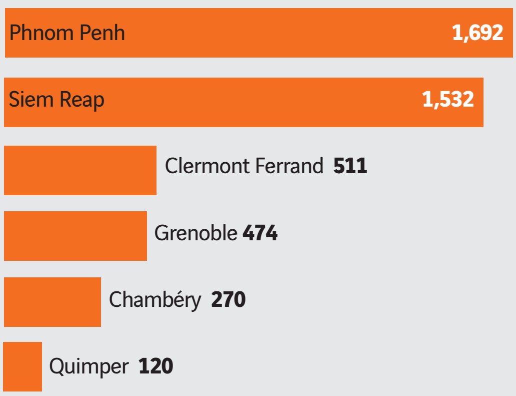


Number of spaces
(*) Source: internal studies, company press releases.

VINCI AIRPORTS

AIRPORTS MANAGED BY VINCI CONCESSIONS

ANNUAL PASSENGER TRAFFIC



In thousands of passengers.

VINCI CONCESSIONS BUSINESS DEVELOPMENT

For VINCI Concessions, 2008 was a record year in terms of business development: new contracts, financing arrangements completed leading to the effective start-up of other contracts, and announced preferred bidder on several public-private partnership (PPP) projects.

PROJECTS IN PROGRESS

France

Le Mans stadium. On 27 June 2008, the city of Le Mans and Le Mans Stadium (LMS), a VINCI Concessions subsidiary, signed the concession contract for the new MMArena stadium, the first stadium in France to be named after a company under a naming rights agreement. The 35-year contract covers the design, financing, construction, operation and maintenance of a 25,000-seat stadium. The concession operator's remuneration will be based on commercial revenue generated by the events organised in the stadium. As the main user, resident club MUC 72 will pay a fee made up of a fixed component and an attendance-related variable component. The financing arrangements were finalised on 8 October 2008. VINCI Construction France and Eurovia will carry out the works over a 26-month period. The stadium is scheduled for opening in time for the 2010-2011 football season.

Prado–Sud tunnel. The concession operator, owned 58.5% by VINCI Concessions and 41.5% by Eiffage, signed the concession contract for the Prado–Sud tunnel in Marseilles on 8 February 2008. The 46-year public service contract, worth €189 million, calls for building and operating a 1,500 metre cut-and-cover tunnel with two superimposed levels for use by light vehicles only, extending the existing Prado–Carénage tunnel (see p. 58). The financing arrangements were finalised on 2 October 2008. The works will be carried out by a consortium of VINCI Construction France entities. The tunnel is scheduled for opening in spring 2013.

Airports. In addition to the Clermont Ferrand-Auvergne airport operating contract, which came into effect on 1 January 2008, VINCI Concessions secured the renewal of its public service contract for Grenoble-Isère airport for 14.5 years and won a new operating contract for Quimper-Cornouaille airport for a period of 6 years and 10 months (see p. 56).

Leslys light rail system, Lyons. The 30-year contract for the express rail link between Lyons' Part Dieu railway station and Saint Exupéry airport was awarded to a consortium led by VINCI Concessions and including the Caisse des Dépôts et Consignations. Interconnected with the urban area's public transport networks (metro and high-speed train stations), Leslys will operate 365 days a year, with trains every 15 minutes on average. The contract signed in 2007 covers the design, financing, construction and operation of the link, and represents a total investment of €110 million. VINCI Construction and Eurovia are carrying out the infrastructure work, including laying the track, and VINCI Energies is participating in the electrical engineering work. The rail link will be operated by Veolia Transport, one of the consortium members. The first trains carrying passengers will run on 1 August 2010.

Belgium

Liefkenshoek rail link. Infrabel, the Belgian rail infrastructure operator, awarded the contract for the Liefkenshoek rail link in the Port of Antwerp to Locorail, the consortium comprising VINCI Concessions (25%), VINCI Construction subsidiary CFE (25%) and BAM PPP (50%). The 42-year contract, with a total value of €841 million, covers the design, financing, construction and maintenance of a 16.2 km double-track rail link. This additional link (including a bored tunnel) between the two banks of the River Escaut will help to alleviate the dense freight traffic in the port. After finalisation of the financing arrangements, the works started at the end of 2008 and will be completed by mid-2013. The construction consortium is made up of VINCI Construction Grands Projets (25%), CFE subsidiary MBG (25%) and two subsidiaries of Royal BAM.

Netherlands

Coentunnel, Amsterdam. The consortium comprising VINCI Concessions, CFE and its subsidiary Dredging International (VINCI Construction), Dura Vermeer, Arcadis, Besix and TBI signed a 30-year contract on 22 April 2008 to design, build and operate a 600 metre submerged road tunnel between central Amsterdam and the city's northern suburbs. The project, with a value of over €500 million, also calls for renovating an existing tunnel. The concession grantor, the Dutch Ministry of Water and Public Works, will pay the consortium a variable fee based on the actual availability of the structure to traffic. The works, which will take five years, will be carried out by a consortium including VINCI Construction Grands Projets, CFE and its subsidiary DEME.

Greece

Athens–Tsakona motorway. Olympia Odos is the concession operator led by VINCI Concessions (36%) in a consortium with Hochtief PPP Solutions of Germany and Greece's two biggest construction companies. On 7 August 2008, it reached agreement with a consortium of 19 banks on €1.6 billion financing for the Athens–Tsakona motorway concession, bringing the contract into force. This is the biggest concession contract ever won by VINCI in the international arena. It calls for the financing, design, construction or renovation, operation and maintenance for 30 years of the 365 km of toll motorway between Athens and Tsakona, in the south-west of the Peloponnese, via Corinth and Patras. The route consists of 82 km of existing motorway, 120 km of motorway to be renovated and widened, and 163 km to be built from scratch in six years. The project includes 19 km of tunnels, more than 400 structures to be built or repaired, and about 20 new interchanges. The works will be carried out by a consortium that includes VINCI Construction Grands Projets together with its German and Greek partners.

Maliakos–Kleidi motorway. VINCI has a 13.75% holding in Aegean Motorway, a consortium with the same partners and a third Greek company. The consortium will operate 230 km of motorway between Athens and Thessalonica for a period of 30 years. The financing arrangements, involving about 10 European banks and debt of approximately €600 million, were finalised on 5 March 2008, bringing the contract into force. VINCI Construction Grands Projets is participating in the works, which include upgrading the existing motorway and building new sections, together with three twin-tube tunnels (1.8 km, 3 km and 6 km).

↑

In 2010, Leslys, the 23 km express link, will carry passengers between Lyons' Part Dieu railway station and Saint Exupéry airport in 25 minutes.

PROJECTS UNDER NEGOTIATION

Negotiations will be continued on several new contracts in 2009.

Germany
A5 Malsch–Offenburg motorway. In February 2009, the consortium led by VINCI Concessions was designated concession operator of a 60 km section of the A5 motorway between Malsch and Offenburg in south-west Germany. The project, with an estimated value of €600 million, involves renovating the existing motorway (of which 41.5 km are to be widened to three-lane dual carriageway) and operating it for 30 years. The concession operator will be paid based on traffic (vehicles of over 12 tonnes), the tolls being collected by the satellite-based system Toll Collect. A Eurovia-led consortium will carry out the works. This contract is the last of four pilot projects issued by the German government as part of its A-Modell programme. It is also the second won by VINCI after the A4 between Gotha and Eisenach.

Slovakia
R1 expressway. On 16 December 2008, the consortium formed by VINCI Concessions (leader) and investment fund ABN Amro Highway was named preferred bidder by the Slovakian Ministry of Transport for the 30-year contract to finance, build, operate and maintain a 52 km expressway (R1). Located to the east of Bratislava, the new two-lane dual carriageway will link Nitra and Tekovské Nemce, bypassing the city of Banská Bystrica.

France
CDG Express. At the end of 2008, the consortium comprising VINCI, AXA, the Caisse des Dépôts et Consignations and Keolis was in exclusive negotiations with the French government as part of the award process for the CDG Express project. This 60-year concession will provide a non-stop rail service between the centre of Paris and Charles de Gaulle Airport, enabling passengers to make the journey in 20 minutes.

Russia
Moscow–Saint Petersburg motorway. On 30 October 2008, Russia's Ministry of Transport invited North West Concession Company (NWCC), formed by VINCI Concessions and N Trans, its Russian partner, to start exclusive negotiations on the concession contract for the first section (43 km) of the toll motorway between Moscow and Saint Petersburg. As the route passes near Sheremetyevo, Moscow's international airport, it will alleviate traffic on the existing trunk road.

At the end of 2008, VINCI Concessions was competing for about 20 other contracts to build transport infrastructure or public facilities in Europe. ■

VINCI AUTOROUTES

VINCI Autoroutes is the umbrella organisation for our motorway concession companies in France: ASF, Cofiroute, Escota and Arcour. With a network totalling 4,374 km, almost half the French network under concession, it is Europe's biggest motorway operator. VINCI Autoroutes is developing synergies between its networks with a view to proposing new services to its customers. In 2008, VINCI Autoroutes invested over €1 billion to extend or improve its network.

The focus on synergies between ASF, Cofiroute and Escota has led to the launch of several projects aimed at deploying a common policy across all the networks. One such project was the development of a service commitment charter, which applies to all VINCI Autoroutes companies in France. It covers the fields of information, safety, traffic flows and the environment. In addition, a company common to all VINCI Autoroutes operators will be created in 2009 to manage their electronic toll collection accounts nationwide (light vehicles) and issue transponders. A similar approach is under way as regards traffic information. The aim of this project is to use new digital technologies in order to channel information from a single agency to the networks' media and systems: motorway radios, variable message signs, Internet, on-board information, etc.

Pooling of know-how is also applied to toll systems, with the launch in 2008-2009 of the first experimental use of non-stop collection (using an automated toll barrier) and free-flow (no barrier) systems on VINCI Autoroutes' networks in France. Our expertise in complex toll systems (satellite-based, variable pricing, etc.), acquired mainly in Germany and the United States, will be an advantage for the development of new offerings in this area against a backdrop of more widely spread implementation of tolls (eco-tax on heavy goods vehicles using national road networks, introduction and spread of urban tolls, etc.).

More generally, the synergies within VINCI Autoroutes and with other VINCI Concessions entities will promote the emergence of new mobility services, particularly in the major urban areas located at the intersections of VINCI Autoroutes motorway networks in France. In a move that extends beyond the current scope of its concession contracts, VINCI Autoroutes also intends to draw on its proximity to the municipalities on its network to provide services based on its expertise in road infrastructure management.

AUTOROUTES DU SUD DE LA FRANCE

ASF, France's biggest motorway company, operates a network of 2,633 km in the south of France. It also has 81 km of motorway that are planned or under construction. In 2008, the company invested €263 million within the framework of its 2007-2011 master plan. Its network carries heavy commercial and tourist traffic from all over Europe, as well as significant regional traffic. It is used by 1 million customers a day and has over 400,000 electronic toll collection (ETC) accounts.

ASF's revenue[*] increased 3.1% to €2,304 million in 2008, despite a decline in traffic due to the economic recession (-1.4% on a stable network basic, -1.1% on an actual network basis).

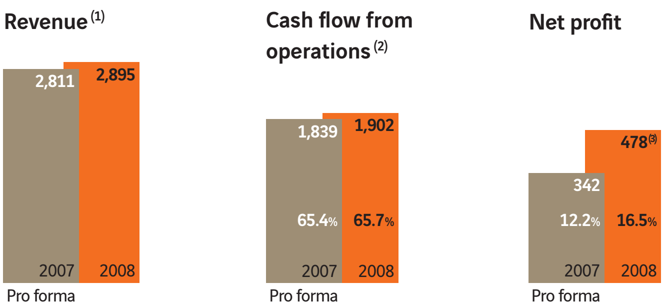
Infrastructure

Over the period of its 2007-2011 master plan, ASF will invest almost €2.6 billion[**] in the construction of new sections or upgrade of existing sections on its network. The first stage of this programme was marked in 2008 by the completion on schedule of two major corridors: the A89, where the Thenon–Terrasson (18 km) section was brought into service in January and gave continuous motorway over the 324 km between Bordeaux and Clermont Ferrand, and the A87, with the official opening in July of the southern bypass around La Roche sur Yon (16 km), which gives continuous two-lane dual carriageway between Paris and Sables d'Olonne.

The year also saw the start-up of works on the Balbigny–La Tour de Salvagny section (53 km), which will extend the A89 towards Lyons. This major project, which received ISO 14001 environmental management certification in 2008, is the subject of in-depth discussions with environmental protection non-profit organisations. At the end of the year, ASF launched the upgrade of 40 km of the A63 between Ondres on the south Atlantic coast and Biriatou on the border between France and Spain. In addition to widening the section to three-lane dual carriageway, the project includes upgrading its environmental performance, focusing on water treatment, biodiversity and noise screens.

(*) Excluding construction revenue (IFRIC 12).
(**) Constant 2006 euros.

ASF GROUP (Escota and ASF)



In € millions and as a percentage of revenue (1)
Pro forma: after application of Interpretation IFRIC 12, Service Concession Arrangements.

1) Excluding construction revenue (IFRIC 12).
(2) Before tax and cost of debt.
(3) Including exceptional items totalling €79 million.

"DISCOVERY STOPS" IN PARTNERSHIP WITH THE NICOLAS HULOT FOUNDATION

ASF has been a "biodiversity" partner to the Fondation Nicolas Hulot pour la Nature et l'Homme (FNH) since 2004. Through a programme of "discovery stops", the company relayed the foundation's awareness messages to the 20 million holiday-makers who use its network during the summer. The programme included a "biodiversity stop" that showcased the copious flora and fauna at rest areas and encouraged visitors to practice biodiversity by eating local fruits and vegetables that are in season.
During the "discovery stops", ASF also distributed 100,000 guides (*Le Petit Livre Vert pour la Terre*) and 100,000 pamphlets (*Limitez l'Impact de Votre Sport sur la Nature*) published by FNH to promote eco-citizenship.

Operation

Electronic toll collection (ETC) increased strongly in 2008. For heavy goods vehicles, the migration to the new ETC system, TIS-PL, from the card-based Caplis was completed during the second quarter of the year. The general deployment of TIS-PL doubled the number of ETC accounts, and payments in this category reached 71%. There was also significant growth in light vehicle ETC accounts, with almost 100,000 transponders sold and a 10% increase in the number of electronic transactions. This growth was boosted by the deployment of the new customer call centre and the launch in November of on-line transponder sales, which represented 30% of all sales one month after the service was introduced. Across all vehicle categories, electronic toll collection represented one-third of total transactions at the end of the year. Over the year, total automated transactions (ETC and payment terminals) rose from 66% to 75%.
Alongside its major infrastructure projects, ASF continued to invest in its network modernisation and equipment programme. On the A7/A9, for instance, a series of measures was introduced to reduce the motorway's environmental impact (protection for nearby residents, hydrological assessment) and combat traffic congestion using innovative solutions. Measures included continuing the ban on overtaking by heavy goods vehicles on two difficult sections after testing it the previous year. The ban is now also applied on other sections of the motorway. In addition, the speed control system (recommended speed limits adjusted based on traffic conditions) used each summer since 2004 on the A7 between Vienne and Orange was applied on the A9 between Montpellier and Narbonne in 2008.

In terms of road safety, although the number of accidents on ASF's network continued to decline during the year, the number of fatalities increased (54 at the end of 2008, compared with 45 at the end of 2007). This figure bolstered ASF's determination to continue its efforts in this area: installing equipment (systems to prevent motorists from entering the motorway against the traffic flow, early warning signalling, extension of rumble strips, etc.), co-ordinating with enforcement agencies and organising the information channel. Radio Trafic FM (RTFM), which plays a major role in road safety, strengthened its position as the leading radio station in its broadcasting area in 2008. According to a survey carried out by Médiamétrie from 25 to 27 July 2008, almost 36% of motorists on ASF's network listen to RTFM, which translates into an average of 526,000 listeners a day during summer weekends. Based on the listening time per customer, RTFM also has the biggest audience share (60%) – no other radio station has more than 8%.
During 2008, 550 new heavy goods vehicle parking spaces were created, including 110 at the Loupian (A9) rest area, which are now equipped with special services. Over and beyond the commitments in its master plan, ASF has proposed an ambitious programme to the Department of Transport Infrastructure. This multi-year programme aims to improve the facilities for drivers and their vehicles at the most frequently used rest areas on its networks. Developed in collaboration with all French haulage federations, it involves the construction of an additional 2,000 parking spaces, of which 1,500 will be on the A7 and A9, as well as creating seven new secure lorry parks. ▪▪▪

COFIROUTE

Cofiroute operates 1,100 km of motorway in western France. The company also holds the concession for the A86 Duplex tunnel near Paris. The first section, between Rueil Malmaison and the A13, will be opened to traffic in June 2009. This concession will run for 70 years from the date the entire structure is brought into service.
In 2008, Cofiroute invested €381 million within the framework of its 2004-2008 master plan. Its network is used by 330,000 customers a day and it has 210,000 electronic toll collection (ETC) accounts.

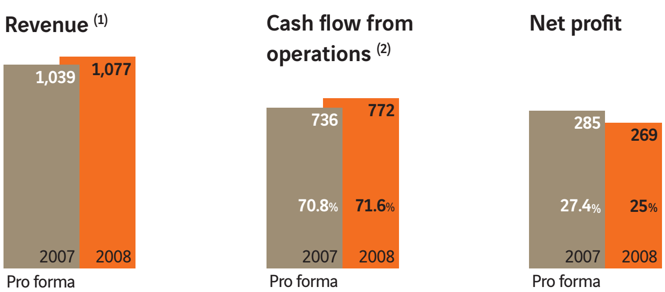
For Cofiroute, 2008 was a year of further growth. The strong increase in fuel prices during the second quarter and the economic recession during the second half had a negative impact on traffic, which declined 1.4% on a stable network basis (-1.3% for heavy goods vehicles and -1.4% for light vehicles). Toll revenue, however, increased 3.6% to €1.1 billion due, in particular, to the extension of the network in service.

Infrastructure
Cofiroute completed its intercity network in 2008. Over the period of its 2004-2008 master plan, the company invested €3 billion in a construction programme that made it a key player in France's regional development. It widened 50 km of the A10 and built 192 km of new sections to complete the A11, A28 and A85. With the aim of improving safety, Cofiroute installed 660 km of rumble strips and 666 emergency stopping areas on its network. Investment in network equipment, meanwhile, resulted in the creation of 934 new parking spaces for heavy goods vehicles and the installation of an additional 67 variable message signs. In parallel, the company continued its efforts to improve the network's environmental performance by installing a further 28 wastewater treatment plants and 20 water retention ponds, and by equipping 28 rest areas with selective waste collection facilities.
Total investment for the year amounted to €381 million without increasing net financial debt, which remained at the same level as in 2007.
On the A11, Cofiroute opened the northern Angers bypass to traffic on 24 April, four months ahead of schedule. There is now continuous motorway between Paris and Nantes. The 14.3 km section includes a 532 metre viaduct and a 1.7 km cut-and-cover tunnel, the first to be brought into service in France since the European directive on road tunnel safety came into force.
Work on improving the network in service focused mainly on upgrading the Langeais–Druye section (transferred to Cofiroute by the government in 2007) to motorway standard, starting the A71 widening project between Orleans and Olivet, and developing the Vierzon North interchange at the A10/A71 bifurcation.
Work continued on the A86 Duplex, the double-deck tunnel that will complete the A86 between Rueil Malmaison and Versailles, near Paris. Fire safety tests carried out on the first 4.5 km section between Rueil Malmaison and the A13 in June demonstrated the efficiency of the ventilation system. Tests on equipment and the operation support and command-control systems continued throughout the year. Their trial and development period has been extended in order to guarantee a maximum level of reliability and safety when brought into service in June 2009. Civil engineering work continued on the second section, between Versailles and Vaucresson, with the construction of the slabs, emergency refuge areas and communicating stairways.

Operation
Cofiroute continued its toll automation programme in 2008. TIS-PL, the inter-company ETC system for heavy goods vehicles that replaced the Caplis card system in May 2008, is now used by all account holders. At year end, 76% of toll payments by heavy goods vehicles were made by ETC. There was also growth in this area for light vehicles: 60,000 Liber-t transponders were sold during the year, bringing the installed base to 210,000. The automation programme also covers the installation of terminals accepting all forms of payment at toll stations with little traffic, as well as remote management equipment related to Cofiroute's operation services. By the end of 2008, Cofiroute had 49 fully automated or semi-automated toll stations, compared with 30 at the end of 2007. Across all customer categories, whether ETC account holders or not, toll automation exceeded 70% at the end of 2008, representing annual growth of over 10%.
One of the highlights of the year was Cofiroute's launch of its "eco-motorway" programme, which affirms its responsibility as a private company that works in the public interest and its capacity for taking action to make the motorway safer, more user- and more environment-friendly. This vision has led to an eco-refurbishment programme at 47 rest areas on the A10, A11 and A71; the reduction of direct CO_2 emissions based on the results of the company's carbon audit (Bilan Carbone™); the current ISO 14001 environmental certification process covering all its operation activities (already ISO 9001 certified); and numerous internal and external safety initiatives. With regard to employee safety, the accident prevention plan led to significantly improved results. Workplace accident frequency and severity rates were halved compared with 2007, and eight out of 16 operations centres achieved the objective of zero lost-time accidents during 12 months. The plan is backed strongly by management and involves all employees, in particular through the 15-minute safety meetings initiated in 2008.

International business
In the United States, Cofiroute operates the SR-91 Express Lanes, a fully automated, free-flow toll system in Los Angeles. Variable road charging is applied on this two-lane dual carriageway (40,000 vehicles/day). On the I-394 in Minnesota, Cofiroute operates HOT (high occupancy and toll) lanes with a dynamic variable charging system (the toll is adjusted every three minutes based on traffic conditions).
In Germany, Toll Collect, in which Cofiroute is a shareholder, operates the toll system applied across the entire national network (12,500 km) for vehicles of over 12 tonnes. The system uses satellite technology combined with GSM links and achieves 99.7% accuracy. Tolls collected on behalf of the German government in 2008 amounted to over €3 billion. ▪▪▪

COFIROUTE



In € millions and as a percentage of revenue (1)
Pro forma: after application of Interpretation IFRIC 12, Service Concession Arrangements.
(1) Excluding construction revenue (IFRIC 12).
(2) Before tax and cost of debt.

THE A11 ANGERS, AN ILLUSTRATION OF THE "ECO-MOTORWAY" CONCEPT

Opened to traffic in April 2008, the Angers bypass on the A11 illustrates the "eco-motorway" concept initiated by Cofiroute. To meet new environmental standards, the 14.3 km section has been planted with 28,000 trees and bushes, and 17 settling tanks and 30,000 sq. metres of noise screens have been installed. By building a 1.7 km cut-and-cover tunnel, which complies with new French and European regulations on road tunnel safety, Cofiroute was able to give nearby residents an area measuring 10 hectares for the creation of parks and gardens. In addition, the bypass absorbs much of the transit and local traffic that used to cause congestion in the city centre, i.e. a reduction of 25,000 vehicles a day (900 tonnes of CO_2 per kilometre travelled).

ESCOTA

Escota, France's oldest toll motorway concession operator, has a 459 km network located entirely in the Provence-Alpes-Côte d'Azur region. In 2008, Escota invested €219 million within the framework of its 2007-2011 master plan. Its network is used by 670,000 customers a day and it has almost 200,000 electronic toll collection accounts.

Escota's revenue(*) increased 2.21% to €591 million in 2008, despite a decline in traffic (-1.3%) observed from May against a backdrop of higher fuel prices and the economic crisis. A total of 6.5 billion kilometres were travelled during the year.

Infrastructure
Over the period of its 2007-2011 master plan, Escota will invest almost €0.8 billion in its network. In 2008, investments amounted to €219 million. On the A8, widening to three-lane dual carriageway was completed two months ahead of schedule between Nice Saint Augustin and Nice Saint Isidore, and similar work was carried out on the Châteauneuf le Rouge to Saint Maximin section. The extensive programme of safety upgrades on 20 tunnels was completed on the A51 and A500, and work continues on the A8. Furthermore, noise screens were installed at 135 "black spots" identified on the noise map developed in 2007 for all sections carrying heavy traffic.

Operation
With the installation of 42 new terminals accepting all forms of payment, automated transactions increased to over 80%. The number of electronic toll payments rose 5% for light vehicles, while the migration to the new electronic toll collection system for heavy vehicles generated over 11 million transactions (68% of total transactions for this category). Despite the market's maturity, 23,800 transponders – representing 7% growth in the installed base – were sold during the year, due mainly to the advertising campaign carried out with ASF and Cofiroute. Moreover, by the end of 2008, 32,000 individual customers had opted for the on-line invoice service launched the previous year. Alongside the automation programme, efforts to optimise operations led to a reorganisation of work at toll stations, with the creation of about 100 multi-skilled jobs. In addition, as a result of the implementation of a new company-wide agreement on forward-looking jobs and skills management (GPEC), about 100 toll station employees changed jobs. The agreement also gave 12 female employees access to maintenance and signalling jobs that are traditionally held by men (see opposite).
Continuous efforts aimed at improving employee safety produced results that place Escota at the top of all French motorway concession operators, with no accidents anywhere in the company in four months and an annual frequency rate of 6.5 accidents per 1 million hours worked. As part of the "zero accidents" policy, all employees commit to rejecting dangerous behaviour. They received a passport during the year that lists safety-related training and qualifications, as well as a copy of the company's workplace health and safety charter. In parallel, Escota continued its programme to raise customer awareness of the dangers of motorway driving. To that end, the company has established 51 partnerships with driving schools. It also organised 11 safety events on the network during the year.
In addition to the priority issue of safety, Escota implemented a 2007-2009 sustainable development action plan. This has given rise to a series of initiatives aimed at reducing the company's carbon footprint by focusing mainly on controlling public lighting energy consumption, reducing water consumption and choosing vehicles with low CO_2 emissions when replacing its fleet.

ARCOUR

Arcour holds the 2005-2070 concession for the A19, a new 101 km motorway section between Artenay and Courtenay, which links the A10, A6 and A77 to form the southern part of the outer ring road around the greater Paris region. It is expected to be opened at the end of June 2009, ahead of the contractual schedule. Investments in 2008 came to €270 million, out of the total project amount of €690 million.

As prime contractor for the biggest motorway project currently in progress in France, Arcour signed a €625 million financing contract with the European Investment Bank (EIB) and other banking institutions in March 2008.
The construction works, which are being carried out simultaneously along the entire route, have consistently met the extremely tight schedule. At the end of 2008, 80% of the paved surfaces had been laid by Eurovia. The 102 structures, including the 1,000 metre viaduct over the Loing Valley, built by VINCI Construction, were completed by the end of the year. A high level of environmental equipment has been installed to minimise the infrastructure's impacts both on nearby residents and on biodiversity: 2,200 metres of noise screens, 116 animal crossings (including two 150 metre overpasses in the forest of Montargis), 107 tanks for treating water from the road surface, and over 200,000 trees and bushes along the route.
Significant efforts have also been made in co-operation with local players to ensure the socio-economic integration of the motorway. These include 40,000 hectares of land to be developed for the benefit of the agricultural sector. Several business parks are also being developed with a view to taking full advantage of the opportunities for economic growth opened up by the A19 and the motorway interconnections to the south of the greater Paris region. Within the framework of the government's "1% landscaping and development" policy, which concerns 70 towns and villages, 23 projects proposed by local authorities and individuals received subsidies in 2008. Once the motorway is opened, special signs will be erected along the motorway in order to enhance tourism in the areas served.
Cofiroute, whose network is connected to the new infrastructure (A10-A19 junction to Artenay), will operate the A19. With the opening scheduled for summer 2009, interoperability agreements have been signed with the other French motorway concession operators so as to organise operation and tolls – the A19 falls within an interlinked network of 2,500 km of motorway operated by six different companies. ■

(*) Excluding construction revenue (IFRIC 12).

WOMEN MOVE INTO MAINTENANCE

The promotion of equality and diversity includes giving women access to all the company's jobs. In 2008, following Escota's forward-looking jobs and skills management programme, eight women moved into the maintenance sector for the first time. Seven now hold motorway worker jobs and one has become a works supervisor. Also for the first time, one woman has moved into a toll maintenance job.

ANIMAL PROTECTION

The construction of the A19 includes ambitious measures to protect animals. Based on studies to identify species living near or crossing the motorway (such as deer, which roam between the Fontainbleau and Orleans forests), 116 animal crossings have been created. Of these, 105 are for small animals and 11 for big ones. Two of the latter, located in the forest of Montargis, have been developed on top of structures covering the motorway for a distance of 150 metres. Trees and bushes have been planted on the surface of these platforms to provide continuity with the forest. In addition, the underground passages have been designed to avoid the "tunnel effect"; the vegetation, wood fencing (to prevent glare from headlights) and earth shoulders make the animals feel safe and allow them to graze as they move from one side of the motorway to the other.

VINCI PARK

Number two in Europe and world leader in car park concessions, VINCI Park operates 1,220,000 spaces spread fairly evenly between France and the rest of the world. The company's business model combines long, capital intensive concessions and service contracts that need no initial investment and bear no traffic risk.

VINCI Park continued to grow in 2008, with revenue(*) increasing 11% to €619 million. Operating profit was slightly down at €126 million, representing 20.4% of revenue.
During the year, VINCI Park initiated a programme to modernise its organisation and renovate its business model. Known as *Continuer l'Histoire* (Building on the Past), the programme involves improving procedures (contracting, purchasing, etc.) and installing new remote management systems in order to optimise human resources in parking facilities. A participatory project that involves all the company's employees, it is expected to generate an improvement in the efficiency of operating processes in 2009 and beyond.

FRANCE

VINCI Park's operations activity showed good resilience overall in France, with revenue up about 3.1% to €406 million. Business was steady in car parks in Paris (up 3.2%) and La Défense (up 6.5%), where the company operates 22,600 spaces. Season tickets and rentals nationwide continued their growth (1.6%), confirming the trend observed in 2007 and offsetting most of the 1.9% decline in hourly occupancy.

In terms of expansion, the traditional "wait-and-see" attitude at the time of municipal elections in France caused a slowdown in signing contracts with local authorities. The year was nevertheless marked by several significant successes. At Issy les Moulineaux, VINCI Park won a concession for two parking facilities (440 spaces) and on-street parking (5,700 spaces). At Béziers, VINCI Park was awarded a 30-year public service contract to operate two car parks totalling 830 spaces. During the period, 63 contracts were renewed or extended, involving a total of over 43,000 on-street or parking facility spaces. The year also saw the opening or start-up of operations at numerous sites, including the Centre park in La Ciotat (427 spaces), Coeur de Ville park in Saint Jean de Luz (360 spaces) and André Mignot Hospital park in Le Chesnay (750 spaces).

(*) Excluding construction revenue (IFRIC 12).

VINCI Park is projecting business in 2009 at a similar level to that in 2008. Intensified local marketing campaigns are expected to stimulate season ticket sales. Some niche markets – the retail and hospital sectors, for instance – should offer new opportunities, following on from the successes of recent years. Overall, in an uncertain economic climate, VINCI Park will tighten up its criteria for selecting new projects and give priority to service contracts, which are less capital intensive and could boost business without incurring any occupancy risk.
In addition, extending its policy in favour of two-wheeled vehicles and car-sharing, VINCI Park will emphasise its positioning as a full service operator in urban mobility by seeking to participate in tenders for the launch of Autolib' in the greater Paris area.

INTERNATIONAL BUSINESS

VINCI Park's international business showed steady growth in 2008, with revenue increasing 29% to €213 million. In line with its growth strategy, the company continued to strengthen its position in North America. In the United States, LAZ Parking, a 50% owned subsidiary since November 2007, acquired Classified, Sunset and Ultimate Parking (total of 34,000 spaces). In Canada, the acquisition of Ideal Parking and Masterpark during the first half of the year added 74,000 spaces to VINCI Park's business portfolio and extended its geographical footprint to the west of the country where it had no operations previously.
The year was also marked by steady organic growth. In its principal markets, both in North America and Europe, there were numerous successes in 2008, mainly in service management. In the United States, VINCI Park became one of the top 10 car park operators by winning the management of 36,000 on-street metered parking spaces in Chicago. The City Hall awarded the concession contract to a consortium of investors led by investment fund Morgan Stanley; the consortium then awarded an exclusive management contract to LAZ Parking for seven years. LAZ Parking will make no capital investment but will focus on the maintenance and modernisation of payment equipment, surface marking, collection of funds and enforcement assistance.
Other significant contracts were won during the year in the United States (management of all Bank of America parks in the central, north-western and south-eastern regions of the country, 6,000 spaces); Canada (car park in the prestigious Place Québec in Québec); the United Kingdom (Gatwick Airport, Tesco car parks in south-west England; car park with 966 spaces in Wales); Belgium (operation of 1,700 on-street spaces in Bruges for 10 years); and Spain (new concession contracts in Saragossa and Vitoria totalling 600 spaces). In Germany, the strong positions acquired over recent years were reinforced by several new service contracts won in towns where the brand was already established. Lastly, in Russia, VINCI Park started operating Terminal 1 car park at Moscow's Sheremetyevo Airport.

The negotiations started at the beginning of 2008 with Fortis on a merger between its subsidiary Interparking and VINCI Park were not successful. In 2009, VINCI Park intends to pursue further international growth by focusing, as in France, on service business activities. ■

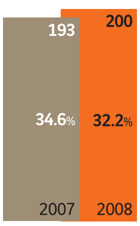
FIRST MOBILITY HUB AT LA DÉFENSE

At the beginning of 2009, VINCI Park inaugurated the first French mobility hub, created under the brand Mobiway. It brings together the full spectrum of travel information and services for the western Paris business district. In addition to a conventional parking facility for cars with a special offering for two-wheel vehicles, it has an Okigo car-sharing station, a car-share area, an information and Liber-t account sales office, a car and motorbike taxi station, public transport ticket sales terminals, and all the usual VINCI Park services. This new concept is a perfect fit with local authorities' sustainable mobility concerns.

Revenue (1)

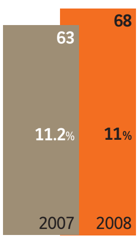
Pro forma

Cash flow from operations (2)



Pro forma

Net profit



Pro forma

In € millions and as a percentage of revenue (1)
Pro forma: after application of Interpretation IFRIC 12, Service Concession Arrangements.

(1) Excluding construction revenue (IFRIC 12).
(2) Before tax and cost of debt.

VINCI AIRPORTS

FRANCE

VINCI Airports' position in the French regional airports market was strengthened in 2008 by several commercial developments within the framework of its partnership with Keolis.

At Grenoble-Isère airport, which VINCI Airports and Keolis have been operating since 2004, traffic has increased 165% over five years, with 474,083 passengers being recorded in 2008. During the year, the Isère general council renewed the partners' public service contract for 14.5 years – the first renewal of this type since the decentralisation of French regional airports. In charge of the operation and maintenance of the airport and its facilities, including commercial outlets, the partners are tasked with promoting the area's economic and tourism development. As part of the new contract, they will invest €6 million in infrastructure modernisation and provide a shuttle service between the airport and Grenoble city centre.

VINCI Airports and Keolis have also been operating Chambéry-Savoie airport, in the same part of France, since 2004. Traffic there rose 17% in 2008 – one of the strongest performances by a French airport – to 270,346 passengers. Thanks to a proactive approach aimed at airlines, particularly low-cost operators, Chambéry-Savoie and Grenoble-Isère airports have become the two major gateways to the Alps in just a few years, stimulating tourism in the region.

Operation of Clermont Ferrand-Auvergne airport started on 1 January 2008 under the terms of a seven-year contract signed at the end of 2007. Traffic in 2008 totalled 511,458 passengers. During the first year of operation, a new organisational structure was set in place, service to Madrid started and a new website was created to help make people more aware of the numerous destinations served by this airport.

Lastly, a new contract was secured at the end of the year and signed on 5 January 2009 for Quimper-Cornouaille airport. It is the first airport operation contract awarded by the regional council of Brittany. The contract came into effect on 1 March 2009 for a period of six years and 10 months. VINCI Airports and Keolis have hired all the employees who previously worked at the airport and will be seeking to increase traffic by investing in niche markets, working in synergy with other airports in Brittany.

In 2008, traffic at the four French airports now operated jointly by VINCI Airports and Keolis totalled 1,375,000 passengers, eight times more than in 2003.

CAMBODIA

VINCI Concessions has been operating in Cambodia since 1995. Through its subsidiary SCA, the company holds the concession for the country's three international airports. This long-term public-private partnership makes VINCI a key player in Cambodia's economic and tourism development. After several years of very strong growth, traffic at Phnom Penh and Siem Reap stabilised in 2008, with a total of 3.2 million passengers recorded for the year. Apart from the world economic crisis, the closure of Bangkok airport for several weeks at the end of the year had a negative impact on regional traffic.

In addition, SCA has been the concession operator of Sihanoukville airport since 2006. The company finished the complete overhaul of the airport (extension and renovation of the runway and terminal) in 2008. This programme made the airport accessible to wide-bodied planes and gave it a similar passenger handling capacity to that of Siem Reap, which serves the Angkor Temple site. The transformation of the facility at Sihanoukville into an international airport is part of a long-term project aimed at increasing business and tourism in the region. The challenge is to bring this coastal area on the Gulf of Thailand out of isolation as its superb natural environment would make it a new "sun and sea" holiday resort for Angkor visitors and Cambodia would become a tourist destination in its own right. ■

→

VINCI Airports won the contract to operate Quimper-Cornouaille airport in France at the beginning of 2009.

↑

Following its complete overhaul, Sihanoukville airport in Cambodia can now handle wide-bodied planes and is expected to stimulate business and tourism growth in the area.

OTHER INFRASTRUCTURE

FRANCE

Prado–Carénage tunnel (SMTPC), Marseilles
In a more difficult economic climate and with higher fuel prices for a major part of the year, SMTPC was able to maintain its toll revenue in 2008 at a similar level to that of 2007 despite a decline in traffic. The year was marked by the signature of the concession contract for the Prado–Sud tunnel (see p. 46) and completion of its financing arrangements.

Public lighting (Lucitea), Rouen
This PPP contract, awarded to a VINCI Concessions-VINCI Energies consortium in 2007, covers the management of public lighting and traffic lights in Rouen. It is worth €100 million over 20 years. The first street lights were installed and work on upgrading the electricity supply was started in 2008.

GREECE

Charilaos Trikoupis Bridge
Average daily traffic in 2008 was 13,600 vehicles, up 2.9% over a year (+1.9% for light vehicles and +10.2% for heavy vehicles); toll revenue increased 6.3%. The earthquake (6.5 on the Richter Scale) on 8 June 2008 demonstrated the effectiveness of the bridge's protection systems.

Athens–Tsakona motorway
VINCI Concessions took over the operation and maintenance of 202 km of existing motorway and trunk road sections (Athens–Corinth–Patras) in August 2008. The operating company processes an average of 70,000 transactions a day. Work to improve safety has started on this infrastructure, as has the design process for upgrading the roads to motorway standards.
Under the terms of the contract, the works are to be completed within six years. Intermediate delivery targets have been set for the most complex sections, located between Corinth and Patras, where the existing trunk road has to be converted into motorway from start to finish (120 km) while maintaining traffic flows during the works. The biggest construction sites will start up during the first half of 2009.

Maliakos–Kleidi motorway
Aegean Motorway started operating the Maliakos–Kleidi section and collecting tolls in March 2008. Work on upgrading the existing motorway has also started. After the concession grantor made the land available, construction of the three tunnels included in the concession began at the end of 2008.

GERMANY

A4 motorway
In 2007, the 50/50 consortium made up of VINCI Concessions and Hochtief was awarded the 30-year concession for a 45 km section between Gotha and Eisenach (A4). The contract, which is part of the A-Modell programme launched to finance the repair and extension of Germany's motorway network, includes the construction of a new 25 km section. On 1 April 2008, work started on the new section and the concession consortium took over operating the existing section. The concession operator's remuneration comes out of the tolls paid by vehicles of over 12 tonnes and collected by the satellite-based Toll Collect system, operated jointly with Cofiroute. Average traffic of heavy vehicles was 7,000 a day.

UNITED KINGDOM

Severn Crossings
The two bridges between England and Wales have been operated since 1992 for the first and 1996 for the second by Severn River Crossing, in which VINCI is a shareholder. The concession contract, which ends in 2016, included the construction of the second bridge and taking over operation of the existing bridge. Traffic on the two bridges amounts to an average of 71,000 vehicles a day.

Newport Southern Distributor Road
Morgan-VINCI Ltd has been operating this 9.3 km bypass since 2004. It was financed and built by the two partners under the terms of a 40-year concession contract. Average traffic was 25,000 vehicles a day in 2008. During the year, before the full brunt of the financial crisis was felt, the shareholders restructured the project debt in order to reduce the impact of the repayment schedule.

PORTUGAL

Bridges over the Tagus
Lusoponte is the concession operator of two bridges over the Tagus estuary until 2030: Vasco da Gama Bridge, which was built by VINCI for Expo '98, and the existing 25 April Bridge, whose operation was taken over by Lusoponte. Average toll-paying traffic was 103,000 vehicles a day in 2008. We increased our holding in Lusoponte's share capital from 30.85% to 37.27%.

CANADA

The concession operator of the Fredericton–Moncton motorway (200 km) in New Brunswick was awarded the management of an additional 30 km section at Moncton city limits. VINCI also has a holding in the share capital of the Confederation Bridge operating company. This 13 km structure, which has linked Prince Edward Island to New Brunswick since 1997, recorded toll traffic of 2,000 vehicles a day in 2008.

JAMAICA

VINCI Concessions operates a 34 km motorway network in Jamaica through a subsidiary of ASF, Jamaican Infrastructure Operator, on behalf of Trans Jamaican Highway, the concession operator in which ASF is a minority shareholder. ■

A MONUMENT OF MODERN GREECE

Charilaos Trikoupis Bridge, which links the Peloponnese to mainland Greece, is located at the junction of two major roads: the Athens–Corinth–Patras–Peloponnese motorway and the Patras–Ioannina–Igoumenitsa corridor. The bridge also facilitates driving between Greece and Italy. Average traffic on the bridge, operated under concession, is 13,600 vehicles a day on average. The majority of the vehicles are cars (85%), followed by heavy goods vehicles (8%), two-wheeled vehicles (5%), and coaches and buses (2%).

OUTLOOK A ROBUST, LONG-TERM BUSINESS MODEL

The momentum in VINCI Concessions' growth remains brisk despite a more difficult economic climate, demonstrating the robust nature of its long-term business model. Its ability to arrange financing for several major projects against a backdrop of financial crisis confirms the model's resilience and credibility.

Based on this momentum, we can look forward to 2009 when we will bring newly acquired concessions into service, finalise contracts signed earlier and reach agreement on contracts for which we have been announced preferred bidder. As the economic stimulus packages launched by the various countries where we operate focus partially on infrastructure, we expect them to help boost our business in the longer term.

The development of new PPP projects, both in the form of concessions and less capital intensive service contracts, remains the strategic priority for VINCI Concessions. At the same time, it will make greater efforts to optimise the operating performance of infrastructure under our management. This will involve seeking productivity gains, intensifying marketing campaigns and developing services to attract more end-customers. The synergies between VINCI Autoroutes' motorways will be a catalyst to that end. In the same way, VINCI Park will continue to add depth and breadth to its business model in 2009.

VINCI Concessions will also increase its business activity by broadening the scope its business lines. It will make maximum use of its skills as the world's leading private operator of road infrastructure to extend beyond its concession contracts both in France and in the international arena. Its expertise in project development and in organising legal and financial packages can also become a source of value creation in its own right.

This outlook is framed by a very favourable long-term market environment, with increasing urbanisation and growing awareness of mobility issues. These will continue to generate substantial needs in terms of creating and upgrading infrastructure and facilities that public authorities cannot finance alone. With its expertise as a concession operator, investor, constructor and service operator, VINCI Concessions is in step with these underlying trends in a context where major players in the industry can make full use of their skills to manage increasingly complex projects. ■

↑

The development of new PPP projects remains the strategic priority for VINCI Concessions in an environment that favours the creation and replacement of infrastructure.

ENERGY

PROFILE

VINCI Energies is a market leader in France and a major player in Europe in energy and information technology services. It meets the numerous and changing needs of its customers – power generation and distribution companies, transport and telecommunications operators, manufacturing industries, local authorities, service companies – by integrating these technologies in customised, high service content offerings.

VINCI Energies supports its customers at all stages of their projects (design and engineering, implementation, operation and maintenance), providing services in four business lines:
> **infrastructure:** power supply networks (power transmission, transformation and distribution), urban lighting and urban development, transport infrastructure (power supply, lighting and information systems);
> **industry:** power distribution, monitoring and control, mechanical engineering, air treatment, fire protection, insulation, industrial maintenance;
> **service sector:** power supply networks, climate engineering, plumbing, fire detection and protection, building automation systems, security, multi-technical and multi-service maintenance;
> **telecommunications:** infrastructure and voice-data-image company communications.

VINCI Energies works under a great many recurring contracts, which incorporate a significant maintenance and replacement component. The diversity of its offerings is supported by its 800 business units, which are closely networked, notably through Europe-wide brands. This organisation, based on co-ordination of business units that are strongly rooted in their markets, makes it possible to develop solutions that are both local and global and that support customers in all aspects of their projects. With a workforce of 33,000 employees in 21 countries, mainly in Europe, VINCI Energies generates more than 30% of its revenue outside France.

ENERGY GROWTH MAINTAINED IN STABILISED MARKETS; INTERNATIONAL EXPANSION

Following exceptional growth in 2007, VINCI Energies further increased its business activity in 2008. Revenue rose 7.3% to €4,614 million, mainly as a result of the full-year impact of the acquisitions made the previous year. Operating as a highly responsive, locally rooted company, VINCI Energies succeeded in maintaining its overall positions in markets that had stabilised as well as its operating margin on ordinary activities (5.3% of revenue).

In France, revenue increased 4% (2.6% at comparable scope of consolidation). The diversity of VINCI Energies' business lines and locations smoothed the effects of wide differences in its markets. Buoyant activity in the fire protection, energy infrastructure and telecommunications markets and in a number of industrial zones thus offset the completion of major works in the service sector and the slowdown in orders placed by local authorities.

Internationally, revenue rose 15%, bolstered by the full-year effects of the 2007 acquisitions and especially the integration of Etavis (which has become VINCI Energies Schweiz) in Switzerland and Tecuni in Spain. The year was a particularly good one in Germany, VINCI Energies' largest market outside France, where revenue grew 7.5% and performance was uniform across all the sectors in which the group operates. Activity was also buoyant in Central and Eastern Europe (with revenue up 31% to €131 million), where VINCI Energies has expanded substantially over the last three years, and in Scandinavia, where revenue and profit exceeded forecasts.

FACILITIES MANAGEMENT IN GERMANY

In Germany, two VINCI Energies business units specialise in facilities management. They offer building automation systems (preventive and corrective multi-technical maintenance) and management (general services) under 5 to 10-year contracts (pictured above, maintenance operation at the Augsburg technology park).

INFRASTRUCTURE

The power generation and transmission activity increased overall. Business was particularly brisk in high and very high voltage networks (Omexom brand) in France, driven by stepped-up investments by the RTE (Réseau de Transport d'Electricité) power transmission network aimed at reinforcing capacity, enhancing safety and burying infrastructure, as well as by European network interconnection projects. VINCI Energies also expanded its positions in the developing conventional thermal power station and renewable energies markets. It notably worked on France's largest wind farm at Salles Curan in southwestern France.

Rural electrification activity, bolstered by local authority investments in network modernisation and burial, remained buoyant; in this market, VINCI Energies business units have a track record and local roots that serve them well.

In urban lighting (Citéos brand), despite the fact that municipal authorities delayed decisions in the post-election period, VINCI Energies maintained activity at the high 2007 level. Long-term contracts awarded by local authorities to operate their urban lighting systems, most of which included substantial investments aimed at saving energy, helped stabilise activity. Future growth will be also driven by the development of video surveillance services and new dynamic urban equipment (traffic lights, traffic and urban access management, information for road users, etc.).

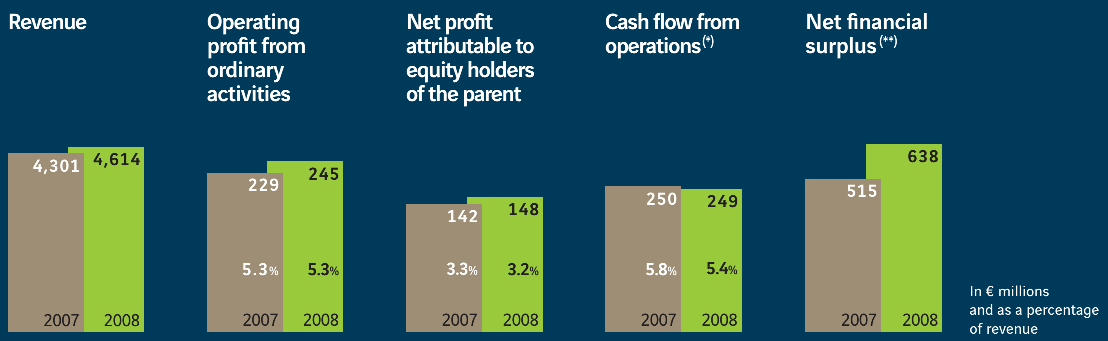
In Spain, electricity supplier Endesa slowed investments, which in turn impacted the activity of local subsidiaries Spark Iberica and Tecuni. In the Czech Republic, on the other hand, new subsidiary Elektrotrans recorded substantial activity in the second half and achieved a very satisfactory profit level.

INDUSTRY

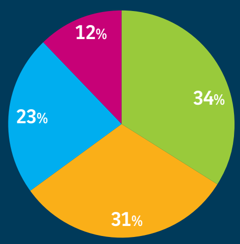
Despite the difficult economic environment, revenue in the industrial sector rose a further 8% on the back of strong growth in 2007. VINCI Energies combines strong roots in local markets, which generate a wide range of generally recurring projects and multi-site process solutions to support the international expansion of major industrial groups. These solutions are for the most part provided under the ▮▮▮

→

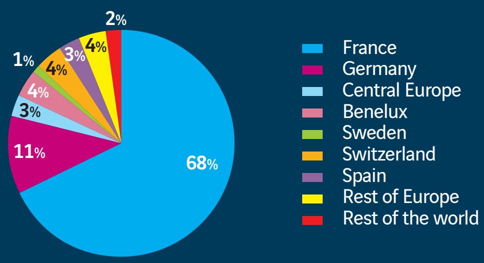
VINCI Energies offers local authorities a broad range of services ranging from festive illuminations to comprehensive traffic and public lighting management.



Revenue by business line



Revenue by geographical area



(*) Before tax and cost of debt.
(**) At 31 December 2008.

VINCI ENERGIES' **COMPETITIVE POSITION** IN ITS MAIN MARKETS

France In 2008, VINCI Energies remained a major player in the French market. Every year, VINCI Energies further expands its geographical coverage and expertise across all its business lines through acquisitions at local level. The group's main competitors are Spie, Cegelec, Forclum-Clemessy (Eiffage), Ineo (Suez) and ETDE (Bouygues).

Germany VINCI Energies is a major player in thermal activities (insulation, fire protection, climate engineering). Its competitors are Rheinhold & Mahla (Bilfinger Berger Group) and Thyssen Krupp (Industrial Services division) in insulation and Minimax and Total Walther (Tyco) in fire protection.

Switzerland VINCI Energies is expanding its electrical installation and telecommunications activity, primarily in the German and Italian speaking parts of Switzerland. Its main competitors are Burkhalter and Atel.

Source: internal study and company press releases.

Actemium brand, which brings together some 100 business units in 12 countries. Together they generated revenue of more than €600 million in 2008 (up 2% in one year) and their profit increased.

Activity remained buoyant in the energy, oil and gas, petrochemical and pharmaceutical sectors. In industries using continuous processes, major maintenance – especially scheduled refinery maintenance – operations helped boost activity. In the automotive sector, the large number of local projects offset the effects of the sharp cut-back in investments. The good level of activity in ship equipment (merchant marine, navy, fishing) was also noteworthy.

In terms of geographical markets, activity remained at a satisfactory level in France, especially in the North, East, West-Atlantic and greater Paris regions. In Germany, VINCI Energies benefited from the buoyant energy, environment and oil sector markets – with its business units often supporting their customers beyond their borders. The group also experienced strong activity growth in Belgium, where the Actemium network business units outperformed their markets, as well as in Central and Eastern Europe.

Last but not least, maintenance activity under the Opteor Industrie brand increased more than 15%.

REDUCING ENERGY CONSUMPTION

Energy is one of the leading cost items in supermarkets. In 2008 VINCI Energies signed a contract with Auchan aimed at reducing consumption by 25% over five years, with a first increment of 8% in 2009. A network of detectors connected to a monitoring centre will make it possible to control the cold rooms and climate control systems of any Auchan store worldwide via the Internet.

SERVICE SECTOR

Following very strong growth in 2007, service sector activity stabilised in 2008. In France, the decline in major new construction primarily impacted the greater Paris area. In the French regions, core activities, spread over a very large number of business lines and customers, held up very well despite the deteriorating business climate. Overall, the responsiveness and networking capacity of VINCI Energies business units give them substantial ability to adjust to changes in their markets.

This adaptability, which enables business units to anticipate declining activity while maintaining margins, also enables them to leverage growth sectors. For example, the fire protection market grew 15% in France and recorded a high order book at the end of the year, partly within the framework of multi-year contracts. Maintenance activities under the Opteor Tertiaire brand also increased in volume and recorded improved profit (up 5%). In Germany, activity was buoyant, especially in fire protection (up 8%) and in the service sector activities provided by subsidiary Nickel (up 9%).

VINCI Energies has also positioned itself in the emerging energy efficiency market. As it expands its offering in this sector to include such services as advanced consumption management and reduction solutions for multi-site companies, it supports the development of this market, which is a major future growth driver, especially in France where the Grenelle Environment Forum will be generating major investment programmes in thermal renovation of buildings.

TELECOMMUNICATIONS

Infrastructure

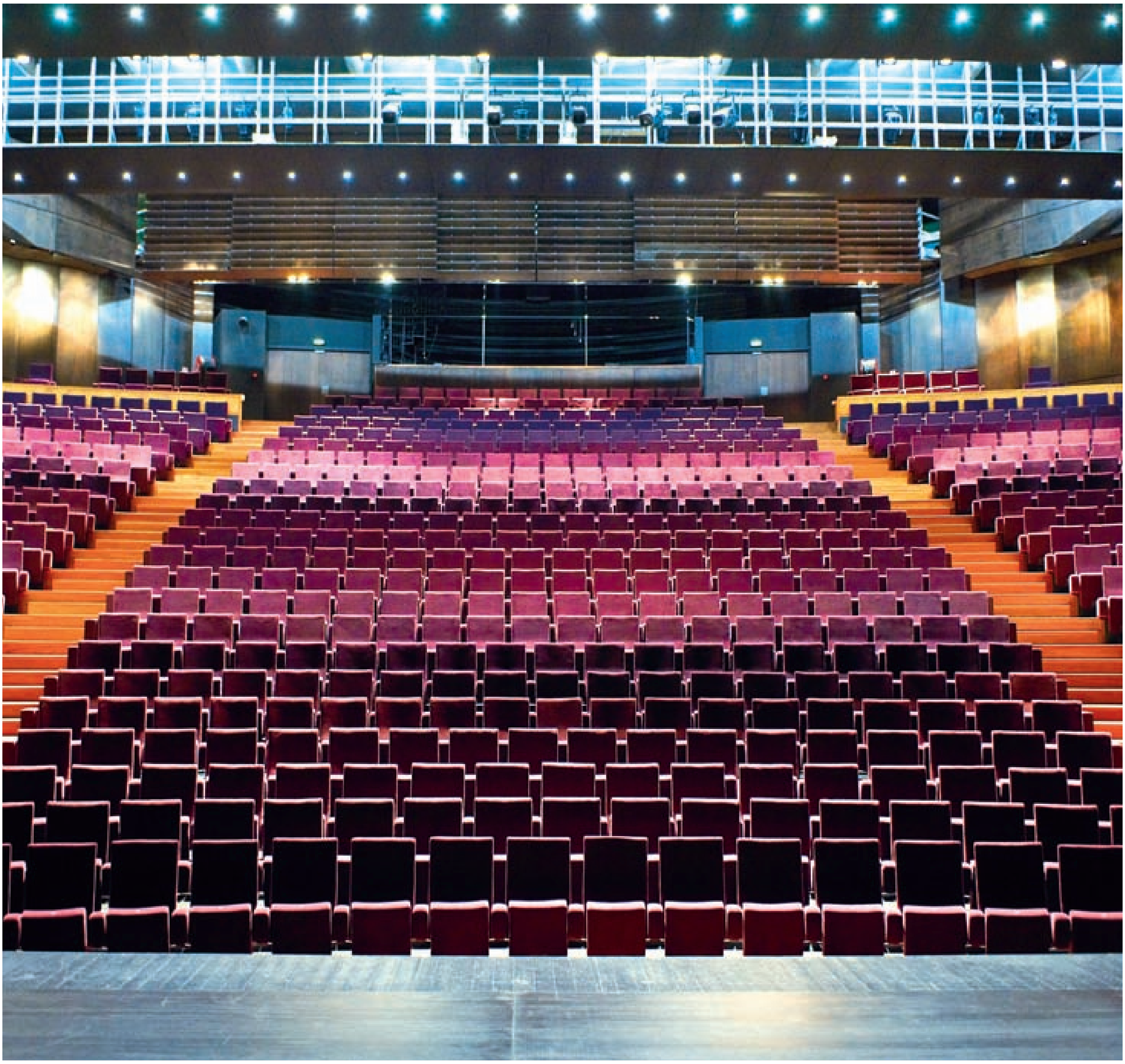
Graniou's revenue came in above initial forecasts, increasing 8% to €251 million. In France, activity (up 7%) was buoyed by mobile operator investments in rollout and upgrades of their 3G/3G+ networks. In fixed-line telecommunications, Graniou was involved in the main FTTH (Fibre to the Home) network rollout projects undertaken by operators in the greater Paris area and the North and South-East regions. This still-emerging market, which will provide access to very high-speed Internet and HDTV, will generate major investments in coming years and constitutes a substantial growth driver. Meanwhile, Graniou developed maintenance and support service activities for operators and equipment suppliers, which are outsourcing a growing share of their technical maintenance work to the group.

Graniou also recorded strong growth of its business activity in Poland (up 19%) and Spain, which more than offset the contraction in the Belgian market.

Business communication

With the growth recorded by Axians in the first half, revenue for the year came in at €230 million, comparable to the 2007 level. The positive trend was particularly pronounced in France, where all Axians business units improved their performance. The year was also satisfactory in the United Kingdom and in Germany in the company market; activity carried out for German operators underwent an in-depth reorganisation against a backdrop of strong competition that put pressure on prices.

To cope with the investment contraction in its various markets, Axians stepped up efforts to gain a competitive edge by developing value-added services and to position itself in the most buoyant sectors – especially those involving Voice over IP technology (fixed-line and mobile telephony) convergence and growing network security and information systems requirements.



COMPREHENSIVE EQUIPMENT FOR THE THEATRE NATIONAL DE BRETAGNE

After more than two years of renovation works, the Théâtre National de Bretagne in Rennes re-opened in 2008. Its information and communications system has been completely overhauled: WiFi hot spot coverage and IT and telecommunications network convergence facilitate the operation of the theatre (box office, reservations, organisation of performances, etc.). VINCI Energies also installed fire detection and access control systems as well as an assistive-listening system with magnetic loops and wireless headsets to enable the hearing-impaired to attend performances.

OUTLOOK RESILIENCE BASED ON DIVERSITY OF BUSINESS LINES AND LOCATIONS AND ON RECURRING ACTIVITY

At the end of 2008, VINCI Energies expected its activity to contract slightly in 2009, in an economic environment not conducive to local authority and business investments. However, the performance achieved in 2008 – in an economic environment that had already deteriorated – shows that because of its profile, VINCI Energies has the ability to withstand a contraction of its markets. Contributing factors are the wide diversity of its business lines and locations across some 20 countries, its strong base of recurring activities carried out under a large number of contracts, the responsiveness and sustained networking of its highly decentralised organisation and the ability of its business units to adapt to their local markets.

Against this backdrop, VINCI Energies will be stepping up its efforts to further develop its offerings, devise differentiating solutions based on the needs of its customers, position itself in the most buoyant market segments – particularly those involving substantial maintenance, service, and local response capabilities – and limit its exposure to the expected decline in major industrial and service sector operations. As this work on offerings and markets proceeds, VINCI Energies will tighten its selection criteria in order to maintain margins. The group will also take advantage of this slowdown after many years of strong growth to optimise its organisation and its production and management processes, with a focus on the development of employee managerial and technical skills.

Looking beyond the short term, the markets in which VINCI Energies operates are driven by long-term trends that will support activity over the long haul. These include the growing need for construction and maintenance of energy and transport infrastructure; the development of renewable energies; environmental restrictions prompting major thermal renovation programmes in buildings and accelerated replacement of a large number of existing facilities; the need to invest in productivity, safety, traceability and modernisation of industrial tools and production processes; and accelerated development of communication infrastructure and services to keep pace with network and technology convergence. ■

↑

As a longstanding partner of mobile operators rolling out their networks, VINCI Energies is also involved in modifying equipment to support the move to 3G and soon 4G.


EUROVIA

ROADS

PROFILE

Eurovia is a world leader in transport infrastructure and urban development works. Generating over 90% of its revenue in Europe (primarily in France, Germany, the United Kingdom and Central Europe), Eurovia also holds significant positions in the United States (North Carolina, Florida) and Canada. The company employs 42,000 people and has a network of 300 works divisions and subsidiaries and 875 industrial production sites. It has developed an integrated range of specialised expertise:

> **transport infrastructure and urban development.** Eurovia builds road, motorway, railway, airport and light rail infrastructure, as well as industrial and retail development sites. Eurovia also offers expertise in related works: quality urban development projects (enhancement of public, recreational and sports facilities, etc.), traffic signs and roadmarking, quality of life and environmental protection (noise barriers, storage sites, etc.);

> **industrial production.** Eurovia operates a network of 303 quarries producing 59 million tonnes of aggregate (Eurovia share) per year, 46 binder plants, 381 coating plants, 130 recycling facilities (recycling 8.8 million tonnes of construction waste and household waste bottom ash) and 15 factories producing road equipment. These business activities contribute to Eurovia's growth and profits while ensuring supplies for its projects (reserves under the company's control(*): 2.1 billion tonnes – Eurovia share – of aggregates representing about 30 years of production);

> **maintenance and services.** Eurovia ensures overall maintenance of road, motorway and rail networks and urban transport infrastructure (network management, routine maintenance, winter maintenance, emergency response, etc.). Eurovia also provides upstream project design and co-ordination, consultancy and technical support services.

(*) Quarries and quarrying rights.

EUROVIA REVENUE STABILISED AND EXPERTISE DIVERSIFIED

Following several years of very strong growth, Eurovia's overall business activity stabilised in 2008. The company's international geographical coverage and complementary business lines give it resilience in markets subject to cyclical swings.

Following a very buoyant first half in line with previous years, Eurovia recorded a contraction of its activity in the second half of 2008. Taking account of the strong increase in materials (especially bitumen) prices, revenue increased 6.2% for the year as a whole to reach business volume comparable to that of 2007.

Anticipating the end of a long cycle of strong growth, the company initiated its Eurovia 2012 strategic plan at the end of the first half of 2008. The plan involves the group as a whole and aims to increase its competitiveness and adaptability in a more uncertain business environment so as to maintain its operating margin above the sector average.

Diversification into new business lines that broaden Eurovia's range of expertise and markets is one way to ensure long-term business by strengthening the company's presence. To this end, Eurovia made two major acquisitions in 2008. The first was Signature, a company with revenue of €131 million in 2008. Signature specialises in traffic signs and roadmarking: pavement marking, road and motorway signs, urban development services, etc. The acquisition made Eurovia Europe's market leader in this segment; it will generate growth through synergies with the offerings of the other works entities in markets bolstered by growing local authority demand for turnkey services.

The other operation was the acquisition of Vossloh Infrastructure Services, since re-named ETF-Eurovia Travaux Ferroviaires, which generated revenue of €64 million in the last quarter of 2008. Working primarily in France, ETF-Eurovia Travaux Ferroviaires carries out construction, track refurbishment and rail and overhead line installation for light rail, metro and high-speed, national and regional railway systems. Eurovia is thus staking out a significant position in the rail infrastructure market, which is especially buoyant in France, where the Grenelle Environment Forum provided for construction of 2,000 km of new high-speed rail lines and 1,500 km of light rail lines between now and 2020. Now that it has acquired these technically sophisticated rail construction capabilities, Eurovia is in a position to develop comprehensive offerings in this sector.

Meanwhile Eurovia continued to implement its ambitious innovation policy. At its research centre in Bordeaux-Mérignac, Eurovia designs the "green" products and processes that give it a competitive edge at a time when environmental requirements are being tightened. In 2008, the roll-out of these products and processes accelerated, taking them from the experimental stage to routine use. For example, the Recyclovia® process, which is used to recycle pavement structures in situ in a single pass, has already been employed on 5.7 million sq. metres in France and Spain. Warm mixes (Tempera® product range) are also gaining ground. They are made at temperatures 30°C to 50°C lower than those at which conventional mixes are produced and thus generate energy savings of 20-40% and cut greenhouse gas emissions by 12-27%. Warm mix production is expected to increase from 220,000 tonnes in 2008 to 500,000 tonnes in 2009. To highlight the added environmental value of such solutions, Eurovia developed the Gaia.BE® software package, which was deployed throughout the entire network in 2008. At each stage of a project, from materials extraction at the quarry to compaction of the wearing course, Gaia.BE® enables contracting authorities to assess the environmental impact of their projects.

In materials production, all wholly owned quarries and group quarry holdings are now being put together in a single subsidiary, Eurovia Stone, as part of a strategy to expand this activity outside France. Building on its strong position as the leading road aggregate producer in France, Eurovia has built a European network of quarries and distribution hubs with the dual goal of securing supplies for its own worksites and expanding the sale of materials to third parties.

FRANCE

Following exceptional growth in 2007, activity stabilised in France in 2008, with investments on hold against the backdrop of municipal elections in the spring followed by deterioration of the financial markets. Thanks to its outstanding network of local companies, the very large number of projects (approximately 25,000 per year) on which its activity is based and the wide diversity of the sectors in which it operates, Eurovia was able to withstand the changes in the economic environment. Eurovia was involved in the construction and refurbishment of all types of transport infrastructure:

> motorways: A4 bis, A7, A8, A75/A9, A87, A19 (on this 101 km project carried out for VINCI Concessions (see page 52), Eurovia laid over 1 million tonnes of asphalt mix);

> national and departmental highways and urban bypasses: RN88, RN141, RD104, RD6202 bis, Route du Lido (Cap d'Agde-Sète in southern France), Molsheim bypass (eastern France), northern Lyons ring road (eastern France), Iter Route (southern France);

> airports: Paris-Vatry, Lyons-Saint Exupéry, Bordeaux-Mérignac, Tiga (French Polynesia);

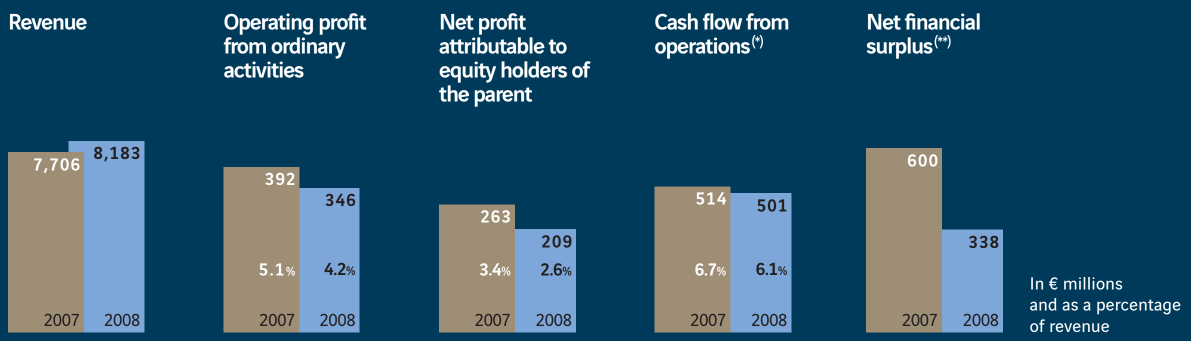
> rail infrastructure: Leslys airport light rail link in Lyons (built by VINCI under a concession contract); light rail systems in Toulouse-Blagnac, Grenoble, Angers and Marseilles (new Line 2 extension contract); Channel Tunnel repair following the fire of 11 September 2008 (first contract won by ETF-Eurovia Travaux Ferroviaires following its integration within Eurovia, carried out jointly with VINCI Construction and VINCI Energies);

> port infrastructure: re-development of the roll-on/roll-off terminal in the northern French port of Boulogne sur Mer, extension of the container terminal in the port of Dunkirk in northern France.

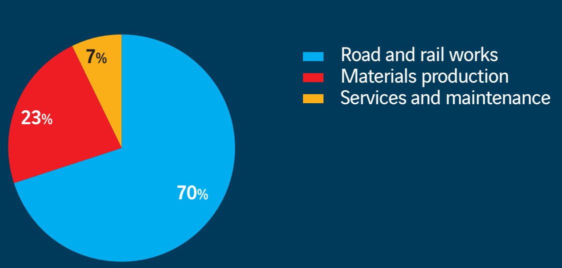
Meanwhile, Eurovia's works divisions took part in a large number of urban development projects, notably in Annecy, Aix en Provence, Bérat, Labastide Murat, Cadenet, Caluire, Lille (where Eurovia is refurbishing the Citadel) and Le Mans. In addition to pavements and surfacings, this type of urban project calls for a diverse range of related expertise (drainage, waterproofing, network diversion, minor civil engineering works) and contributes to urban renewal and enhancement of urban spaces. Projects illustrating this qualitative approach included the new Confluence neighbourhood in Lyons, where Eurovia is converting the banks of the Saône into a public promenade along a former railway track, with the rails being left in place and integrated in the new urban landscape. ■■■

→

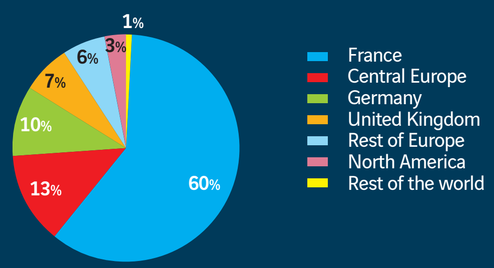
With the acquisition of Vossloh Infrastructure Services, which has taken the name ETF-Eurovia Travaux Ferroviaires, VINCI has broadened the spectrum of its transport infrastructure expertise.



Revenue by business line



Revenue by geographical area



(*) Before tax and cost of debt.
(**) At 31 December 2008.

EUROVIA'S **COMPETITIVE POSITION** IN ITS MAIN MARKETS

France In the road and railway construction and maintenance markets, Eurovia places second behind Colas and ahead of Eiffage Travaux Publics. The rest of the market is divided among some 8,300 regional and local civil engineering contractors. The acquisition of Vossloh Infrastructure Services rounded out our competencies in rail works. Eurovia is also a major player in the road aggregates market, in which cement groups such as Lafarge and Ciments Français operate alongside a large number of local producers.

Germany Eurovia GmbH places second behind Strabag, the other significant players operating on a regional basis.

Czech Republic SSZ is a leader in road and rail works. Its significant competitors are Skanska, Metrostav and Strabag.

United Kingdom Ringway is one of the leaders in the long-term maintenance contract sector, in which the other major players are Carillon, Amey, Jarvis and McAlpine.

Sources: internal studies, company press releases.

The service activity, a source of recurring income, was further expanded with the addition of multi-year maintenance contracts for the Haute Garonne General Council (maintenance of departmental roads), Escota (maintenance work on its 459 km network), Société du Canal de Provence (work on 121 km of canals and 150 km of underground tunnels) and the city of Nice (maintenance of its 13 cemeteries).
Last but not least, in industrial and retail infrastructure, Eurovia worked on the Blayais nuclear power station site, the Rhône-Gier business park in greater Lyons, the Knauf production site in Lannemezan and the Turbomeca plant in Orin (both in southwestern France), the Maisonnément shopping centre project in Cesson (Paris region) and the Pompidou ZAC development zone in Vendargues (southern France).

WESTERN EUROPE

In Germany, where the market was essentially stable and highly competitive, revenue increased 9.7% to €768 million. Benefiting from the restructuring operation carried out in recent years, Eurovia was able to maintain its positions while improving profit. Two major projects complementing traditional operations helped boost activity. The first was the new Berlin-Brandenburg International Airport, where Eurovia, working in a consortium, built and developed one of the runways, the taxiways and the aircraft parking areas (€215 million global contract). The second was the construction of a 25 km section of the A4 motorway in Thuringia under a 30-year public-private partnership (A-Modell programme) signed by VINCI Concessions and Hochtief; the total amount of the works is €300 million and Eurovia is the leader of the construction consortium. In early 2009, Eurovia was named concession company for another part of the A-Modell programme: a 60 km section (of which 41.5 km to be widened to a three-lane dual carriageway) of the A5 motorway between Malsch and Offenburg. Eurovia will lead the consortium responsible for works.

In the United Kingdom, Ringway's positions in the road maintenance market enabled it to withstand the sharp downturn in the economy. Revenue rose 12.7% (at constant exchange rates) to €578 million. As market leader, Ringway carried out two-thirds of its business activity under multi-year road and highway network maintenance contracts (some 60 contracts) with counties, districts and large urban areas. The growing use of joint-venture contracts with outside partners is helping to boost activity. Ringway is also diversifying into telecommunications networks via its subsidiary Beach Communications, which in 2008 won the contract to maintain the entire Virgin Media cable television network in London.

In Spain, the crisis in the construction sector has accentuated competition in the related roadworks market. Despite this difficult business environment, Eurovia confirmed the turnaround of its subsidiaries in the wake of the rigorous selectivity policy implemented over the last several years, and stabilised its positions in the autonomous communities of Madrid, Andalusia and Galicia. During the year, the M410 motorway project on the outskirts of Madrid was handed over and production started at the new Eurovia special products factory in Valdepeñas.

CENTRAL EUROPE

Activity continued to increase in all Eurovia's markets in Eastern Europe. Revenue has now exceeded the €1 billion mark, making this region Eurovia's second-largest market after France.

In the Czech Republic, highlights of the year at SSZ included the start of two major expressway projects: the R6 expressway between Sokolov and Tisová, with work set to continue until 2011, and the new 25 km section of the D3 motorway between Tabor and Veseli nad Luznici. In the railway sector, SSZ completed modernisation works at the main station in Prague as well as re-development of the long-distance lines serving the site.

In Slovakia, SSZ and its local subsidiary Eurovia Cesty (in a consortium with VINCI Construction subsidiary SMP) completed the major D1 motorway project, Slovakia's backbone, between Mangusovce and Janovce. The two companies will also be working throughout 2009 on a 10 km section of the R1 motorway between Zarnovica and Sasovské Podhradie, including engineering structures and associated motorway equipment. The year's completions included the construction of several hard surfaced storage areas for the German company Golbeck.
In December 2008, in a move heralding major prospects for coming years, a consortium led by VINCI Concessions was named preferred bidder on a 30-year PPP contract covering construction and maintenance of a 52 km expressway (R1) linking the towns of Nitra and Tekovské east of Bratislava. The works, with a total value of nearly €1 billion, will be carried out by SSZ.

Poland is the Central European market in which Eurovia's revenue increased most in 2008 (up 130%) as a result of organic growth alone. By expanding its network of works centres and coating plants (four new plants in 2008, a further five planned in 2009), Eurovia Polska made the most of the potential of its markets. Thanks to major projects such as the S7 expressway between Elblag and Kalsk in the north of the country, roadworks activity more than doubled in one year. Eurovia Polska's order book at the end of 2008 indicated that there will be further growth in 2009.

In Romania, one year after gaining a foothold in the market by acquiring Viarom, Eurovia won a €54 million contract from electricity supplier CEZ to carry out the access road and civil engineering work for the largest continental wind farm (139 turbines) currently under construction in Europe.

In Lithuania, activity was buoyant in materials production and roadworks, including the refurbishment of the concrete Vilnius-Utena highway on which Eurovia is using its Viasaf® anti-reflective cracking process.

In Croatia, the effective integration of Tegra, a company acquired in 2007, opens up development opportunities in a market driven by the prospect of the country's accession to the European Union.

AMERICAS

In North America, business activity increased to nearly €515 million.

In the United States, activity was up 12% at constant exchange rates. Indirectly impacted by the housing crisis, which is intensifying competition in civil engineering works, Eurovia's subsidiaries are increasingly focusing on design-build contracts, which call for their technical competencies. Major orders won in 2008 will bolster activity in 2009: in Florida, Hubbard won contracts to build a €16 million landfill and widen 13 km of urban motorway in Jacksonville €39 million); in North Carolina, Eurovia subsidiary Blythe won a €15 million design-build contract to widen Martin Luther King Jr. Boulevard in Monroe.

In Canada, strong growth continued unabated at DJL. Among other projects, DJL is working on a major extension of the A5 motorway in the Outaouais region (600,000 cu. metres of excavation, 110,000 tonnes of aggregate, 25,000 tonnes of asphalt mix). Activity was also buoyant in aggregate production, with a sales volume in excess of 4.5 million tonnes. Last but not least, Eurovia set up a new aggregate supply channel linking the Gaspésie region in Québec with Hubbard locations in Florida, a region without hard rock resources, to supply the mix plants of this subsidiary.

In Chile, activity remained at a very high level. In addition to a number of major road projects (CH60 highway, bus lane networks in Santiago), the Bitumix subsidiary is benefiting from the upswing in the road maintenance services market. Within that framework, cold microsurfacing projects underwent a major expansion in 2008.

LONG-HAUL SUPPLY CHAIN

In materials production, Eurovia continues its strategy of building an integrated industrial supply chain. In Florida (USA), a region without hard rock resources, Eurovia uses materials from its quarry in Gaspésie (Québec) which are brought in by sea from the port of Gaspé (pictured above). Modelled on the European Antwerp distribution hub, this solution provides high-quality materials, controls production costs, protects the environment and secures supplies.

OUTLOOK CONTRACTION EXPECTED IN FRANCE; POSITIVE LONG-TERM TRENDS

In France, the cyclical downturn in the second half of 2008 and the decline in the order book at the end of the year could result in a contraction of business activity in 2009. On the other hand, activity is expected to remain stable outside France thanks to the momentum and local roots of Eurovia's subsidiaries in Central Europe and the Americas.

The performance of Eurovia's organisation and management methods, combined with the diversity of its geographical areas of operation and expertise, give it considerable ability to weather cyclical swings. In an increasingly competitive business environment, Eurovia will be stepping up the effort it began in 2008 to retain a satisfactory operating margin, notably through the rigorous selection of new projects. The Eurovia 2012 strategic plan will be implemented across all operating entities. The goal is to make the most of the company's expertise and network of local entities, while controlling overheads in order to maintain competitiveness.

Ultimately, the markets in which Eurovia operates will remain buoyant because they are driven by positive long-term trends: strong demand for construction of new transport infrastructure in developing countries and refurbishment of existing infrastructure in mature economies; growing urbanisation; and an increasing focus on mobility issues will generate a permanent flow of urban development projects.

Against this backdrop, Eurovia should be able to benefit from its position as a builder of multimodal infrastructure – roads, railways, bus rapid transit, light rail, airports – to adapt to changing public policies in its various markets. In this respect, the integration of ETF-Eurovia Travaux Ferroviaires opens up new opportunities in France in the context of the new high-speed rail programmes. Eurovia will make the most of its complementary expertise in the buoyant quality of life (urban renewal and public facility upgrades) and network maintenance services markets, operating under multi-year contracts.

In materials production, Eurovia will be continuing its strategy of setting up an integrated industrial activity. A new subsidiary, Eurovia Stone, has been set up to give it greater visibility. It will pool Eurovia's materials production assets in 2009.

Last but not least, the development of group synergies, notably within the framework of PPP contracts, enables Eurovia to optimise its presence in the major infrastructure projects that are set to be supported by stimulus plans across the world. As in the case of the A4 motorway currently under construction in Germany, these PPP contracts offer a significant source of future growth, ensuring long-term maintenance and service work activity over several years. ■

↑

The majority of the world population now lives in cities. The development of urban infrastructure combining comfort, aesthetics and safety requires quality upgrades that call on the full range of expertise offered by Eurovia.

CONSTRUCTION

PROFILE

French market leader and a world major in construction, VINCI Construction brings together an unparalleled array of capabilities in building, civil engineering, hydraulic engineering and services.

VINCI Construction's business is divided into three major complementary components:
> a network of local subsidiaries in mainland France with VINCI Construction France, which has a network of 370 profit centres, and outside mainland France with VINCI Construction UK in the United Kingdom, CFE (in which VINCI holds a 46.8% interest) in the Benelux countries and VINCI Construction Filiales Internationales in Germany, Central Europe, Overseas France and Africa;

> specialised business lines with high technical content: specialised civil engineering technologies with Soletanche Freyssinet (structures, special foundations, soil technologies, nuclear engineering), dredging and marine engineering works with DEME (in which CFE holds a 50% interest); and oil and gas infrastructure with Entrepose Contracting;

> management of complex projects with VINCI Construction Grands Projets, which operates in the world market for major civil engineering and building structures.

VINCI Construction is the matrix for the Group's entrepreneurial culture and management system, which combines decentralised organisational structure, networking, management empowerment, individual responsibility and a profit culture. Over the past five years, revenue has doubled and operating margin has quadrupled.

CONSTRUCTION BUOYANT GROWTH, ESPECIALLY IN THE INTERNATIONAL MARKET

2008 was another year of strong growth for VINCI Construction. Driven by both acquisitions and organic growth, revenue rose 15% to €15.7 billion. Efforts made in recent years to broaden VINCI Construction's networks of expertise and to internationalise its business activity have diversified its risk profile and boosted its ability to weather cyclical swings.

NETWORKS OF LOCAL SUBSIDIARIES

Mainland France

Following very strong growth at VINCI Construction France in 2007, revenue rose nearly 8% in 2008 to €6.7 billion, virtually all of it accounted for by organic growth. The simultaneous increase in profits and cash flow confirms the company's excellent performance, which took place in an economic environment that was very different from that of previous years.

Building, representing two-thirds of total business activity, grew 11% to €4.4 billion. Residential construction of all types (public, private, new, refurbishment) accounted for only about one-third of the total. The downturn in the market for private sector residential housing, to which VINCI Construction France has little exposure, was partly offset by the growth in social housing (in this sector, revenue exceeded €412 million in 2008). Activity also continued to expand in office space (up 28% to €940 million) on the back of a large order book from previous years, and in the hospital sector (up 36% to €463 million), which drove activity in public building construction. VINCI Construction France's strong position in this sector, which is expected to be buoyant in the long term, gives the company an edge in the country's ambitious, recently-initiated hospital programme.

Business activity continued to grow in civil engineering (up 3% to €1.6 billion), especially in marine and inland waterway works, and accounts for 24% of total activity at VINCI Construction France. The tie-up between the civil engineering division of VINCI Construction France and VINCI Construction Grands Projets enhances our responsiveness in the major infrastructure market, which is expected to benefit from the economic stimulus package adopted by the French authorities at the end of 2008.

Business activity increased overall in the service business lines (building maintenance, environmental services, roll-out and management of optical fibre networks), with revenue coming in at a total of €179 million. It remained stable, however, in hydraulic engineering (€554 million), with local authorities holding back on investments during the election period and then in the wake of the financial crisis in the second half.

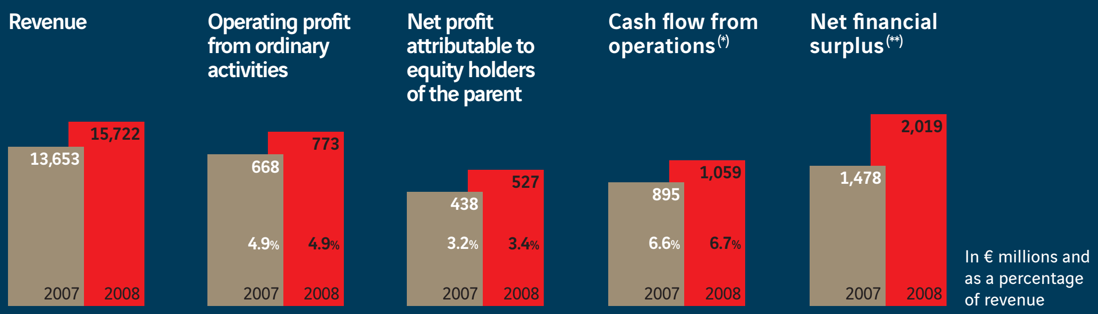
Taking all sectors together, VINCI Construction France generates nearly half of its revenue in projects with a unit value of less than €5 million, of which a large number are in its core business. This stable business activity base, together with the company's wide range of business lines and the strong local roots of its network of profit centres, give it strong resilience, as its performance in 2008 demonstrates. ■■■

CAMBON-CAPUCINES: A PROJECT DEVELOPED AND EXECUTED BY VINCI

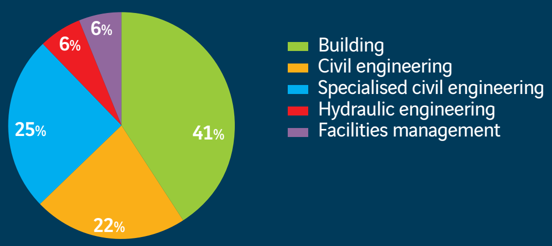
Work got underway on the Cambon-Capucines project in the heart of Paris in 2006. On this project, VINCI Immobilier's development expertise was combined with VINCI Construction France's experience in structural renovation. The very large (50,000 sq. metres) and complex project involved the restoration of several architectural gems that are classified or listed as historic landmarks.

→

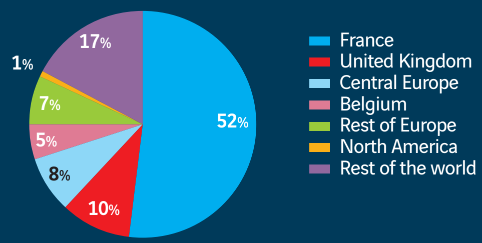
VINCI Construction subsidiaries are carrying out civil engineering works (earthworks, engineering structures, restoration of communications) on a 37 km works package along the Eastern section of the Rhine-Rhone high-speed rail line, part of the future European north-south rail link, between Dijon and Mulhouse.



Revenue by business line



Revenue by geographical area



(*) Before tax and cost of debt.
(**) At 31 December 2008.

VINCI CONSTRUCTION'S **COMPETITIVE POSITION** IN ITS MAIN MARKETS

France VINCI Construction is leader in France in a market estimated at nearly €200 billion, ahead of Bouygues Construction, Eiffage Construction, Fayat and Spie-Batignolles. The remainder of the market is split among a large number (estimated at 338,000) of small and medium-sized companies.

United Kingdom With the acquisition of Taylor Woodrow Construction, VINCI PLC has become a significant player in the United Kingdom, especially in the infrastructure and facilities management markets. The main British groups are Balfour Beatty, Carillon, Amec and Laing O'Rourke. The British market is estimated at about €215 billion.

Benelux CFE is one of the leaders in the Belgian market, estimated at €34 billion, alongside the BAM group, Besix and Jan De Nul.

Central and Eastern Europe VINCI Construction continues its development, especially in Poland and the Czech Republic, where it has been operating through local medium-sized companies for the past decade.

Germany VINCI Construction's activity is carried out by two specialised subsidiaries operating in niche markets (facilities management and PPPs; architectural fitting and finishing).

Specialised markets Through its subsidiaries Soletanche Freyssinet, DEME and Entrepose Contracting, VINCI Construction operates in world niche markets with high technical content.

Sources: Euroconstruct – Summary Report, November 2008 (market volume); Le Moniteur-Expert, company press releases (competitive position); French Directorate of Economic and International Affairs (DAEI) – Major economic aggregates in construction, September 2008 (number of companies).

Overseas France

Business activity at VINCI Construction Filiales Internationales in Overseas France reached a record €550 million (up 14.5%) as a result in particular of the major projects under way in French Guiana (Soyuz launch site), Reunion Island (Route des Tamarins) and New Caledonia (Goro-Nickel project). These projects call for the complementary expertise of VINCI Construction Filiales Internationales, VINCI Construction Grands Projets and VINCI Construction France. Public-private partnerships (PPPs) also constitute a growth driver, illustrated by the contract signed in early 2009 to build the Port Réunion grain terminal.

United Kingdom

The acquisition of the Taylor Woodrow Construction company, a benchmark player in the British construction market, was a highlight of the year. This operation resulted in the creation of VINCI Construction UK, a new entity ranked among the market leaders. It enables VINCI Construction UK to expand in the facilities management, rail and airport infrastructure and public building (health care, education) sectors while reinforcing its portfolio of PPP contracts. VINCI Construction UK has low exposure to the residential property market, and was thus able to hold up well in a poor economic environment. Taylor Woodrow Construction's substantial track record in nuclear civil engineering will also stand the company in good stead as the British nuclear programme is re-started. It also against this backdrop that VINCI Construction UK and VINCI Construction Grands Projets signed an exclusive partnership agreement with Balfour Beatty, a British civil engineering major, to build EPR type nuclear power stations in the United Kingdom.

Belgium

Revenue at CFE (in which VINCI Construction holds a 46.8% interest) rose 14% to €1.7 billion. Activity increased across all CFE divisions as well as in dredging, carried out by its subsidiary DEME (see page 84). In construction, anticipating the slump in the building market, CFE put together a large order book in civil engineering. The projects that will be driving this sector in coming months and years include: the construction of the Diabolo tunnel in Zaventem (Brussels airport), the design and construction of the Delft rail tunnel, the construction of the Liefkenshoek rail link in the port of Antwerp and the construction of the Coentunnel in Amsterdam – these last two PPP contracts having been signed in a consortium with VINCI Concessions in 2008. Meanwhile CFE continued to reinforce its multi-technical division, where activity grew 69% thanks to several recent acquisitions – including, in 2008, Stevens NV (railway signalling, airport wiring and runway lighting, communications networks) and a stake in Druart (climate engineering).

Germany

With revenue up 11%, SKE confirmed its performance in the facilities management market and continued to diversify its longstanding base. The United States Armed Forces in Germany, its longstanding customer, now represents only about half of its business activity, with construction, renovation and/or comprehensive maintenance of public buildings accounting for the other half. Three new PPP contracts with a total value of €159 million, covering the construction and 25-year maintenance of schools, were signed in 2008. Overall, SKE manages nine contracts with an average duration of 22 years and an overall value of over €600 million.

↑

After modernising the wastwater treatment plant in Lodz, Warbud, the Polish subsidiary of VINCI Construction Filiales Internationales, won the design-build contract in early 2008 to modernise and extend the Czajka wastewater treatment plant in Warsaw, which will be the country's largest once it is commissioned.

Central Europe

At VINCI Construction Filiales Internationales in Central Europe, revenue came in at €770 million. Business remained brisk in Poland, where Warbud, a subsidiary traditionally focused on building, continued to expand into civil engineering and environmental business lines, notably winning a major contract to build a wastewater treatment plant in Warsaw. This diversification of activity boosts Warbud's resilience in a market that is stabilising. In the Czech Republic, activity grew substantially (up 40%) in the civil engineering market, where SMP is a benchmark player; in building, the merger of the two subsidiaries Prumstav and FCC enhances our competitiveness in a declining market.

Africa

Sogea-Satom's revenue again increased substantially (up 17%) to €632 million. With locations in some 20 countries, primarily in French-speaking Africa, Sogea-Satom is building on its historic roots and the quality of its expertise and methods to maintain its edge in a more and more competitive environment. Activity remained buoyant in earthworks and roadworks, the company's two main business lines, with several major projects in Cameroon, Guinea, Chad, Burundi, Benin and Congo. Sogea-Satom continued, in parallel, to develop its hydraulic engineering and civil engineering activities, winning a new water supply system contract in Tanzania (pipelines and treatment plants) and several cement works construction contracts in Morocco. The company's excellent order book at the end of 2008 heralds an ongoing high level of activity in 2009 in all the areas in which Sogea-Satom operates. ∎∎∎

290 METRE SPAN ACROSS THE ABYSS

The Grande Ravine viaduct, one of four exceptional engineering structures along the Route des Tamarins on Reunion Island, owes its unusual design to environmental necessity. The structure was required to have no piers or cable stays so as not to endanger the Audubon's Shearwater, a bird species threatened with extinction that nests close to the site. Reduced to a thin blade of steel, the deck that overarches the 170-metre ravine is supported by highly complex civil engineering structures, of which only the incrementally launched braces are visible.

SPECIALITY BUSINESS LINES WITH HIGH TECHNICAL CONTENT

Specialised civil engineering

2008 was a record year for Freyssinet and Solétanche Bachy. During the year, the two entities were brought together in a new unit called Soletanche Freyssinet, which forms an integrated specialised civil engineering technologies division.

Freyssinet: Revenue rose 17% to €970 million. Activity grew across all business lines, especially those in nuclear engineering, which were brought together under the Nuvia brand in 2008 and soil improvement. Geographically, growth was particularly strong in the Middle East, which is now Freyssinet's second largest market after France; it was also significant in North and South America, South Africa and Australia. As a result of the substantial increase in order intake during the year (up 10% to €1.1 billion) activity was expected, at the end of the year, to remain at a high level in 2009.

Solétanche Bachy: Revenue grew 11% to €1.5 billion. Growth occurred mainly in France (up 40%, as a result, in particular, of two major projects: the Toulon tunnel and the port of Le Havre), Eastern Europe, North and South America, the Middle East and in the subsidiaries specialising in soil technologies. At the end of the year, the order book exceeded €1 billion, heralding stabilisation of activity in 2009.

Combining high technical content offerings and international coverage (with nearly 70% of its revenue generated outside France), Soletanche Freyssinet operates in markets bolstered by major new construction projects (especially in the Middle East and Asia) and growing infrastructure refurbishment requirements – major projects such as dam rehabilitation in the United States and a myriad of local projects managed by local subsidiaries. The creation of this entity supports the development of new integrated offerings, with the range of technologies provided by Soletanche Freyssinet at times representing up to two-thirds of the value of the contract on some complex projects. Meanwhile, the tie-up between the international networks of Solétanche Bachy and Freyssinet, often with complementary locations, optimises market coverage while generating technical and supply chain synergies.

Dredging and marine engineering

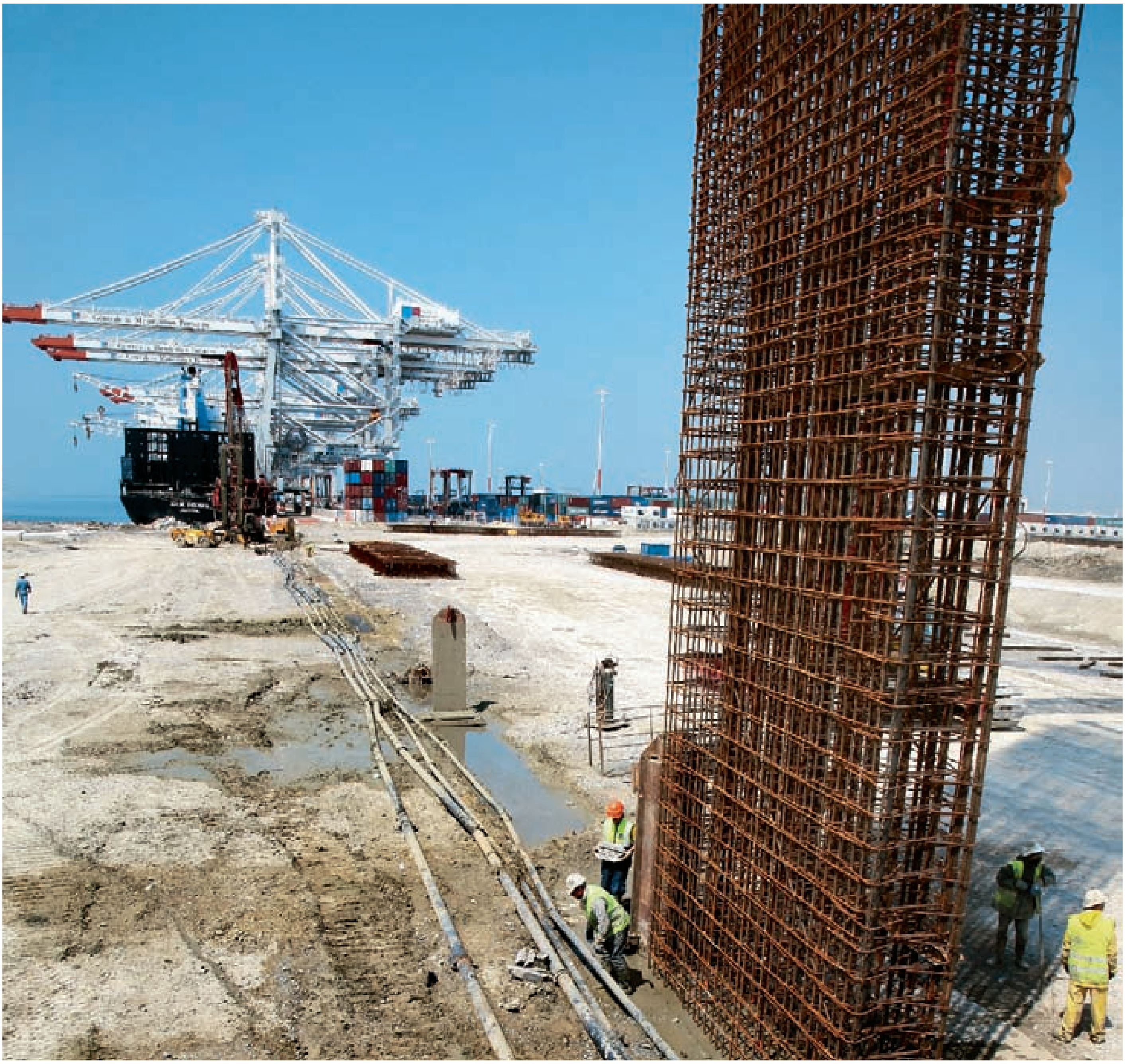
DEME continued to expand substantially, with revenue up 15% to €1.5 billion. With a fleet of dredgers and marine equipment distributed across eight operating bases in Europe, the Middle East and Asia, DEME carries out its core activities comprising a large number of dredging projects as part of port and inland waterway modernisation, and also builds on its position of leadership in the world market for major marine projects to carry out very large projects. Activity was buoyant and remains well diversified on all five continents. Major orders, such as the widening of the Panama Canal, will be keeping the DEME fleet busy for several years. Last but not least, diversification into such business lines as soil remediation, contaminated sludge treatment, a range of services for oil and gas customers and offshore infrastructure (wind farms, platforms) construction bolster activity and buffer cyclical market swings.

Oil and gas infrastructure

Entrepose Contracting consolidated its growth in 2008 after joining VINCI in 2007 and acquiring the Spie-Capag company, a world leader in land pipelines, in the same year. Revenue came in at €462 million. The year saw a very large increase in the order book, which stood at a record €700 million at the end of December and heralds a buoyant 2009. Entrepose Contracting benefits from a number of favourable trends in its various markets: in the oil sector, treatment facilities are again being built at production sites after a period during which strong pressures on prices created tensions in relations between the producing countries and the oil companies, slowing a number of projects; in the gas sector, work or design studies have started on major gas pipelines and production and storage facilities are being built as markets liberalise and new players enter the market in increasing numbers.

COMPLEX PROJECT MANAGEMENT

VINCI Construction Grands Projets operates in the world market for major projects, covering the full range of expertise required to execute and manage complex projects. Its revenue amounted to €771 million in 2008. During the year its order book increased spectacularly (€1.9 billion at the end of 2008, up 34% during the year), ensuring ongoing activity and offering visibility for several years. VINCI Construction Grands Projets operates in a market in which projects are growing in size and complexity and are increasingly including a "systems" component. Such trends give VINCI Construction Grands Projets, with its strong engineering and project management capabilities, a competitive edge. The division also benefits from the strong flow of work generated by our concession contracts; VINCI Construction Grands Projets is working on the major Athens-Tsakona and Maliakos-Kleidi motorway projects in Greece, the Liefkenshoek rail link in the port of Antwerp and the Coentunnel in Amsterdam. Network and capability synergies with the other VINCI Construction divisions are also driving activity expansion, as illustrated by the last two projects, which are being carried out with CFE, and the construction of a pumping station in Qatar and a regasification terminal in the port of Rotterdam, which are being built in synergy with Entrepose Contracting. ■



AN OUTSIZED PORT

Refurbished and extended as part of the Port 2000 project, the port of Le Havre is a crucial link in international container traffic. In 2007, work was started on a new extension awarded to Solétanche Bachy. This involves construction of an additional 2,100 metres of wharf, comprising 130,000 sq. metres of diaphragm walls and 200,000 sq. metres of watertight screen. The operation also involves 6 million cu. metres of dredging, an equal volume of excavation and backfill, and the placement of 170,000 cu. metres of concrete and more than 20,000 tonnes of steel.

A BROAD RANGE OF BUSINESS LINES AND PROJECTS

> Orders placed in 2008
> Work under way in 2008

BUILDING

France

> Cnit refurbishment, La Défense
> Grands Moulins de Pantin (conversion to office space), Pantin (Paris region)
> CMA-CGM Tower, Marseilles
> Matmut head office, Rouen
> Hospital: Sainte-Musse in Toulon (southern France)
> Hospital: Chalon sur Saône (eastern France)
> Lycée: Clément Ader, Tournan en Brie (Paris region)
> Lycée: Argenteuil (Paris region)
> Heron Park recreation, retail and office complex, Villeneuve d'Ascq (northern France)
> Louis Vuitton Foundation, Paris
> Hérault departmental archives (Pierres Vives project), Montpellier
> Valenciennes and Le Mans stadiums (northern France)
> Musée de la Mer and Cité de l'Océan et du Surf, Biarritz (south-western France)
> Lyon Confluence recreation and shopping centre (eastern France)
> Société Générale trading room, La Défense (Paris region)

United Kingdom

> Circle Hospital Bath, Somerset, UK
> Sheffield school renovations (Building Schools for the Future programme), UK
> Cardiff Bay police station, Wales
> Cheetham Hill Tesco shopping centre, Manchester, UK
> Royal Oldham Hospital extension, Manchester, UK
> East Barnet (Hertfordshire) and Luton high schools (Bedfordshire), UK

Benelux

> B-Park shopping centre, Bruges
> Fortis office building, Brussels
> Office buildings (34,000 sq. metres), Luxembourg
> D4 and D5 office buildings for the European Parliament, Brussels
> Head office of the European Investment Bank (EIB), Luxembourg
> Serenity HEQ office building, Luxembourg
> Mediacité shopping centre (100,000 sq. metres), Liège

Central Europe

> Copernicus science centre, Warsaw (Poland)
> Housing Reporyje (125 housing units), Prague (Czech Republic)
> Yazz Hotel, Prague
> Ibis Hotel, Prague
> Leclerc shopping centre, Gdansk (Poland)
> Saint-Gobain manufacturing plant, Dabrowa Gornicza (Poland)

Overseas France

> Lycées in Rémire, Saint Laurent du Maroni and Mana (French Guiana)
> Afpar training centre in Saint Pierre (Reunion Island)

CIVIL ENGINEERING

France

> Paris metro, Line 13 extension
> Paris metro, Line 12 extension
> Rhine-Rhone, high-speed rail line, eastern branch (37 km works package)
> Terenez Bridge (western France)
> Angers, Vannes and Pornic waste treatment units
> Côtière (eastern France) and Compiègne (northern France) viaducts
> A65 Langon-Pau motorway (earthworks and engineering structures)

United Kingdom

> M1 motorway widening (23 km), Nottingham, UK
> Clackmannanshire Bridge, Kincardine, Scotland
> Nuclear waste storage site, Sellafield, Cumbria, UK
> Soil rehabilitation at the Stratford Olympics site, London
> Airport car park, Birmingham, UK
> Baker Street station refurbishment, London underground
> King's Cross urban renewal project, London
> Docklands Light Railway redevelopment, London

Benelux

> E19 motorway – Zaventem airport terminal rail link, Brussels
> C-Power offshore wind farm, Ostend
> Noorderlaanbruggen bridges on the Albert Canal, Antwerp
> Sludge treatment and storage complex in the port of Antwerp
> Rail tunnel, Delft
> Coentunnel, Amsterdam
> Liefkenshoek rail tunnel, Antwerp

Central and Eastern Europe

> Chernobyl containment sarcophagus (Ukraine)
> S7 Elblag-Olsztynek national highway (Poland)
> S8 Konotopa-Prymasa Tysiaclecia national highway (Poland)

Africa

> Algiers metro – 10 stations and a technical building (Algeria)
> RN1 and RN4 national highways, (Burkina Faso), Lufimi-Kwango highway (Democratic Republic of Congo)
> 93 km Kissoudougou-Guéckédou-Sérédou highway (Guinea)
> Urban streets in Douala (Cameroon)
> Ben Ahmed and Béni Mellal cement works – Addoha Group (Morocco)
> Line 3, Cairo metro (Egypt)

Middle East

> Wadi Dayqah dam (Oman)
> Four Lusail car parks (Qatar)

Overseas France

> Dumanoir dam (Guadeloupe)
> Port Réunion cereal terminal, (Reunion Island)
> Earthworks at the Dumbea sur Mer ZAC development zone (New Caledonia)
> Soyuz ground segment and launch facilities (French Guiana)

Americas
> Panama Canal deepening and widening
> Brightwater tunnels (Seattle)

Trinidad and Tobago
> Motorway interchange

HYDRAULIC ENGINEERING

France
> Coudekerque-Branche wastewater treatment plant (northern France)
> La Morée wastewater treatment plant (Paris region)
> Angers wastewater treatment plant (western France)
> Montoir de Bretagne pumping station (western France)

Poland
> Czajka wastewater and sludge treatment plants (Warsaw)

Africa
> N'Djili water treatment plant, Kinshasa (Democratic Republic of Congo)
> 6 water treatment plants, Mbeya (Tanzania)
> Al Gardabiya-Assdada pumping station (Libya)

Jamaica
Refurbishment of water networks and systems in the city of Kingston

SPECIALISED CIVIL ENGINEERING

> Special works in the Port 2000 container port in Le Havre (France)
> Toulon road tunnel (France)
> Decommissioning of the CEA's RM2 power station, Fontenay aux Roses (France)
> Stays cables on the Megyeri Bridge, Budapest (Hungary)
> Stays cables and prestressing on the Phu My Bridge south of Ho Chi Minh City (Vietnam)
> Prestressing on two nuclear reactors, Kudan Kulam (India)
> Compaction of a 2.7 million sq. metre hard surface at Kaust University (Saudi Arabia)
> Construction of 70,000 sq. metres of reinforced earth walls on 16 road structures (Mexico)
> M'Kacel collector mains in Algiers and Rabat (Morocco)
> Special works for the metro (Singapore)
> Sewer tunnels (Bogota)
> Wolfcreek and Canton Dams (United States)
> Metros in Singapore (works package 903) and Mexico City, special works
> Work to repair the Channel Tunnel (France)
> Wharf No. 1 at the commercial port of Degrad des Cannes (French Guiana)

OIL AND GAS INFRASTRUCTURE

> Pumping station and 120 km pipeline (Algeria)
> 320 km pipeline (Yemen)
> LPG storage and loading facility (Kuwait)
> Regasification terminal in the port of Rotterdam (Netherlands)
> 544 km Durban-Johannesburg pipeline (South Africa)
> 20 cryogenic spheres (Mexico)
> 235 km Rubiales-Monterrey pipeline (Colombia and Mexico)
> Lagos Beach compression station (Nigeria)
> LPG and LNG cryogenic storage in Skikda (Algeria)
> Outfall pipes for the Sirte conventional thermal power station (Libya)
> 20 km outfall pipe, Havana canal (New Caledonia)
> LNG storage terminal, Grain Island, Kent, UK

SERVICES

France
> Optical fibre network for the Hérault department

Germany
> Maintenance at 54 schools in Germany and Belgium
> Construction/maintenance of schools in Bergneustadt, Jülich and Nuremberg

United Kingdom
> Construction/maintenance of the St Helens and Knowsley hospitals, Merseyside, UK

In Trinidad (Trinidad and Tobago), in the West Indies, VINCI Construction Grands Projets teams carried out the tenth and last launching operation on the metal frame of the 600 metre long curved ramp of the Churchill Roosevelt–Uriah Butler interchange, which will connect the island's main north-south and east-west arteries.
↓

OUTLOOK GOOD VISIBILTY FOR 2009, BUOYANT LONG-TERM MARKETS

In the short term, VINCI Construction expects a volume contraction in its markets as a result of the downturn in its business environment, marking a slowdown in the growth cycle that has doubled its revenue over the last five years.

In the long term, the markets in which VINCI Construction operates will be sustainably buoyed by the substantial requirements for infrastructure and facilities of all types (transport, energy, health care, education, etc.) in both the emerging countries, where new construction will be the norm, and in mature economies, in which the focus will be on modernisation. An increasing proportion of these projects will be carried out under PPP contracts, and synergies with VINCI Concessions hold out significant prospects in this field.

At the end of 2008, VINCI Construction's order book amounted to €16 billion (12% above the level at the end of 2007), accounting for about one year of average business activity and thus affording excellent visibility for a good part of 2009.

VINCI Construction's wide range of business lines, areas of operation and customers, together with the responsiveness of its organisations and the ability of its companies to meet changing demand in their markets, enable it to withstand cyclical swings. This resilience is reinforced by the major steps it has taken in recent years – building a unified network in France, with VINCI Construction France, broadening its range of expertise (soil technologies, oil and gas infrastructure, nuclear) and internationalising its business activity, with half its revenue now generated outside mainland France.

VINCI Construction will be moving into the period of market contraction that is now expected without departing from its principles of selective order-taking and rigorous management. Its constant priority will be to uphold its margins, even if this means, in some cases, voluntarily reducing volumes. Activity will however be bolstered, during this intermediary period, by public economic stimulus programmes, which give pride of place to infrastructure projects and construction business lines, especially in France, where the stimulus package is combined with the major building energy renovation programmes that emerged from the Grenelle Environment Forum. ■

↑

The development of PPPs aimed at building, refurbishing and maintaining public buildings enabled SKE, VINCI Construction's German subsidiary, to diversify into the educational sector, winning three major contracts in 2008.

→

Our internationalisation is notably driven by specialised subsidiaries such as Entrepose Contracting, which offers expertise in oil and gas infrastructure.

PROPERTY PRUDENT MANAGEMENT IN A SEVERELY WEAKENED MARKET

VINCI Immobilier operates in the French business and commercial (office, hotel and retail space) and residential (housing and serviced apartments) property markets. It provides a comprehensive multi-product, multi-service offering in the property planning, property development and (as of 2008, through its subsidiaries VINCI Gestion and CDB Gestion) property management business lines, which complement each other.

Despite the sharp downturn in its market in 2008, VINCI Immobilier generated revenue of €558 million, close to the level achieved in 2007. However, the company recorded a decline in its operating profit from ordinary activities as a result of substantial provisions booked in 2008. Business and commercial property held up well, offsetting the strong decline in residential property.

BUSINESS PROPERTY

Thanks to the diversification of its activities (office, retail and hotel space), VINCI Immobilier generated revenue of €186 million in business property despite the sharp decline in investment, which fell to the 2005 level. This level of activity was achieved thanks to the sale of several office space operations: M1D programme in Paris (13,000 sq. metres), Belvédère in Boulogne Billancourt (13,200 sq. metres) and Portes Sud in Toulouse (21,200 sq. metres). During the year, four new major operations were signed in the greater Paris area for investors GE Real Estate France (see opposite), IVG, Carlyle and Carrefour Property, though their financing remains to be finalised.

The many programmes handed over during the year included: in Paris, the first part of the high-profile Vendôme-Cambon-Capucines project (17,000 sq. metres of office space) and the Immeuble Bleu at the Porte Maillot (15,800 sq. metres of office space); in Bourg la Reine, the Centralis building (5,300 sq. metres of office space); in the French regions, the République programme in Nancy (10,000 sq. metres of office and retail space), the Murano programme in Lyons (7,000 sq. metres of office space) and the four-star, 47-room Grand Balcon hotel in the heart of Toulouse.

RESIDENTIAL PROPERTY

The market downturn, which began in the French regions in early 2008, accelerated in the second half and began to impact the greater Paris area in July. It entailed a significant fall in the pace of reservations and an increasing number of withdrawals with prices levelling off and then declining. As a result, VINCI Immobilier decided to discontinue a number of programmes with inadequate pre-sale scores and to forgo the launch of a number of operations with a cost price no longer suited to the market situation.
Against this backdrop, the number of housing unit and service residence reservations declined by 43% (1,767 in 2008, down from 3,102 in 2007). Housing starts numbered 2,285, compared to 3,596 in 2007. Programmes of residential properties under construction remained at a reasonable level, accounting for 10 months of activity at the end of the year, compared to eight months at the end of 2007.

OUTLOOK

In view of the level of orders and a more restricted approach to new operations, VINCI Immobilier expects 2009 to be a difficult year in which selling prices will continue to decline, affecting fees and margins. The company took steps in 2008 that will enable it to cope with this deterioration in the business environment.
To address the downturn, VINCI Immobilier will be honing its strategic model, which combines selective project choice and rigorous implementation (no programme will start construction below a minimum guaranteed reservation level), quality of programmes and locations and property negotiation.
In business property, a number of major office and retail programmes (totalling 100,000 sq. metres) will be handed over in 2009 and work will start on several operations in the portfolio, subject to finalisation of their financing. In residential property, following an action plan initiated in 2008, VINCI Immobilier will diversify its distribution channels by setting up a unit dedicated to property management companies so as to increase sales to private-sector investors in addition to individual customers, and by expanding block sales to social housing authorities and institutional investors. The property stimulus plan initiated by the French government at the end of 2008, which provides for an exceptional off-plan acquisition of 30,000 housing units, should help boost activity.

A 78,000 SQ. METRE HIGH ENVIRONMENTAL QUALITY OFFICE COMPLEX IN BOULOGNE BILLANCOURT

In 2008, VINCI Immobilier signed a property development contract with GE Real Estate France covering the structural renovation of the Pont de Sèvres high-rise office complex in Boulogne Billancourt on the outskirts of Paris. It is made up of three buildings, the tallest of which is 110 metres high. Designed by architect Dominique Perrault, the project will offer service-sector companies 78,000 sq. metres of high environmental quality office space with "NF Bâtiments tertiaires – Démarche HQE" high environmental quality certification and the "THPE" very high energy performance label.

GENERAL & FINANCIAL INFORMATION

Report of the Board of Directors

Contents

A. Report on the financial statements for the year

1. Consolidated financial statements

VINCI's consolidated financial statements at 31 December 2008 include the impact of the first application of Interpretation IFRIC 12 *Service Concession Arrangements*. VINCI has decided to apply this change of accounting policy as from 2008 in order to provide better financial information and has applied it retrospectively to the 2007 financial statements presented for comparison.

2008 was marked by the crisis in the financial markets and the slowdown of economic growth. In this context, the Group's consolidated revenue increased by 10%, including organic growth of nearly 5%.
Despite a 1.4% fall in traffic levels on a stable network basis, the motorway operating companies' revenue increased by 2.8% as a result of the opening of new sections and the effect of changes in prices. In the contracting business lines (energy, roads and construction), activity continued to grow, both in France and abroad, while maintaining a high level of profitability.
The order book continued to be replenished satisfactorily and stood at €23.2 billion at 31 December 2008, up 8% from 31 December 2007.
VINCI Energies' order book stood at €2.4 billion, up by nearly 11% over the 12-month period and represented approximately six months of average activity for this division. Eurovia's order book stood at €4.8 billion, down 5% from the end of 2007 and represented approximately seven months of average activity for this division. Lastly, VINCI Construction's order book increased by nearly 12% compared with 31 December 2007 to stand at €16 billion and represented nearly twelve months of average activity.

1.1 Key events in the period

1.1.1 Main acquisitions and disposals made

Acquisitions by VINCI Park in North America

VINCI Park continued its growth strategy in North America by acquiring Ideal Parking and Master Park in Canada and Sunset Parking in the USA during the first half of 2008. These acquisitions represented a total investment of €24.5 million.

Formation of a joint venture: Signature-Eurovia

At the end of 2007, Eurovia signed a partnership agreement with the Plastic Omnium group, in the field of road markings and signs. Under this agreement, the two companies exchanged shareholdings in their respective vertical and horizontal road marking operations. The transaction represented a total investment of €56 million. Eurovia took a 65% shareholding in Euromark (horizontal road marking) and a 35% shareholding in Signature Vertical (vertical road marking), with effect from 31 December 2007.

Acquisition of Vossloh Infrastructure Services by Eurovia

In September 2008, Eurovia acquired all the shares in Vossloh Infrastructure Services from its German parent company Vossloh AG. Vossloh Infrastructure Services is specialised in railway civil engineering and has been renamed ETF – Eurovia Travaux Ferroviaires. This acquisition represented an investment of €153 million.

Acquisition of Taylor Woodrow Construction by VINCI plc (UK)

In September 2008, VINCI plc, a UK subsidiary of VINCI Construction, acquired Taylor Woodrow Construction from its parent company Taylor Wimpey, for £74 million. Given the amount of the acquired company's cash, this transaction had no effect on the Group's net debt.

Sale by VINCI Construction of its shareholding in Hídépítö

VINCI Construction has sold its shareholding in the Hungarian company Hídépítö.

1.1.2 Financing activities

During 2008, VINCI completed several financing transactions, of which the most important are described in Notes 16.1 and 16.2 to the consolidated financial statements.

1.1.3 Changes in accounting policy

Accounting treatment of loans at below market rate of interest

VINCI has elected to apply early the Amendment to IAS 20 that specifies the accounting treatment of loans at below-market rate of interest.
This change in accounting policy, which has no material impact on the Group's consolidated financial statements, is described in Note A.1.2 to the consolidated financial statements.

Accounting treatment of concession contracts

Following its adoption by the European Accounting Regulation Committee (ARC) last November, VINCI has decided to apply IFRIC 12 Interpretation "Service Concession Arrangements" (applicable to concessions and PPPs) in its 2008 financial statements.
This change in accounting policy, described in Note A.1.3 to the consolidated financial statements, results in concession operating companies recognising revenue for infrastructure construction work that it carried out on behalf of the concession grantor, whether the work is performed by Group or non-Group companies. Whereas, until now, only the portion of work performed by the Group's construction subsidiaries was included in consolidated revenue, this now also includes work performed by non-Group companies under contracts with its concession operating subsidiaries. VINCI's published revenue for 2007 and 2008 is therefore increased by €536 million and €472 million respectively, of which almost all was in France. The impact on net profit attributable to equity holders of the parent is not material.

1.2 Revenue

VINCI's consolidated revenue was €33.5 billion[1] in 2008, up 10.3% against that of 2007. This increase, in line with targets, reflects organic growth of 4.6%, the effect of external growth for 6.6%, and unfavourable foreign currency exchange rate fluctuations for 0.9%.
In France, revenue increased over the year by 6.6% to nearly €21 billion[1] (up 4.1% on a constant consolidation scope basis).
Outside France, revenue was strongly up, by 17% at more than €12.5 billion[1], thanks to acquisitions made in 2007 and 2008 (+14.3%) and organic growth (+5.4%) despite an unfavourable foreign exchange effect (–2.7%). Revenue generated outside of France now accounts for more than 37% of the total (43% in contracting activities).
After taking into account total construction revenue of concession operating companies, in accordance with Interpretation IFRIC 12, revenue amounted to €33.9 billion, up 9.9% against 2007 (€30.9 billion).

VINCI Concessions: €4,781 million[1] (up 4.5%)

The concession operating subsidiaries' revenue amounted to €3,972 million[1] in 2008, up 3.2%. The positive impact on traffic of the opening of new sections (a 1% increase), allowed the 1.4% decline in traffic on a stable network basis to be offset to a great extent. Overall, the decline in traffic during the year was limited, at 0.4%.
ASF's 2008 revenue was up 3.1% at €2,304 million[1]. The opening of the Thenon to Terrasson section of the A89 in January and of the La Roche-sur-Yon bypass section of the A87 at the end of June allowed the decline in traffic to be limited to 1.1% over the year as a whole.
Escota's 2008 revenue was up 2.2% at €591 million[1], despite a 1.3% decrease in traffic.
Cofiroute's 2008 revenue was up 3.7% at €1,077 million[1]. Traffic levels were up 1.9% as a result of new sections opening – the Saint Romain to Druye section in December 2007 and the Angers northern bypass in April 2008.

VINCI Park's revenue was €619 million[1], up by nearly 11% (or 6% on a comparable consolidation scope basis).
In France, the 3.1% increase in revenue (to €406 million) came entirely from organic growth.
Outside France, the strong increase in activity (up 29% at €213 million) reflects both vigorous organic growth (of 13%) and the development undertaken, mainly in service activities, in North America and Central Europe.

Revenue of the other infrastructure concession operating subsidiaries amounted to €190 million, a nearly 16% increase, and included the effects of recently signed contracts (the A4 motorway in Germany and the Clermont-Ferrand Auvergne airport).

VINCI Energies: €4,614 million (up 7.3%)

In France, VINCI Energies' 2008 revenue was €3,161 million, an increase of 4% (or 2.6% on a comparable consolidation scope basis). Contrasting trends were seen depending on the sector: good performances in electrical and telecommunications infrastructures and a falling off in some service sector divisions (in particular office buildings in the Ile de France area).
Outside France, the strong increase in revenue (up 15% at €1,453 million) was the result of external growth. On a comparable basis, activity was slightly down, by 1.7%. Although brisk in Germany, Belgium, Spain, Sweden and Poland, activity was down in the United Kingdom, the Netherlands, and Portugal.

Eurovia: €8,183 million (up 6.2%)

In France, 2008 revenue stood at €4,905 million, up 3.3%, reflecting the inclusion of the latest acquisitions (Euromark – formerly Signature – in the field of horizontal signage, and ETF – Eurovia Travaux Ferroviaires, formerly Vossloh Infrastructure Services). On a comparable basis, activity was down 0.6%. Whereas in the first half of the year, activity had been affected by the completion of several major projects (tramways in particular) and a certain "wait and see" attitude following the municipal elections in March, the end of the year was penalised by the consequences of the financial crisis, triggering a decline in activity in the fourth quarter.
Outside France, 2008 revenue was up by nearly 11%, at €3,278 million. This positive trend, due entirely to organic growth, reflects Eurovia's strong position in Europe (Germany, the Czech Republic and Poland) and in North America.

VINCI Construction: €15,722 million (up 15.2%)

In France, VINCI Construction's 2008 revenue amounted to €8,222 million, up by more than 11%, mainly due to organic growth, which benefited from brisk activity in non-residential building work and in specialised civil engineering. Outside France, the increase of nearly 20% in revenue to €7,500 million reflects in particular the effect of including acquisitions completed in 2007 (Solétanche Bachy, specialised in foundations, Entrepose Contracting, specialised in oil and gas infrastructure, and Nuvia (formerly Nukem), specialised in services in the nuclear power sector) and 2008 (Taylor Woodrow Construction in the United Kingdom). At constant consolidation scope and exchange rates, activity was up 4.2%, driven in particular by the good momentum of the specialised subsidiaries and African operations.

(1) Excluding concession operating companies' revenue for the construction of new infrastructure by third parties (in application of IFRIC 12)

Revenue by business line

(in € millions)	2008	2007 Pro forma	Change 2008/2007 Pro forma Actual basis
Concessions	5,794	5,693	+1.8%
Revenue from tolls and other services	4,781	4,574	+4.5%
Construction of new infrastructure assets	1,013	1,119	–9.5%
Contracting	28,520	25,660	+11.1%
Energy	4,614	4,301	+7.3%
Roads	8,183	7,706	+6.2%
Construction	15,722	13,653	+15.2%
Miscellaneous and eliminations	(384)	(479)	
Total	**33,930**	**30,874**	**+9.9%**
Excluding IFRIC 12 construction revenue realised by third parties	33,458	30,338	+10.3%

Revenue by geographic area

(in € millions)	2008	% revenue	2007 Pro forma	Change on an actual basis	Change at constant exchange rates
France	**21 358 (*)**	**63%**	**20 132 (*)**	**+6.1%**	**+6.1%**
United Kingdom	2,279	7%	2,045	+11.5%	+30.7%
Germany	1,763	5%	1,641	+7.4%	+7.4%
Central and Eastern Europe	2,469	7%	2,308	+7.0%	+1.1%
Belgium	1,001	3%	826	+21.2%	+21.2%
Spain	459	1%	362	+26.8%	+26.8%
Other European countries	1,036	4%	889	+16.5%	+16.3%
Europe excluding France	**9,007**	**26%**	**8,071**	**+11.6%**	**+13.9%**
North and South America	1,208	4%	982	+23.0%	+31.7%
Africa	1,204	4%	859	+40.2%	+41.4%
Middle East and rest of the world	1,153	3%	830	+38.9%	+45.6%
Total	**33,930**	**100%**	**30,874**	**+9.9%**	**+10.9%**

(*) Including concession operating subsidiaries' construction revenue realised with third parties

1.3 Operating profit from ordinary activities / operating profit

Operating profit from ordinary activities[1] for the year was €3,378 million, up 8.3% compared with 2007 (€3,118 million after application of IFRIC 12).
This is a 10.1% margin, compared with 10.3% in 2007.
After adjusting for exceptional items, amounting to a net gain of €85 million in 2008 (comprising the reversal for €120 million of provisions for employment benefits at ASF and Escota and impairment losses of €35 million on real estate inventory at VINCI), the increase in operating profit from ordinary activities was 5.6%.

VINCI Concessions was the main contributor to Group operating profit from ordinary activities (accounting for 58% of the total), with operating profit from ordinary activities of €1,966 million (compared with €1,751 million in 2007).
This was an overall increase of 12.3%, a result mainly of the increase in motorway operating companies' revenue, which remained positive despite the fall in traffic on a stable network basis over the year, and good control of operating expenses. Operating profit from ordinary activities includes a reversal of provisions for €120 million following the re-estimate of some employee benefits (see Note 20.2 to the consolidated financial statements). Excluding this non-recurrent item, VINCI Concessions' operating profit from ordinary activities increased by 5.4%.
Operating profit from ordinary activities for the three motorway companies (Cofiroute, ASF and Escota) increased by 15.1% (or by 7.5% excluding non-recurrent item) to €1,807 million (a margin of 42.5% excluding construction revenue and non-recurrent item), compared with €1,570 million in 2007.
Operating profit from ordinary activities of VINCI Park was down slightly, by 2.8%, at €126 million, compared with €130 million in 2007 which included exceptional income on international operations of €5 million.
Lastly, operating profit from ordinary activities from other concessions fell by 20% from €58.7 million in 2007 to €47.2 million, due to unfavourable exchange rate fluctuations and impairment losses on under-performing assets.

VINCI Energies recorded an increase of nearly 7% in operating profit from ordinary activities to €245 million in 2008 compared with €229 million in 2007, with the margin remaining stable at 5.3%.
This trend is the result of a marked increase in the operating profit from ordinary activities of foreign subsidiaries, related in particular to consolidation over a full year of the Swiss group Etavis, acquired in July 2007.
In France, operating profit from ordinary activities remained stable overall at €158 million (compared with €159 million in 2007) despite the impact of provisions charges on several major sites in the start-up phase.

(1) Operating profit from ordinary activities is the profit from operations before share-based payment expenses (IFRS 2), goodwill impairment expenses and the Group's share of profit or loss of equity-accounted entities

Eurovia's operating profit from ordinary activities was down by 11.8% at €346 million (a 4.2% margin), compared with €392 million in 2007 (a 5.1% margin), due to more difficult market conditions in France and a reduction of major site activities.

VINCI Construction's operating profit from ordinary activities was €773 million (a 4.9% margin), up 15.6% compared with 2007 (€668 million, a 4.9% margin).
In addition to the positive effects of the acquisitions made in 2007, most of the division's entities reported improved performances, in particular outside France.
Following an exceptional 2007, VINCI Construction France again made the greatest contribution to this division, with operating profit from ordinary activities of €290 million (a 4.3% margin), up 3.6% compared with 2007 (€280 million, a 4.5% margin).

Operating profit from ordinary activities by business line / operating profit

(in € millions)	2008	% revenue(1)	2007 Pro forma	% revenue(1)	Change 2008/2007 Pro forma
Concessions	1,966(2)	41.1%(4)	1,751	38.3%	+12.3%(4)
Contracting	1,363	4.8%	1,289	5.0%	+5.7%
Energy	245	5.3%	229	5.3%	+6.7%
Roads	346	4.2%	392	5.1%	–11.8%
Construction	773	4.9%	668	4.9%	+15.6%
Miscellaneous and eliminations	48(3)		76		
Operating profit from ordinary activities	**3,378**	**10.1%(5)**	**3,118**	**10.3%**	**+8.3%(5)**
Share-based payment expense	(104)		(118)		
Goodwill impairment expense	(22)		(6)		
Share in earnings of companies accounted for by the equity method	24		17		
Operating profit	**3,276**	**9.8%**	**3,011**	**9.9%**	**+8.8%**

(1) Excluding concession operating companies' revenue for the construction of new infrastructure by third parties (in application of IFRIC 12).
(2) Including reversal of non-recurrent provisions at ASF and Escota for €120 million.
(3) Including impairment expense on assets at VINCI Immobilier for €35 million.
(4) 38.6% of revenue and + 5.4% change in non-recurrent items in 2008.
(5) 9.8% of revenue and + 5.6% change in non-recurrent items in 2008.

After taking account of share-based payment expenses (under IFRS 2), goodwill impairment expenses and the share of the profit or loss of equity-accounted entities, operating profit was €3,276 million in 2008, a 9.8% margin, an increase of 8.8% compared with 2007 (€3,011 million) or 6% excluding non-recurrent items.
Goodwill impairment losses in the year (of €22 million) related mainly to a €20 million write-down of the goodwill in the Euromark group, acquired by Eurovia at the end of 2007.
The Group's share of the profit of associates amounted to €24 million (compared with €17 million in 2007) and related mainly to the concessions division and to a 40% shareholding in the oil engineering company Doris.

1.4 Net profit for the year

Consolidated net profit for 2008 was €1,591 million, up 9.4% compared with the 2007 profit as restated for the application of IFRIC 12 (€1,455 million).

By business line, the changes reflect trends seen in operating profit from ordinary activities (see above).

Net profit or loss by business line

(in € millions)	2008	2007 Pro forma	Change 2008/2007 Pro forma
Concessions	756	674	+12.2%(*)
Contracting	884	843	+4.8%
Energy	148	142	+4.3%
Roads	209	263	–20.6%
Construction	527	438	+20.2%
Miscellaneous and holding companies	(49)	(62)	
Total	**1,591**	**1,455**	**+9.4%**

(*) 0.4% excluding non-recurrent items at ASF and Escota (€79 million)

The cost of net financial debt was up, at €863 million (compared with €811 million in 2007), due to the level of debt (reflecting the effect of the debt of acquisitions made in 2007) and the increase in interest rates. This impact was however able to be limited by the Group's debt hedging policy.

Other financial income and expense amounted to net income of €57 million, compared with €119 million in 2007 on a comparable basis and included an exceptional impairment loss of €98 million against the shares in ADP (Aéroports de Paris) measured on the basis of the stock market price at 31 December 2008 (€48.39 per share).
Other income and expenses also include capitalised borrowing costs, mainly in respect of Cofiroute, ASF, Escota and Arcour for €136 million (the same amount as in 2007) and the negative impact of the cost of discounting retirement benefit obligations and provisions for the obligation to maintain assets under concession in a good state of repair for €43 million (compared with €46 million in 2007 on a comparable basis).
Lastly, capital gains on disposals of shares amounted to €72 million (compared with €32 million in 2007) and included in particular a gain of €26 million connected with the partial sale of the Peruvian company Grana y Montero.

The income tax expense for the period was €770 million, an increase of €30 million compared with 31 December 2007, representing an effective tax rate of 31.5%, slightly lower than in 2007 (32.2%).

Minority interests (of €108 million compared with €123 million in 2007) are mainly the share not attributable to the parent company shareholders in the results of Cofiroute (reduced from 34.7% in 2006 to 16.7% in 2007) and the Belgian subsidiary CFE (53.2%).

1.5 Cash flow from operations(1)

Cash flow from operations before cost of financing and tax (a concept close to Ebitda) increased by 8% in 2008 to €4,872 million, compared with €4,513 million in 2007, on a comparable basis.
Standing at 14.6% of revenue for the period, the level of cash flow from operations reflects the positive effects of the increased operating profit from ordinary activities (compared with 14.9% in 2007 on a comparable basis).
The concessions division remains the Group's main contributor (accounting for 60% of the total) with cash flow from operations increasing by nearly 4%, to more than €2.9 billion (61.4% of revenue) compared with €2,832 million at 31 December 2007 (61.9% of revenue).
Of this, ASF and Escota contributed €1,902 million, 65.7% of revenue (compared with €1,839 million and 65.4% of revenue in 2007 on a comparable basis). For its part, Cofiroute's cash flow from operations was up 4.9% at €772 million, and represented 71.6% of its revenue (compared with €736 million and 70.8% of revenue in 2007 on a comparable basis).
Cash flow from operations in the contracting divisions increased by 9% to €1,809 million, (6.3% of revenue) compared with €1,659 million, 6.5% of revenue in 2007).

Cash flow from operations by business line

(in € millions)	2008	% revenue(1)	2007 Pro forma	% revenue(1)	Change 2008/2007 Pro forma
Concessions	2,936	61.4%	2,832	61.9%	+3.6%
Contracting	1,809	6.3%	1,659	6.5%	+9.0%
Energy	249	5.4%	250	5.8%	–0.6%
Roads	501	6.1%	514	6.7%	–2.5%
Construction	1,059	6.7%	895	6.6%	+18.3%
Miscellaneous and eliminations	127		22		
Total	**4,872**	**14.6%**	**4,513**	**14.9%**	**+7.9%**

(*) Excluding concession operating companies' revenue for the construction of new infrastructure by third parties (in application of IFRIC 12)

1.6 Other cash flows

Net cash flows from operating activities(2) stood at €4,141 million, up by €559 million compared with 2007 (€3,582 million). This increase is greater than that in cash flows from operations (€358 million). Note should be taken of the substantial size of the improvement in working capital requirement and current provisions (+€733 million, compared with +€687 million in 2007) and the decrease in taxes paid in 2008 (€582 million) compared with 2007 (€783 million).

After taking account of investments in operating assets (net of disposals) of €897 million (compared with €683 million in 2007), free operating cash flow(3) increased by €345 million (a 12% increase) to €3,244 million (compared with €2,899 million in 2007).

Growth investments in the concessions (including the net increase in financial assets in the concession operating companies) amounted to €1,218 million in the year (compared with €1,281 million in 2007).

Gross financial investments amounted to €480 million (compared with €2,095 million in 2007, which included in particular the acquisition of a further 18% of Cofiroute for €802 million, and the acquisitions of Solétanche Bachy, Entrepose Contracting and Nuvia). They mainly include the acquisition of ETF – Eurovia Travaux Ferroviaires (formerly Vossloh Infrastructure Services) and of Taylor Woodrow Construction.

(1) Before financing costs and tax
(2) Net cash flows (used in) / from operating activities = cash flow from operations plus or minus changes in working capital requirement, current provisions, net interest paid and tax paid.
(3) Free operating cash flow = net cash flows (used in) / from operating activities less net investments in operating assets (excluding growth investments in concession fixed assets).

Disposals of shares in the year amounted to a total of €96 million (€72 million in 2007).
Financial investing and disposal activities also resulted in an inflow of net cash of €103 million in 2008 (compared with €271 million in 2007).

After taking account of growth investments in concessions and net financial investments, free cash flow after financing growth amounted to a net inflow of €1,815 million in 2008 (compared with an outflow of €105 million in 2007).
Regarding cash flows (used in) / from financing activities, changes in VINCI's and its subsidiaries' share capital resulted in a net cash inflow of €187 million.

Share capital increases in 2008 amounted to €387 million, of which €197 million connected with the partial payment in shares of the final dividend in respect of 2007 and €186 million in respect of the exercise of share subscription options and the Group Savings Scheme.
Conversely, transactions on treasury shares generated a net cash outflow of €200 million, of which €242 million was in respect of share buybacks made during the year (5.3 million shares bought back at an average price of €46).

Dividend payments amounted to €829 million, of which €765 million was in respect of the dividend paid by VINCI, the balance being mainly dividends paid by Cofiroute to its minority shareholders.
The dividend payments made by VINCI in 2008 included the final dividend in respect of 2007 for €488 million, the interim dividend in respect of 2008 of €246 million in December 2008 and the coupon of the undated subordinated loan for €31 million.

1.7 Balance sheet and net financial debt

Application of the change of policy for accounting for concession contracts has led VINCI to restate the consolidated balance sheet at 31 December 2007 presented for comparison retrospectively.

The main consequences are an increase of non-current assets of €231 million and a reduction of equity of €83 million from the figures at 31 December 2007 as published.

On this basis, consolidated non-current assets at 31 December 2008 amounted to €31 billion. A large part consists of the concession assets (for €26.2 billion), including ASF for nearly €18 billion.

After taking account of a working capital surplus of €5.4 billion, the Group's capital employed amounted to €25.6 billion at 31 December 2008, slightly higher than at the end of 2007 on a comparable basis (€25.5 billion), with the concessions division accounting for 98% of the Group's total capital employed.

Equity at the end of December, including minority interests for €605 million, was €9 billion, against €8.1 billion at 31 December 2007.
Net financial debt amounted to €15.4 billion and 31 December 2008, a decrease of €0.9 billion compared with 31 December 2007 (€16.3 billion).
Concession operating companies' debt increased slightly by €0.2 billion to €15.5 billion, while the contracting divisions had a net cash surplus that was up by €0.4 billion at €3 billion.
Holding companies had net financial debt of €2.8 billion, down by €0.7 billion compared with 31 December 2007 (€3.5 billion).
Excluding project finance, adjusted net financial debt amounted to €14.4 billion, down by €1.3 billion from 31 December 2007 (€15.7 billion).

Net financial surplus (debt)

(in € millions)	31/12/2008	31/12/2007	Change 2008/2007
Cofiroute	(3 259)	(3 264)	+5
ASF/Escota (including ASF Holding)	(10,451)	(10,667)	+216
VINCI Park	(853)	(857)	+4
Other concessions	(960)	(580)	(380)
Concessions (excluding holding companies)	**(15,523)**	**(15,368)**	**(155)**
Contracting	**2,995**	**2,593**	**+402**
Holding company and miscellaneous	**(2,843)**	**(3,528)**	**+685**
Net financial debt	**(15,371)**	**(16,303)**	**+932**
including project finance(*) , for	**(960)**	**(580)**	**(380)**
Net financial debt adjusted for project finance	**(14,411)**	**(15,723)**	**+1,312**

(*) Including the financing of new concessions in the start-up phase or under construction, including Arcour (€507 million) and Via Solution Thuringen (A4) (€60 million) in 2008

1.8 Return on capital

Definitions

– Return on Equity (ROE) is the net profit for the current period attributable to equity holders of the parent company divided by equity excluding minority interest at the previous year end;
– NOPAT (Net Operating Profit After Tax) is the operating profit from ordinary activities, after restating for various items (share in the profit or loss of equity-accounted entities, and dividends received and some other financial items) less the theoretical tax expense;
– ROCE (Return on Capital Employed) is the NOPAT divided by the average capital employed at the opening and closing balance sheet dates for the year under consideration.

Return on equity (ROE)

The Group's ROE was 21.1% in respect of 2008, a marked improvement compared with the previous period restated on a pro forma basis (18.8%).

(in € millions)	2008	2007 Pro forma
Shareholders' equity at previous year-end	7,536	7,738
Net profit for the year	1,591	1,455
ROE	**21.1%**	**18.8%**

Return on capital employed (ROCE)

The ROCE has improved compared with 2007, due in particular to the increase in NOPAT (up 7.2% at €2,363 million), which benefited from the improved operating results in VINCI's various divisions.

The performance realised must be assessed taking account of the major investments made by VINCI Concessions in projects under construction, which do not generate a return until they are in service.
These projects in progress account for capital employed of €3.4 billion on average in 2008 and €2.8 million on average in 2007.

(in € millions)	2008	2007 Pro forma
Capital employed at previous year-end	25,527	24,296
Capital employed at this year-end	25,628	25,527
Average capital employed	**25,577**	**24,911**
Operating profit from ordinary activities	3,378	3,118
Other items(*)	39	31
Theoretical tax charge(**)	(1,054)	(953)
NOPAT	**2,363**	**2,195**
ROCE	**9.2%**	**8.8%**

(*) Group's share of results of equity-accounted companies, dividends received and, if appropriate, other financial items (excluding financing costs, depreciation, amortisation and provisions, foreign exchange gains and losses, disposal gains and losses, capitalised borrowing costs, and cost of discounting retirement benefit obligations)
(**) On the basis of the effective rate for the period by business line (31.2% in 2008; 30.6% in 2007)

2. Parent company financial statements

VINCI's separate financial statements show revenue of €23.9 million, compared with €24.8 million at 31 December 2007, mainly comprising services invoiced to subsidiaries.

The parent company's net result for the year was a loss of €99 million in 2008, compared with a profit of €4,513 million in 2007, which included in particular income from an exceptional dividend paid by ASF.
Following this exceptional distribution and a re-estimate of the holding company's 77% shareholding in ASF, an impairment loss of €1,158 million has been recognised in the parent company's 2008 financial statements.

Expenses referred to in Article 39.4 of the French General Tax Code amounted to €83,437 in 2008.

3. Dividends

The Board of Directors will propose to the forthcoming Shareholders' Ordinary General Meeting that it declare a dividend of €1.62 per share in respect of 2008, an increase of 6.6% compared with the previous period.
As an interim dividend of €0.52 was paid in December 2008, the final dividend will be €1.10 per share payable on 18 June 2009.
Shareholders will be able to opt for payment of the final dividend in new shares if they so wish.

Dividends and earnings per share distributed in respect of 2005, 2006 and 2007 were as follows:

Year	2005			2006			2007		
Type	Interim	Final	**Total**	Interim	Final	**Total**	Interim	Final	**Total**
Amount per share *(in euros)*	0.70	1.30	**2.00**	0.85	1.80	**2.65**	0.47	1.05	**1.52**
Number of shares attracting dividend	191,316,931	191,680,300	-	235,968,422	228 728,685	-	469,661,599	464,567,932	-
Aggregate amount allocated *(in € millions)*	133.92	249.18	-	200.57	411.71	-	220.74	487.80	-
Tax allowance applicable to natural persons	50%	40%	-	40%	40%	-	40%	40%	-

The par value of the VINCI share was divided by two in 2005 and 2007

B. Post balance sheet events, trends and outlook

1. Important post balance sheet events

1.1 ASF bond issues

On 12 March 2009, ASF (Autoroutes du Sud de la France) made an issue of 10-year bonds for €650 million, paying an annual coupon of 7.375%, under its EMTN programme. This followed a private 10-year bond placement of €200 million made in February 2009 as part of this same programme.

These two transactions, intended to refinance ASF's debt, enable its average maturity to be extended.

They confirm the market's confidence in the quality of the company's credit, rated BBB+ by Standard & Poor's and Baa1 by Moody's, outlook stable.

1.2 Decision by the AMF enforcement committee regarding VINCI

The Enforcement Committee of the French Financial Markets Authority (AMF) notified VINCI on 23 February 2009 of a decision to impose a fine of €800,000 for non-compliance with a black-out period obligation in relation to its share buy-back programme, relating to the period from 20 January to 3 February 2005. VINCI's Management has decided to appeal against this decision.

2. Trends

2.1 Realised 2008

2.1.1 2008 objectives achieved

When it published its 2007 earnings (which were also reported in its 2007 annual report), VINCI announced that it expected an increase in its activity in 2008 of close to 10%.
VINCI's consolidated revenue was €33.5 billion in 2008, up 10.3% compared with 2007.

2.1.2 Progress of the 2006-2009 plan

On the occasion of the publication of its 2006 half-year earnings, following the change in the Group's profile resulting from the acquisition of Autoroutes du Sud de la France and a change in management, the Group's Management announced the new target the Group had set itself for 2009.
When announced in September 2006, the 2006-2009 strategic plan did not constitute an earnings forecast, in view of:
- the timescale (three years);
- the gap between the Group-level indicators given in the plan (revenue, Ebitda) and the concept of net profit or loss.

When it presented its 2008 earnings, VINCI did not continue to refer to this 2006-2009 plan, which was established on the basis of assumptions made in a different economic context, except for the 2009 targets for Ebitda margins on revenue for ASF (67%) and Cofiroute (69%), which were confirmed under the assumption of stabilisation of toll revenues between 2008 and 2009. Realisation of this assumption remains dependent on traffic trends in 2009 as a whole.

2.2 Trends 2009

There has been no material change in the Group's financial and commercial position since 31 December 2008.

VINCI has a well-stocked order book (€23.2 billion at 31 December 2008), up 8% over twelve months and representing ten months' average business in its contracting business lines (energy, roads and construction).

Order book

(in € millions)	31/12/2008	31/12/2007
VINCI Energies	2,415	2,181
Eurovia	4,770	5,029
VINCI Construction	16,010	14,308
Contracting	**23,195**	**21,515**

On the basis of current trends, VINCI expects a probable stabilisation of its motorway subsidiaries' toll receipts. The priority given to margins over volumes in the contracting divisions could lead to a slight decline in revenue in these activities.

3. The Group's markets: seasonal nature of business

Most of the Group's activities – but especially roadworks, civil engineering and some motorway concessions – record lower business volumes in the first half of the year than in the second, mainly due to less favourable weather conditions. In 2008, the difference between the two halves represented a difference in revenue of the order of 19%.

The seasonality of the Group's business is also reflected in the net use of cash over the first half, due to the lower level of receipts during this period and the pattern of operating cash flows, most of which are generated during the second half of the year. Group income and expenses from normal business operations that are of a seasonal, cyclical or occasional nature are accounted for using the same accounting methods as those adopted for the full-year financial statements. Income and expenses invoiced on an annual basis (e.g. patent fees and licence fees) are accounted for pro-rata using an estimate for the full year.

C. Risk factors

VINCI's decentralised organisation allows it – applying the subsidiarity principle applied in the Group – to assess and handle risks at the most appropriate level of responsibility (subsidiary, division, holding company) depending on their size. The Group's general guidelines and its internal control arrangements enable information to be submitted to the centre on the main risks and their treatment.
This chapter sets out the main risk factors faced by the issuer or its sector of activity. The main internal control procedures aimed at reducing these risks are described in the *Report of the Chairman* on page 150.

In general, VINCI's businesses are dependent on the economic climate and public-sector orders. If these decrease, pressure on volumes of activity and prices may result. The Group's dependence on the economic climate can also have a favourable effect through governmental countercyclical, economic stimulus policies, in particular through the launching of infrastructure projects, which constitute opportunities for VINCI.

1. Operating risks

1.1 Commitments

Commitments, connected in particular to the taking of orders or acquiring or disposing of activities, constitute the first risk with which VINCI companies are faced, whatever their field of business (concessions, energy, roads, construction, property, etc.).

1.1.1 New business

The Group has set up a policy for selecting new business. Procedures for monitoring commitments before they are taken have been applied for many years.
In the contracting divisions (VINCI Energies, Eurovia, and VINCI Construction), Group companies seek to avoid the risks connected with accepting new business at an early stage by means of the terms and conditions of offers made, and in particular the associated technical, legal and financial commitments.
These commitments are usually limited, because of the generally modest size of contracts for works, their length which is usually of a few months, and because of the great diversity of skills, geographical locations and customers. At VINCI Construction France, approximately 50% of revenue is generated by contracts that are individually of less than €5 million. VINCI Construction Grands Projets, which builds larger constructions, for its part accounts for less than 2.5% of the Group's consolidated revenue. In this area, the Group's policy is to favour projects with high

technical value added, allowing its know-how to be leveraged in countries where the environment is known and manageable. Furthermore, these major projects, in particular in foreign countries, are usually carried out with external companies in consortiums, which limits the Group's risks exposure.
Projects exceeding the thresholds laid down in the general guidelines are examined by the Risk Committee before tenders are submitted.
New concession projects are systematically submitted to the Risk Committee for examination and approval. In addition, in order to limit commitments and the amount of risk capital invested by the Group, these projects are generally developed in partnership with external enterprises and are financed so as to maximise the amount of debt, which is generally with no or limited recourse against VINCI.

1.1.2 Property commitments

The Group's property development activities are mainly carried out through its specialised subsidiary, VINCI Immobilier. This company's activities are concentrated in the Paris Region and major cities in France. In 2008, they accounted for approximately 1.6% of the Group's revenue. Property commitments are subject to detailed reporting and regular monitoring at subsidiary level. Some VINCI subsidiaries may participate in property development operations as part of their construction activities, mainly in France, Belgium and Luxemburg. Property development projects are systematically submitted to the Risk Committee for prior examination and approval. The Group's policy is to undertake new projects only if the risks related to the property and construction are under control and if the property is sufficiently pre-sold.

1.1.3 Acquisitions and disposals

To control the risks associated with the integration of newly acquired companies and to be able to apply the Group's management principles in them, VINCI's policy is to acquire a majority interest in acquirees. Most proposed acquisitions and disposals are submitted to the Risk Committee for approval. The largest projects are also submitted to the Board of Directors after examination by the Strategy and Investment Committee (see paragraph 3.4.2 of the *Report of the Chairman* section, page 154).

1.2 Performance of contracts

1.2.1 General contract performance risks

In all the Group's divisions (concessions, energy, roads, construction, property, etc.), VINCI companies are exposed to risks that can affect how contracts are performed.

Human resources management

VINCI's successes reside in the quality of its managerial model and its ability to attract, train and retain its employees. Group companies are therefore exposed to risks connected with the management of their human resources: employees leaving, difficulties connected with recruitment and training, in particular for management grades, employee health and safety, employment costs, industrial action or strikes. Being aware of the important role played by its employees, VINCI has set up a social responsibility approach aimed at reducing these risks (see Report of the Board – E. *Social and environmental disclosures*, page 121).

Raw materials

VINCI is potentially exposed to a rise in the price of some raw materials (in particular petroleum products, steel and cement). However, many contracts for civil engineering and construction work include price revision clauses to allow selling prices to be adjusted in line with changes in raw material prices as work progresses. Furthermore, part of the Group's civil engineering and construction activities is carried out via short-term contracts, which, even if the contracts do not include price revision clauses, limits the financial impact of a rise in prices of raw materials.

Subcontractors, joint contractors and suppliers

Given the nature of VINCI's business lines and the way it is organised, deriving from the essentially local character of the markets in which it operates, the Group considers that overall it is not dependent on a small number of customers, suppliers, joint contractors or subcontractors.
Nevertheless the quality of work done by VINCI's suppliers, joint contractors or subcontractors may have an impact on whether a given project is carried out satisfactorily. VINCI companies usually set up early-stage preventative measures, monitoring and taking corrective measures as needed during the project, in order to limit these risks.

Social or political instability

Given the large number of countries where VINCI is present, some of the Group's activities may occasionally be affected by industrial action (general strikes) or various forms of political instability (riots, terrorism, armed conflict).
Nevertheless, the Group remains not very exposed to country risk, given the geographical location of its activities.
In the contracting divisions (energy, roads, and construction), more than 94% of VINCI's revenue is generated in Europe and North America. Possible country risk is one of the risks involved in accepting new business, and is analysed before tenders are submitted (see *Report of the Chairman*, page 159).
VINCI's existing portfolio of concessions has little exposure to country risk given the breakdown of revenue: in 2008, only 3% of revenue was generated outside Europe, mainly in the USA and Canada. Country risk is analysed before replying to invitations to tender for new concession or PPP contracts.
With respect to the various property operations conducted by VINCI Immobilier or the construction subsidiaries, these are mainly in France. The only foreign operations are in Belgium and Luxembourg. The Group's property operations are therefore not affected by country risk.

Natural disasters

Like all companies, VINCI may be affected by natural disasters such as earthquakes, floods, cyclones, lightning or exceptional meteorological conditions which could lead to the collapse or accidental destruction of Group infrastructure assets under construction or in use. Such events can lead locally to a significant reduction in the Group's revenue or to an increase in the costs to maintain or repair its facilities.
Crisis situations need to be managed, and VINCI has made appropriate preparations several years ago by setting up appropriate operational organisation arrangements.
Actions undertaken, and training provided, relate to alert procedures, the deployment of crisis management arrangements, and crisis management and resolution. The central organisation involves VINCI's business units, which have also set up their own crisis management and communication arrangements to increase effectiveness in the event of a crisis. These include planning of resources, both material and human, rapid deployment of the crisis plan, mobilisation of employees, and optimisation of crisis management systems.

1.2.2 Risks specific to VINCI's business lines

The VINCI companies within each of the Group's business lines (concessions, energy, roads, construction, property, etc.) are exposed to risks, of which the prevention, control and daily management lie at the heart of their business.

Concessions and PPPs

The main risks associated with concession and PPP activities relate to design and construction (which are, however, usually borne by the companies in charge of construction), financing, infrastructure operation, changes in the legal and regulatory framework, and financial risks (inflation, interest rates) due in particular to the long-term nature of these activities. Whenever toll receipts account for virtually all the revenue from operating concessions, the main risks associated with this activity relate to traffic or infrastructure usage and users' acceptance of tolls and prices. Motorway concession operating companies' traffic levels may also be affected by fuel prices and changes in the economic climate.
Moreover, as price increases applied by the motorway concession operators ASF, Cofiroute and Escota) are based principally on inflation (excluding tobacco prices), they are exposed to the risk of a decline in the inflation rate which would result in lower price increases.
The main financial risks and the legal and regulatory risks are described in paragraphs 2 (*Financial risks*) and 3 (*Legal risks)* below.

Contracting (VINCI Energies, Eurovia, VINCI Construction)

In fulfilling orders, Group companies are exposed to the possibility that the actual time and / or cost of construction will be different from the estimate made when the bid was prepared. Time and cost depend on a number of factors that are difficult to forecast, such as the weather or changes in pay rates, subcontracting costs and raw material prices. Exposure to oil prices affects in particular Eurovia, which uses bitumen for road surfaces, fuel oil in its industrial plants and petrol and diesel in its vehicles and machinery.
Moreover for major projects, the technical complexity of unique infrastructure assets and geological conditions are also areas where unexpected factors may be important.
Group companies' activities are also exposed to the risk related to of their customers' solvency as described in Note 23.4 to the consolidated financial statements on page 244.
Some of the Group's activities may also be affected by the environmental, industrial and technological risks described in paragraph 4.

Property

The Group's property development activities are exposed to a number of risks associated in particular with administrative, technical and commercial factors that could result in delays (or even the abandoning of some projects), budget over-runs and uncertainties regarding the pace of sales and the sales price of projects.

2. Financial risks

2.1 Counterparty risk

Counterparty risk may result in either a loss of value or a loss of liquidity. The Group is exposed to loss of value in respect of its investments of cash (subscription to negotiable debt securities, marketable securities, etc.) and in respect of its financial receivables, derivative financial instruments and guarantees or sureties received. It is exposed to a loss of liquidity on the amounts of its unused confirmed credit facilities. Counterparty risk is described in Note 23.4 to the consolidated financial statements on page 244.

2.2 Liquidity risk

The Group's exposure to liquidity risk relates to its obligations to repay its existing debt and to the financing of its future needs, associated in particular with the investment programmes of concession operators and with the Group's general needs.
Details of these obligations and the Group's resources to meet them (cash flow surpluses, unused confirmed credit lines, financial ratings) are given in Note 22.2 to the consolidated financial statements, on pages 234 to 237.
Some financial agreements include early repayment conditions applicable in the event of non-compliance with ratios and financial covenants, which are described in Note 22.2.5 to the consolidated financial statements, on page 236.

2.3 Market risks (interest rate, currency and equity)

Because of its level of borrowings, VINCI is exposed to changes in interest rates (mainly in the eurozone) in connection with its net floating-rate debt and to changes in the spreads applied by lenders. VINCI is also exposed to currency risk in connection with its activities outside France and to financing in foreign currencies. However, approximately 75% of VINCI's activities in international markets is conducted through subsidiaries operating in the eurozone. The only debt issued by a Group entity in a currency other than its reporting currency was repaid in March 2008. In consequence, VINCI's exposure to currency risk remains limited. Management of interest rate and currency risks is explained in Notes 23.1 and 23.3 to the consolidated financial statements (on pages 238 to 243).
Investment vehicles used to manage cash surpluses are mainly monetary UCITS, negotiable debt securities and bank deposits. Equity risk is described in Note 23.2 to the consolidated financial statements on page 242.

2.4 Impact of Public Private Partnerships (PPPs) on the Group's financial situation

The impact of a PPP project on the Group's financial situation, in particular regarding the interest rate and liquidity risks, is one of the items taken into account in responding to an invitation to tender.
Depending on their size, such projects are submitted to either the holding company's or the division's Risk Committee for examination and approval. The largest PPP projects are carried out through special purpose entities, dedicated solely to realising the project. These vehicles are financed by loans made directly to the project company, with no recourse against the shareholder, backed by the future income stream with the objective of minimising the capital outlay.
Capital contributions in PPP projects are therefore limited, generally to a maximum of 20% of capital invested. The impact on the Group's liquidity is therefore slight.
Debt raised by project companies is hedged at fixed and / or capped floating rate for a very large proportion, generally more than 80%. The proportion hedged generally corresponds to commitments made to lenders. The impact of interest-rate fluctuations on PPPs is therefore limited.

3. Legal risks

Given the diversity of its activities and geographical locations, the Group operates within a complex legal and regulatory environment governed by the place where the service is provided and the sector involved. In particular, rules relating to public and private-sector contracts and tenders, competition and market concentration, commercial, financial and stock market law are applicable. The Group's activities could lead it to being held civilly or criminally liable, in France and in foreign countries. Civil liability risks relate in particular to construction companies. The financial risks relating to any invoking of Group companies' civil liability are covered by insurance policies described in paragraph 5 below.
It should also be noted that, with respect to concession operations, in particular in France, the Group is dependent on public authorities. Under the French law applicable to government bodies, these can – subject to compensation – alter the terms and conditions of outsourced public service contracts during their performance.
Information on the principal disputes in which the Group is involved can be found in Note F to the consolidated financial statements, on page 249. The policy on taking provisions in respect of disputes is referred to in a note to the consolidated financial statements on page 185 and their amount is disclosed on pages 226 and 228.
The *Report of the Chairman* includes a paragraph on compliance with laws and regulations in force.

4. Environmental, industrial and technological risks

4.1 Economic risks and opportunities associated with climate change

Only one VINCI facility is concerned by France's national greenhouse gas quota scheme (PNAQ II): CIFC's plant (part of Eurovia) at Fos-sur-Mer near Marseilles, for 190,086 tonnes. In accordance with the law, an approved inspector validates the emissions before 15 February each year. Emissions at CIFC's plant amounted to 170,112 tonnes of CO_2 in 2006, 158,661 tonnes in 2007 and 162,658 tonnes in 2008. 18,000 tonnes of CO_2 quota were sold in 2008.
VINCI divides climate change risks into four categories, each one being the subject of a different approach in terms of economic risks and opportunities:
– physical risks such as damage or project delays due to the increasing number of climate events;
– regulatory risks caused by the introduction of more stringent international, European and national regulations aimed at reducing greenhouse gas emissions;
– competition risks caused by a possible increase in customer demand for more fuel-efficient products and processes;
– the risks of no action being taken to combat climate change.

4.2 Industrial and environmental risks

VINCI has low exposure to industrial and environmental risks.
Some of Eurovia's activities – which are closely regulated – have characteristics similar to those of industry and can therefore be exposed to these risks, which are limited and well identified.
– Binder plants: the use or manufacture of products that are potentially hazardous to the environment is subject to continuous monitoring and internal inspections by Eurovia's quality, safety and environment managers.
– Coating plants: the setting up of an environmental regulation monitoring group for the industrial sites allows managers to takes the necessary action to ensure continuing compliance with regulations; regular and unannounced external inspections to analyse products and measure the quantities in stock ensure the plants comply with regulations.

– Quarries: the pollution factors identified relate to noise, vibration and dust emissions. External audits of quarries are made annually by approved organisations. Dust emissions are inspected in accordance with standards by an external body and a report is sent annually to the regional departments for industry, research and the environment (DRIRE).
Because these risks are limited, no special system has been set up to monitor the costs and investments associated with their prevention. However, all identified risks are analysed on a case-by-case basis and any required provisions are taken. At 31 December 2008, provisions taken for liabilities and rendering compliant, located in Eurovia, amounted to €23.8 million on a worldwide basis, including €14 million in France (€10.4 million in 2007). Provisions identified in VINCI's other subsidiaries amounted to slightly more than €3 million.
VINCI is potentially exposed to risks connected with accidental pollution, in particular accidental dispersion of hazardous goods on its roads network or its construction sites. Even if VINCI's liability is not in question, such an event could disrupt the site's operations. Such a situation would necessitate the deployment of crisis arrangements (see paragraph 1.2.1 "*Natural disasters*").

4.3 Specific technological risks

As VINCI has no facilities classified under clause IV of article L.515-8 of the French Environmental Code (Seveso High Threshold), relating to environmental protection, its Group companies are not directly concerned by technological risks. They can however be indirectly exposed to such risks in the following cases:
– Some of the Group's activities may be carried out occasionally or on a long-term basis near facilities classified for environmental protection. The companies involved comply with all the regulations that apply to such facilities and do not initiate activities that could lead to an increase in the number of employees working close to the classified site.
– Some of VINCI Energies' and VINCI Construction's business units (Freyssinet, VINCI Construction France, Solétanche Bachy, CFE, VINCI Construction Grands Projets, and Eurovia) may be called upon to work inside classified facilities (in particular nuclear power plants), where operating rules require them to take all the necessary safety measures, especially those related to employee evacuation. VINCI Construction Grands Projets activities in the nuclear power sector is certified by the *Comité français de certification des entreprises pour la formation et le suivi du personnel travaillant sous rayonnements ionisants* (Cefri).

5. Insurance

5.1 General policy

Given the Group's decentralised organisation, this policy is defined at several levels of responsibility:
– VINCI's Executive Committee lays down the general framework and rules, and in particular the standards applicable to all subsidiaries.
– Within this framework, and after identifying and rigorously analysing the risks relating to their activities, the managers of the divisions or major subsidiaries define the optimum trade-off between the level and extent of the guarantees likely to meet the range of insurable risks, and a cost (comprising premiums and uninsured losses) allowing operational entities to remain competitive in their sector.
With a view to optimising costs and preventing accidents, uninsured losses are defined on an individual subsidiary basis and are often as high as €75,000. Using the same approach, self-insurance budgets have been allocated, as in civil liability or in the motor vehicle sector at Eurovia, VINCI Construction France or VINCI Energies, with a maximum amount lower than or equal to €4 million in 2008 for each of these entities and each risk.
Subsidiaries' specific cover is in addition to that taken out by VINCI SA on behalf of all its subsidiaries together, in particular regarding:
– civil liability of company officers;
– disaster risks under civil liability;
– liability for environmental damage.
For historical reasons, part of VINCI's activity in the United Kingdom is insured through a captive insurance company based in Guernsey. A reinsurance mechanism restricts its exposure at a level defined on the basis of market conditions. This was €4.6 million in 2008. The Group's main insurers are SMABTP and AXA. VINCI has set up its own brokerage firm, VINCI Assurances, charged with taking out policies and harmonising cover within the Group. VINCI Assurances acts as a broker for some of the French subsidiaries. As a simple intermediary, it bears no financial risk as an insurer.

5.2 Loss prevention and claims record

Loss prevention arrangements are systematically adopted on construction sites and operating sites. This policy, which gives a major role to training, is in line with the efforts made by VINCI companies in terms of quality assurance and prevention of work-place accidents.
The Group's claims record in the area of civil liability is marked, on the basis of available statistics and data and without prejudging any actual responsibility, by the low number of incidents (one a year on average over five years) of more than €1 million, by the occurrence of a few medium-sized incidents (about fifty in 2008), ranging from €100,000 to €1 million and, lastly, by a relatively irreducible number of small incidents, of less than €100,000 each, to a great extent borne directly by subsidiaries as uninsured losses. Only two incidents in respect of civil liability of an individual amount of more than €1 million were declared in 2008.

5.3 Insurance in the construction, roads and energy business lines

5.3.1 Civil liability

Subsidiaries are exposed to their responsibility for bodily, physical or consequential damage caused to third parties, including customers and principals. The civil liability cover taken out in this respect comprises a first line that combines the cover in place at subsidiary level, intended to cover usual incidents, and a set of complementary lines taken out for the common benefit. As of today, only one claim has been settled under these further lines in the business lines concerned.

In addition to this basic cover, specific insurance is taken out as a result of legal or contractual requirements or management decisions in the following areas:
- ten-year warranty (in France);
- motor vehicle third-party cover;
- transport.

5.3.2 Damage insurance

Office buildings and fixed production facilities are covered for a contractual rebuilding value, either value as new or an estimate of the maximum insurable loss. Site equipment is covered on a case-by-case basis and selectively, if financially worthwhile, depending on value, type and age. Road vehicles, which are mostly pooled within fleets by country, are only exceptionally covered on a comprehensive basis.
All risks insurance is taken out in respect of major construction sites. In particular, this covers physical damage arising from accidents or natural events up to the value of the project.

5.4. Insurance in concessions and services business lines

5.4.1 Damage insurance

Concession operation involves a potential exposure of the Group to damage to assets under concession, whether accidental or not, that could result in an obligation to rebuild (bearing the related costs), in financial consequences due to the interruption of operations, and in obligations to providers of finance relating to debt servicing. As a general rule, bridges, tunnels and car parks presenting a concentration of risk are insured from their entry into service for their cost of reconstruction in the event of accidental destruction. This is not, however, the case for constructions of a "linear" nature, such as motorways, where complete destruction is not envisaged.

5.4.2 Civil liability

Assets operated under concessions by VINCI subsidiaries in France and other countries are also covered by specific civil liability insurance arrangements, which are co-ordinated with complementary cover at Group level. To date, no claim has been settled under these further lines of insurance in the concessions and services business lines. These arrangements are specifically designed to meet local legal requirements and those laid down in concession agreements. Concession operations in which VINCI is a minority shareholder do not generally benefit from the Group's complementary civil liability cover taken out on behalf of all entities.

5.4.3 Business interruption insurance

Business interruption insurance is intended to allow concession operators to restore an income stream interrupted by an accidental event affecting the normal operation of an asset, thus enabling the operator to meet any financial commitments towards lenders and cover ordinary operating overheads during the reconstruction period.

Operating losses are covered subject to various levels of uninsured loss. Losses may be expressed as an amount or as a number of days of interruption. Operations that have a low exposure to this risk, in particular motorways, are not systematically insured against such losses, as an extended or complete halting of operations is not taken into consideration. Aforementioned uninsured losses are determined on a case-by-case basis to ensure that the concession's earnings are not materially affected by an accidental interruption in traffic. To date, no claims have been made under such policies.

D. Company officers and executives

1. Directors' appointments and functions

The table below shows the appointments and functions of:
– the thirteen members of the Board of Directors;
– the person whose appointment as Director will be proposed to the Shareholders' General Meeting on 14 May 2009;
– the person whose appointment as Director ended in 2008;
– the Senior Executive Vice-President not serving on the Board of Directors whose appointment ended in 2008.

1.1 Serving Directors

	Term ends	
Yves-Thibault de Silguy Age 60 – 2000 VINCI 1, cours Ferdinand-de-Lesseps 92851 Rueil-Malmaison Cedex Chairman of the Strategy and Investments Committee and of the Appointments Committee	AG 2010	**Chairman of the Board of Directors of VINCI** **Main appointments within the VINCI group:** permanent representative of VINCI on the Board of Directors of ASF. **Appointments outside the VINCI group:** Director of Suez Tractebel (Belgium), Member of the Advisory Group of ING Direct (France); Director of VTB (France) and Smeg (Monaco); Member of the Supervisory Board of Sofisport. Yves-Thibault de Silguy is also Chairman of the France-Algeria and France-Qatar committees of MEDEF, the French employers' organisation and Chairman of the Board of Directors of Agro Paris Tech. He is a member of the *Conseil des affaires étrangères* and the *Conseil économique de défense.* **Main appointments within the Group that have expired during the last five financial years**: none **Appointments outside the Group that have expired during the last five financial years**: Chairman of the Board of Directors of Aguas Argentinas; Chairman of the Board of Directors of Sino French Holdings; Director of Lyonnaise Europe, Ondéo-Degrémont, Ondéo Services, Société Générale de Belgique, Sita, Fabricom, Degrémont, Suez Environnement, Suez Energies Services and Swire Sita Waste Services Ltd (China); Chairman of the Board of Directors or Director of subsidiaries of the Suez Group in New Caledonia, French Polynesia and Vanuatu: CDE, EEC, Marama Nui, Socif 4, Unelco Vanuatu; member of the Supervisory Board of Elyo and Métropole Télévision-M6; permanent representative of Lyonnaise Satellite on the Board of Directors of TPS Gestion; permanent representative of TPS on the Board of Directors of TPS Motivation; Vice-President of the France-China committee of MEDEF; Chairman of the Board of Directors of the French University in Egypt; Director of VTB (Russia). **Background**: Yves-Thibault de Silguy has a degree in law from the University of Rennes, a Master's degree in public law, and is a graduate of the Institut d'Études Politiques Paris, public service section, and of the École Nationale d'Administration. From 1976 to 1981, he worked at the Ministry of Foreign Affairs and then from 1981 to 1985, for the European Commission. He then worked at the French Embassy in Washington as a Counsellor (economic affairs) from 1985 to 1986. From 1986 to 1988, he was an adviser in the Prime Minister's office with responsibility for European affairs and international economic, monetary and financial affairs. From 1988 to 1993, he was Director in the international affairs department and then Director for International Affairs of the Usinor Sacilor Group. From 1993 to 1995, he was Secretary-General of the Interdepartmental Committee for Questions of Economic Co-operation in Europe and at the same time, adviser for European affairs and vice-sherpa in the Prime Minister's office, assisting in the preparation of summits of the industrialised nations. From 1995 to 1999, he was European Commissioner responsible for economic, monetary and financial affairs. In January 2000, he became a member of the Executive Board of Suez Lyonnaise des Eaux, of which he was Chief Executive Officer from 2001 to 2003. He was then Executive Vice-President of Suez from 2003 until June 2006. He was appointed Chairman of the Board of Directors of VINCI on 1 June 2006 and resigned from all his appointments at Suez.
Xavier Huillard Age 54 – 2006 VINCI 1, cours Ferdinand-de-Lesseps 92851 Rueil-Malmaison Cedex	AG 2010	**Director and Chief Executive Officer of VINCI** **Main appointments within the VINCI group**: Chairman of the Board of Directors of VINCI Concessions SAS (since 21 October 2008); Director of Cofiroute, Soletanche Freyssinet, VINCI plc (United Kingdom) and VINCI Investments Ltd (United Kingdom); Chairman of the Supervisory Board of VINCI Deutschland GmbH (Germany); permanent representative of VINCI on the Board of Directors of VINCI Energies and Eurovia, of Snel on the Board of Directors of ASF; representative of VINCI Concessions on the Board of Directors of ASF Holding; Chairman of the Fondation d'Entreprise VINCI pour la Cité. **Appointments within the Group that have expired during the last five financial years**: Chief Executive Officer (from 9 June 2008 to 21 October 2008) and Chairman of the Board of Directors (until 21 October 2008) of VINCI Concessions S.A.; Director of VINCI Energies and of VINCI Park; Member of the Supervisory Board of VINCI Energies Deutschland GmbH; Chairman of VINCI Construction, Director of VINCI Construction Grands Projets. **Background**: Xavier Huillard is a graduate of the École Polytechnique and the École Nationale des Ponts et Chaussées. He has spent most of his working life in the construction industry in France and abroad. He joined Sogea in December 1996 as Deputy Chief Executive Officer in charge of international activities and specific projects, and then became its Chairman and Chief Executive Officer in 1998. He was appointed Deputy General Manager of VINCI in March 1998, and was Chairman of VINCI Construction from 2000 to 2002. He was appointed Co-Chief Operating Officer of VINCI and was Chairman and Chief Executive Officer of VINCI Energies from 2002 to 2004, then Chairman of VINCI Energies from 2004 to 2005. He became Director and Chief Executive Officer of VINCI in 2006.

Dominique Bazy Age 57 – 1996 UBS Investment Bank 65 rue de Courcelles 75008 Paris Member of the Remuneration Committee and of the Appointments Committee	AG 2012	**Vice-Chairman Europe of UBS Investment Bank** Dominique Bazy is also a Director of Pierre Fabre Participations. **Appointments that have expired during the last five financial years**: Chairman and Chief Executive Officer of UBS Holding France SA; Chairman of the Board of Directors of UBS Securities France SA; Director of GrandVision; Member of the Supervisory Board of Atos Origin; Director of Atos Origin. **Background**: Dominique Bazy has a degree in law, and is a graduate of the Institut d'Études Politiques Paris and the École Nationale d'Administration. He is also a qualified economist. After holding various positions in government departments, he joined Athéna in 1984, became Chief Executive of Athéna Banque in 1985 and Deputy Chief Executive of Athéna from 1986 to 1988. He was appointed Chairman of Sicav Haussmann France in 1987. From 1990 to 1992, he held various positions with UAP. He was a member of the Executive Committee of Crédit Lyonnais in 1993 and Chairman of Clinvest from 1993 to 1994, Chairman of the Supervisory Board of Altus Finance in 1993, Executive Vice-President of Compagnie de l'UAP from 1995 to 1996, Chairman of Allianz Assurances France from 1997 to 2000, General Manager in charge of AGF's general agents department from 1998 to 2000, member of the International Executive Committee of Allianz AG from 1997 to 2000, Chairman and Chief Executive Officer of UBS Warburg (now UBS) Holding France from 2000 to 2003, Chairman of UBS Securities France SA from 2003 to 2004. He has been Vice-Chairman Europe of UBS Investment Bank since 2004.
Robert Castaigne Age 63 – 2007 Total 12, rue Christophe Colomb 75008 Paris Member of the Audit Committee and of the Remuneration Committee	AG 2011	**Former Chief Financial Officer and former member of the Executive Committee of Total** Robert Castaigne is also a Director of Sanofi Aventis, a Director and member of the Audit Committee of Société Générale (since 20 January 2009) and a Director of Compagnie Nationale à Portefeuille (Belgium). **Appointments that have expired during 2008**: Chairman and Chief Executive Officer of Total Nucléaire and of Total Chimie; Director of Elf Aquitaine, Total Gestion Filiales, Hutchinson, Total Gabon (Gabon), Petrofina (Belgium), Omnium Insurance & Reinsurance Company Ltd (Bermuda), and Total Upstream UK Ltd (United Kingdom). **Other appointments that have expired during the last five financial years**: Director of Arkema, Compagnie Générale de Géophysique, Société Financière d'Auteuil, Total Nigeria plc (Nigeria), and Alphega (Bermuda). **Background**: Robert Castaigne is a graduate of the École Centrale, Lille and the École Nationale Supérieure du Pétrole et des Moteurs. He also holds a doctorate in economics from Université de Paris 1 – Panthéon Sorbonne. He has been an engineer at Total since 1 January 1972. From 1972 to 1977, he worked as an engineer then as head of department in the economics department. From 1977 to 1985, he was deputy to the head of the exploration-production subsidiaries department, then head of the gas-diversification subsidiaries department in the Group Finance Department. From 1985 to 1990, he was Secretary of the Executive Committee and *chargé de mission* in the Chairman's office. From 1990 to 1994, he was Deputy Financial Officer and member of the Management Committee. On 7 June 1994, he was appointed Chief Financial Officer and member of the Executive Committee of Total, which became Total Fina (in 1999), then TotalFinaElf (in 2000) and then Total (in 2003). He ceased his duties as Chief Financial Officer and member of the Executive Committee of Total on 31 May 2008.
François David Age 67 – 2003 Coface 12, cours Michelet La Défense 10 92065 Paris- La Défense Member of the Strategy and Investments Committee	AG 2009(*)	**Chairman of Coface S.A.** François David is also Chairman of Coface Services, Coface Deutschland and Coface Assicurazioni (Italy), a Director of Rexel and since 2008 has been a member of the Supervisory Boards of Areva and Lagardère SCA. **Appointments that have expired during the five latest financial years**: Chairman and Chief Executive Officer of Coface SCRL Participations and Coface SCRL; Chairman of the Board of Directors of Coface Expert, Chairman of the Supervisory Board of AKC (Allgemeine Kreditversicherung Aktiengesellschaft Coface); Director of EADS. **Background**: François David has a degree in sociology, is a graduate of the Institut d'Études Politiques Paris and of the École Nationale d'Administration. After holding various positions in government departments between 1969 and 1990, he was Chief Executive Officer (International) of Aérospatiale between 1990 and 1994. He has been Chairman of the Board of Directors of Coface since 1994, Chairman of the Supervisory Board of Coface Deutschland since 1996, Chairman of the Board of Directors of Coface Assicurazioni since 1997. In 2008, he was appointed to the Supervisory Boards of Areva and of Lagardère SCA. François David has also written several books.
Patrick Faure Age 63 – 1993 Patrick Faure & Associés 18, quai de Béthune 75004 Paris Member of the Strategy and Investments Committee	AG 2009(*)	**Chairman of Patrick Faure et Associés** Patrick Faure is also a Director of Cofiroute and ESL & Network, and Chairman of Association France-Amériques. **Appointments that have expired during the last five financial years**: Chairman and Chief Executive Officer of Renault Sport; Chairman of the Board of Directors of Renault F1 Team Ltd and Benetton Formula; Director of Compagnie Financière Renault, Compagnie d'affrètement et de transport, ESL & network, Giat Industries, AB Volvo, Renault Agriculture, Grigny UK Ltd; Deputy Chief Executive Officer and member of the Executive Committee of Renault; Chairman of the Board of Directors of Ertico. **Background**: Patrick Faure is a graduate of the École Nationale d'Administration. From 1979 onwards he held various positions with Renault including that of Manager of Renault Austria from 1981 to 1982 and of Renault U.K. from 1982 to 1984. In 1984, he was appointed central public relations manager of Renault and in July 1985 became manager of public relations and communication. In January 1986, he became Vice-President of Renault, and Company Secretary of the Renault Group in January 1988. In January 1991, he was appointed Deputy General Manager and Marketing Director, and Chairman of Renault Sport. Patrick Faure was Executive Vice-President and member of the Executive Committee of Renault until 1 January 2005. He was also Chairman and Chief Executive Officer of Renault Sport and Chairman of the Board of Directors of Renault F1 Team Ltd until 2006.

Dominique Ferrero Age 62 – 2000 Natixis Arc de Seine 30, avenue Pierre Mendès-France 75013 Paris	AG 2010	**Member of the Management Board and Chief Executive Officer of Natixis** Dominique Ferrero is also the permanent representative of Natixis on the Board of Directors of Coface, Natixis Global Asset Management and Natixis Private Equity. **Appointments that have expired during the last five financial years**: Chief Executive Officer of Crédit Agricole Indosuez; Chief Executive Officer of Crédit Lyonnais; Chairman of the Management Board of Ixis Corporate & Investment Bank (Ixis CIB); member of the Supervisory Board of Atos, now known as Atos Origin. **Background**: a graduate of Ecole Normale Supérieure, Dominique Ferrero joined Banque Française du Commerce Extérieur (BFCE) in 1978. He was seconded from BFCE from 1981 to 1986 to various positions in the French Treasury, the Ministry for Foreign Trade and Tourism and the Ministry for Industrial Redeployment and Foreign Trade. From 1988 to 1991, he was development manager at BFCE, a member of the General Management Committee, responsible for creating and developing its long-term corporate finance and merchant banking activities. He was appointed Managing Director of Société Financière de la BFCE then Deputy Managing Director and member of the general management in 1991 and Managing Director of BFCE in 1994. In 1996, he became Managing Director of the Natexis group (resulting from the merger of BFCE and Crédit National), then Managing Director of Natexis Banques Populaires (resulting from the merger of Natexis and Caisse Centrale des Banques Populaires) in 1999, and Chief Executive Officer of Crédit Lyonnais from 1999 to 2003. From 2004 to 2006, he was Senior Adviser and Vice-Chairman of Merrill Lynch Europe and, since 2006, has been Chief Executive Officer of Natixis.
Bernard Huvelin Age 72 – 1983 VINCI 1, cours Ferdinand-de-Lesseps 92851 Rueil-Malmaison Cedex Member of the Strategy and Investments Committee	AG 2009	**Vice-Chairman of the Board of Directors of VINCI** **Main appointments within the VINCI group**: Director of CFE, permanent representative of Cofiroute Holding on the Board of Directors of Cofiroute and of Semana on the Boards of Directors of Eurovia and of ASF, Director of Consortium Stade de France (since 26 November 2008). **Appointments outside the VINCI group**: Director of Electro Banque, Cofido and SAS Soficot; Chairman of the professional association Entreprises Générales de France-BTP (EGF-BTP); Vice-President of the European Construction Industry Federation; advisor to the European Economic and Social Committee, Brussels. **Main appointments within the VINCI group that have expired during the last five financial years**: Chairman and Chief Executive Officer and Director of Consortium Stade de France; Director of VINCI Park; Vice-President of VINCI USA Holdings Inc, Director of VINCI Concessions and of VINCI Energies; member of the Supervisory Board of VINCI Deutschland GmbH and of Eurovia GmbH; permanent representative of Sogepar on the Board of Directors of Cofiroute, permanent representative of VINCI on the Board of Directors of VINCI Construction. **Appointments outside the VINCI group that have expired during the last five financial years**: Director of Société d'Économie Mixte Locale de Rueil 2000. **Background**: a graduate of HEC, Bernard Huvelin joined SGE in 1962 and spent all his working life there. He was appointed Company Secretary in 1974 and had several General Management positions within the Group from 1982 to 1990 before becoming its Executive Vice-President in 1991, Chief Executive in 1997, Director and Chief Executive in 1999, then Director and Co-Chief Operating Officer of VINCI from 2002 until the beginning of 2005. He was Adviser to the Chairman of VINCI from 2005 to June 2006. He has been Vice-Chairman of the Board of Directors of VINCI since 2005.
Jean-Pierre Lamoure Age 60 – 2008 Soletanche Freyssinet 133, boulevard National 92500 Rueil-Malmaison	AG 2012(**)	**Chairman of Soletanche Freyssinet** **Main appointments within the VINCI group**: Chairman of Solétanche Bachy Entreprise; Director of Solétanche Bachy; Manager of Compagnie du Sol; Director of Bachy Soletanche Holdings Ltd. (England) **Appointments outside the VINCI group**: Chairman of Psila and of Comemi; Chairman of the Supervisory Board of Atlantic SFDT; Chairman of the Management Board of Sedeco; Manager of Promocalor and of Solval; Director of Technip; member of the Supervisory Board of Fortis Banque France; Director and Secretary of the Fédération nationale des travaux publics. **Appointments within the VINCI group that have expired during the last five financial years**: Chairman and Chief Executive Officer of Solétanche. **Appointments outside the VINCI Group that have expired during the last five financial years**: Director of the Institut français du pétrole; joint-manager of HIGB. **Background**: Jean-Pierre Lamoure is a graduate of the École Polytechnique and a Master Engineer of the corps des Mines. He worked as head of the oil and energy-saving techniques in the Mines department of the Ministry of Industry at Bordeaux and was the official representative to the Prefect of the Aquitaine region from 1975 to 1978, then head of the prospection–production and oilfield conservation department in the hydrocarbons department of the Ministry of Industry from 1978 to 1981. From 1981 to 1983, he was Head of Management Control and Planning in the insulation division of Saint-Gobain. In 1983 he joined the Solétanche group as Chief Executive Officer, a position he held from 1983 to 1987 before being appointed Chairman of the Executive Board of Solétanche Entreprise for 1987-1989. He was then Chairman and Chief Executive Officer of Solétanche S.A. from 1989 and between 1997 and 2008 of Solétanche Bachy, which became a subsidiary of VINCI Construction in 2007 and was renamed Soletanche Freyssinet in 2008. Within the Solétanche group, he also served as Vice-Chairman (1983–1988), Chairman and Chief Executive Officer (1988–1994) and Chairman of the Supervisory Board (1994–1997) of Forasol-Foramer. Jean-Pierre Lamoure has also been Chairman of the Supervisory Board of Atlantic Sfdt since 1998. Mr. Lamoure was Vice-Chairman of the French National Federation of Public Works (FNTP) from 1998 until 2007, and has been its Secretary since 2007. Between 1995 and 1999 and since 2004, he has also been Chairman of that Federation's Technical and Innovation Commission.
Jean-Bernard Lévy Age 54 – 2007 Vivendi 42, avenue de Friedland 75008 Paris Chairman of the Remuneration Committee	AG 2011	**Chairman of the Management Board of Vivendi** Jean-Bernard Lévy is also Chairman of the Supervisory Board of Canal+ France; Vice-Chairman of the Supervisory Board of Maroc Telecom; Director of SFR, Activision Blizzard (USA) and NBC Universal Inc. (USA); member of the Supervisory Board of Canal + Group. He is also a Director of the Institut Pasteur and Chairman of the Supervisory Board of Viroxis. **Appointments that have expired during the last five financial years**: Chairman and Chief Executive Officer of VU Net and of VTI, Director of UGC and of HCA, and member of the Supervisory Board of Cegetel. **Background**: Jean-Bernard Lévy is a graduate of École Polytechnique and École Nationale Supérieure des Télécommunications. He was an engineer at France Telecom from 1978 to 1986, and then technical adviser to Gérard Longuet, the French Minister for Postal and Telecommunication services from 1986 to 1988, General Manager, Communication Satellites at Matra Marconi Space from 1988 to 1993, Chief of Staff to Gérard Longuet, the French Minister for Industry, Postal Services and Telecommunications and Foreign Trade from 1993 to 1994. From 1995 to 1998, he was Chairman and Chief Executive Officer of Matra Communication, then Managing Partner, Corporate Finance at Oddo Pinatton from 1998 to 2002. He joined Vivendi Universal in August 2002 as Chief Operating Officer and was appointed Chairman of the Management Board of Vivendi on 28 April 2005.

Henri Saint Olive Age 65 – 2006 Banque Saint Olive 84, rue Duguesclin 69458 Lyon Cedex 06 Chairman of the Audit Committee and Member of the Appointments Committee	AG 2010	**Chairman of the Board of Directors of Banque Saint Olive** Henri Saint Olive is also Chairman of the Supervisory Board of Saint Olive et Cie and of Saint Olive Gestion; Chairman of the Board of Directors of Enyo; Manager of CF Participations and of Segipa; member of the Supervisory Boards of Eurazeo, Prodith, Monceau Générale Assurances and ANF; Director of Mutuelle Centrale de Réassurance, Compagnie Industrielle d'Assurance Mutuelle, Centre Hospitalier Saint-Joseph-et-Saint-Luc and of the Association de l'Hôpital Saint-Joseph at Lyons. **Appointments that have expired during the last five financial years**: Chairman of the Board of Directors of CIARL; Director of Rue Impériale de Lyon, Monceau Assurances Mutuelles Associées and Groupe Monceau-Mutuelles Associées; Manager of LP Participation. **Background**: a graduate of HEC, in 1969 Henri Saint Olive joined Banque Saint Olive where he has spent his working life. He was appointed Chairman of the Executive Board of this bank in 1987 then Chairman of its Board of Directors in 1997.
Pascale Sourisse Age 47 – 2007 Thales 160, boulevard de Valmy BP 82 92704 Colombes Cedex Member of the Audit Committee and of the Strategy and Investments Committee	AG 2011	**Senior Vice President of Thales Land & Joint Systems Division and member of Thales's Executive Committee** Pascale Sourisse is also Chairman of the Board of Directors of Thales Communications S.A. and a Director of Thales North America Inc (USA). **Appointments that have expired during the last five financial years**: Chairman and Chief Executive Officer of Alcatel Cyber Satellite; Director and Chairman of Skybridge Satellite Operations; Director of Skybridge LLC, Skybridge 2LLC, Skybridge Operations France, Skybridge Communications par Satellites, Satlynx; Chairman of Thales Alenia Space France, Alcatel Spacecom, and SkyBridge GP Inc; Director of Thales Alenia Space Italia SpA, Telespazio Holding SRL, Galileo Industries SA, Galileo Industries, and EuropeStar Ltd. **Background**: Pascale Sourisse is a graduate of École Polytechnique and is a telecommunications engineer. She worked as an engineer at Compagnie Générale des Eaux from 1984 to 1985, as an engineer in the telecommunications division of Jeumont-Schneider from 1985 to 1986, and as head of the enterprise network division at France Telecom from 1987 to 1990. From 1990 to 1994, she worked in the French Ministry for Industry, as assistant deputy manager, then deputy manager, of the Consumer Electronics and Audiovisual Communication department. Ms Sourisse has worked since 1995 for Alcatel Group, where she has held the positions of Director, Planning and Strategy from 1995 to 1997, Chairman and Chief Executive Officer of Skybridge from 1997 to 2001, Chief Operating Officer and then Chairman and Chief Executive Officer of Alcatel Space from 2001 to 2005. She was Chairman of Alcatel Alenia Space (now Thales Alenia Space) from 2005 to 2008. Since April 2007, she has been a member of the Executive Committee of Thales and, since May 2008, she has been Senior Vice President of Thales Land & Joint Systems Division.
Denis Vernoux Age 62 – 2002 VINCI Construction Grands Projets 5, cours Ferdinand-de-Lesseps 92851 Rueil-Malmaison Cedex Member of the Strategy and Investments Committee	AG 2012	**Director representing employee shareholders** Denis Vernoux is an engineer at VINCI Construction Grands Projets. He is Chairman of the Joint Supervisory Board of the VINCI Castor and Castor Relais corporate mutual funds, and Chairman of the Supervisory Boards of the Castor Equilibre and Castor Rebond corporate mutual funds. **Background**: a qualified engineer (EIM-CHEBAP), Denis Vernoux has spent all his working life since 1973 in the VINCI group. In particular he was chief engineer in the technical department of Campenon Bernard. He is now chief engineer in the engineering and technical resources department of the subsidiary, VINCI Construction Grands Projets. At the same time, Denis Vernoux has successively been a member and secretary of the works council at the head office of Campenon Bernard and then of VINCI Construction Grands Projets. He is secretary of the works council of VINCI Construction Grands Projets.

(*) Renewal of appointment for a period of four years proposed to the Shareholders' General Meeting.
(**) Director whose co-optation in 2008 will be put to the ratification of the Shareholders' General Meeting.

1.2 Person whose appointment as Director will be proposed to the Shareholders' General Meeting on 14 May 2009

Michael Pragnell Age 62 Pound Cottage Silchester RG72LR United Kingdom Proposed appointment: from the 2009 AGM to the 2013 AGM	**Former Chief Executive Officer, Chairman of the Executive Committee and member of the Board of Directors of Syngenta AG** **Appointments that have expired during the last five financial years:** Chief Executive Officer and Director of Syngenta AG. **Background:** Michael Pragnell is British and is a graduate of St John's College, Oxford and INSEAD. In 1968, he joined Courtaulds Ltd where he held positions in marketing and sales and in 1974, he joined First National Bank of Chicago in the international department. From 1975 to 1995, he held various positions within the Courtaulds group: in marketing at International Paint plc (1975–1985), Chief Executive Officer of National Plastics (1985-1986), Chief Executive Officer of International Paint plc (1986–1992) and Chief Financial Officer (1992–1994) of Courtaulds plc, where was appointed to the Board of Directors in 1990. From 1995 to 2000, he was Chief Executive Officer of Zeneca Agrochemicals and a member of the Executive Committee of Zeneca plc (now known as AstraZeneca plc), and was appointed to the Board of Directors in 1997. In 2000, he was appointed founding Chief Executive Officer and Chairman of the Executive Committee of Syngenta AG, where he is also a founder member of the Board of Directors. From 2002 to 2005, he was Chairman of CropLife International association.

1.3 Director whose appointment ended in 2008(*)

Quentin Davies Age 64 House of Commons London SWIA OAA United Kingdom Director from 10 May 1999 to 11 September 2000 and from 14 May 2003 to 6 October 2008	**Minister for Defence Equipment and Support, at the Ministry of Defence in the United Kingdom** Quentin Davies is also a Member of the United Kingdom Parliament. **Appointments that have expired during the last five financial years:** Director of VINCI, Director of Lloyds of London. **Background**: Quentin Davies is British and a graduate of Cambridge and Harvard. He held several positions in the British Diplomatic Service from 1967 before joining Morgan Grenfell in 1974, where he was head of Corporate Finance. He served in the UK Parliament as a Conservative Member from 1987 to 2007 and was successively Opposition Spokesman for Social Security and Pensions, for Treasury matters, for Defence and for Northern Ireland. He was a Director of VINCI from 1999 to 2000 and from 2003 to 2008. He joined the Labour Party in June 2007. Since 5 October 2008 he has been Minister for Defence Equipment and Support, at the United Kingdom Ministry of Defence.

(*) Quentin Davies' appointment was renewed at the Shareholders' General Meeting of 15 May 2008 for a four-year term, until the General Meeting called to approve the financial statements for the year ending 31 December 2011.

1.4 Senior Executive Vice-President not serving on the Board of Directors whose appointment ended in 2008

Jacques Tavernier Age 59 Eurovia 18, place de l'Europe 92851 Rueil-Malmaison Cedex Senior Executive Vice President from 15 May 2006 to 28 March 2008	**Chairman and Chief Executive Officer of Eurovia and Member of the Executive Committee of VINCI** **Main appointments within the VINCI group:** Director of Eurovia Travaux Ferroviaires; member of the Supervisory Board of Eurovia GmbH and of VINCI Deutschland GmbH (Germany); member of the Executive Board of Stavby Silnic A Zeleznic (Czech Republic); Director of the Fondation d'Entreprise VINCI pour la Cité and the Fondation d'Entreprise Eurovia. **Appointments outside the VINCI group:** member of the Board of Directors of École Nationale des Ponts et Chaussées, as a "qualified public figure". **Appointments within the VINCI group that have expired during the last five financial years:** Senior Executive Vice President of VINCI; Chairman and Chief Executive Officer of ASF; Chairman and Chief Executive Officer of ASF Holding; Director and Chief Executive Officer of VINCI Concessions; permanent representative of VINCI Concessions on the Board of Directors of Arcour and Cofiroute Holding, of VINCI on the Board of Directors of Cofiroute and SMTPC, of ASF on the Board of Directors of Escota. **Appointments outside the VINCI group that have expired during the last five financial years:** Director of Lorry Rail SA. **Background:** Jacques Tavernier is a graduate of the École Polytechnique and the École Nationale des Ponts et Chaussées. He worked as an engineer in local government in Seine-Saint-Denis near Paris from 1975 to 1982, was involved in management of investment in roads at the Ministry of Capital Works from 1983 to 1986, and was then a *chargé de mission* at DATAR from 1986 to 1989. From 1989 to 1991, he was in charge of town planning and housing in local government in Ile de France (the Greater Paris region), then technical adviser to Paul Quilès (French Minister for Capital Works, Housing, Transport and Space) from 1991 to 1992, general manager of the public corporation responsible for creating the Sénart new town from 1992 to 1993, and was in charge of capital works for the Hauts-de-Seine *département* from 1993 to 1998. He was Chief Executive Officer of ASF from 1998 to 2006, its Chairman and Chief Executive Officer from 2006 to September 2007, then its Chairman until December 2007. He was also Director-Chief Executive Officer of VINCI Concessions from March 2006 until October 2007. Since 9 January 2008, he has been Chairman and Chief Executive Officer of Eurovia.

2. Shares held by the company officers

2.1 Shares held by the company officers

In accordance with the Company's corporate statutes, the minimum number of VINCI shares that each Director (except the Director representing employee shareholders) must hold is 1,000, which, on the basis of the share price at 31 December 2008 (€30), amounts to a minimum of €30,000 invested in VINCI shares.
The table below summarises the number of shares held by the company officers at 31 December 2008:

Company officer	Number of VINCI shares
Directors	
Yves-Thibault de Silguy	1,854
Xavier Huillard	406,752
Dominique Bazy	1,400
Robert Castaigne	1,000
François David	1,184
Patrick Faure	4,914
Dominique Ferrero	2,171
Bernard Huvelin	490,159
Jean-Pierre Lamoure	2,000
Jean-Bernard Lévy	2,400
Henri Saint Olive	42,946
Pascale Sourisse	1,000
Denis Vernoux	21
Former Senior Executive Vice-President	
Jacques Tavernier	400

2.2 Share transactions by company officers, executives and persons referred to in Article L.621-18-2 of the French Monetary and Financial Code

In 2008, the Group's company officers and executives subject to spontaneous declaration of their share transactions have declared having made the following transactions:

(in number of shares)	Acquisitions	Disposals
Yves-Thibault de Silguy	230	0
Xavier Huillard	13,000	50,000
Quentin Davies	400	-
Patrick Faure	114	-
Henri Saint Olive(*)	222	-
Denis Vernoux	1	-
Christian Labeyrie	13,000(**)	90,000

(*) Companies with which H. Saint Olive is connected have declared acquisitions for a total of 756 shares.
(**) Acquisitions financed by sales of units in company savings funds.
Note: the corresponding declarations may be consulted on the AMF website (www.amf-france.org).

3. Company officers' remuneration and interests

3.1 Directors' fees and other remuneration

The total amount of Directors' fees paid in 2008 by the Company (for the second half of 2007 and the first half of 2008) amounted to €644,833. Some company officers also received Directors' fees in 2008 from companies controlled by VINCI. VINCI recognised Directors' fees of €724,144 in respect of 2008.

The table below summarises the amount of Directors' fees and other remuneration received in 2008 by non-executive directors of VINCI:

Directors' fees and other remuneration received by non-executive company officers

	Amounts paid in 2007		Amounts paid in 2008	
Non-executive company officers(1)	by VINCI	by companies controlled by VINCI	by VINCI	by companies controlled by VINCI
Dominique Bazy	64,250	-	42,500	-
Robert Castaigne	10,750	-	41,000	-
François David	43,000	-	40,500	-
Patrick Faure	47,167	-	40,500	-
Dominique Ferrero	42,167	-	11,500	-
Bernard Huvelin	43,833	33,906	46,500	31,354
Jean-Pierre Lamoure(2)	-	-	-	20,000
Jean-Bernard Lévy	12,667	-	41,500	-
Henri Saint Olive	58,000	-	71,500	-
Pascale Sourisse	9,917	-	46,500	-
Denis Vernoux(3)	43,000	-	46,500	
Quentin Davies(4)	73,000	-	76,500	-
Total Directors' fees	**447,751**	**33,906**	**488,333**	**51,354**

(1) These Directors have received no remuneration from VINCI and the companies controlled by VINCI other than Directors' fees, except for Denis Vernoux (3).
(2) As from his co-optation as Director on 16 December 2008 until 31 December 2008.
(3) As Denis Vernoux is a Director representing employee shareholders, his other remuneration is not disclosed.
(4) From 1 January 2008 until his resignation on 6 October 2008.
Note: Withholding tax is deducted from the amounts corresponding to Directors' fees received from foreign subsidiaries.

3.2 Remuneration of executive company officers

In accordance with the recommendations published by the Afep and Medef in October 2008 on the remuneration of executive company officers, the table below summarises the aggregate remuneration and options and performance shares granted to each executive company officer during the last two years:

Summary of remuneration and options and shares allocated to each executive company officer

Executive company officer	2007	2008
Yves-Thibault de Silguy, Chairman of the Board of Directors		
Remuneration due in respect of the year	1,605,015	1,616,071
Value of options granted during the year	-	-
Value of performance shares granted during the year	735,000	507,600
Total	**2,340,015**	**2,123,671**
Xavier Huillard, Chief Executive Officer		
Remuneration due in respect of the year	1,551,504	1,556,917
Value of options granted during the year	-	-
Value of performance shares granted during the year	588,000	620,400
Total	**2,139,504**	**2,177,317**
Jacques Tavernier, former Senior Executive Vice-President(*)		
Remuneration due in respect of the year	525,357	78,734
Value of options granted during the year	-	-
Value of performance shares granted during the year	392,000	394,800
Total	**917,357**	**473,534**

(*) Reference period used for calculating Mr Tavernier's remuneration in 2008: 1 January 2008 to 28 March 2008 (amounts calculated pro rata temporis).

VINCI discloses hereunder the remuneration paid during the last two financial years by VINCI and Group companies to VINCI's executive company officers and those set by the Board of Directors as proposed by the Remuneration Committee, that are due in respect of each of the two financial years, regardless of the year in which the remuneration in question is paid. The formula serving to calculate the variable portion of the executive company officers' remuneration on the basis of intrinsic performance and stock market price evolution results in an increase of 1.3% for 2008, reflecting the Group's good performances in an unfavourable stock market context.

Summary of the remuneration of each executive company officer

	2007		2008	
Executive company officer	**Amounts due in respect of the year**	**Amounts paid during the year**	**Amounts due in respect of the year**	**Amounts paid during the year**
Yves-Thibault de Silguy, Chairman of the Board of Directors				
Gross fixed salary	750,000	750,000	750,000	750,000
Gross variable salary	730,500	371,667	741,556	790,500
Exceptional remuneration	-	-	-	-
Directors' fees	120,000	120,000	120,000	120,000
Benefits in kind	4,515	4,515	4,515	4,515
Total	**1,605,015**	**1,246,182**	**1,616,071**	**1,665,015**
Xavier Huillard, Chief Executive Officer				
Gross fixed salary	700,000	661,554	700,000	700,000
Gross variable salary	791,548	777,073	791,389	824,673
Exceptional remuneration	-	-	-	-
Directors' fees	56,524	55,818	61,413	64,458
Benefits in kind	3,432	3,432	4,115	4,115
Total	**1,551,504**	**1 497,877**	**1,556,917**	**1,593,246**
Jacques Tavernier, former Senior Executive Vice-President (*)				
Gross fixed salary	291,204	291,816	77,946	77,946
Gross variable salary	231,000	220,000	-	232,217
Exceptional remuneration	-	-	-	-
Directors' fees	-	-	-	-
Benefits in kind	3,153	3,153	788	788
Total	**525,357**	**514,969**	**78,734**	**310,951**

(*) Reference period used for calculating Mr Tavernier's remuneration in 2008: 1 January 2008 to 28 March 2008 (amounts calculated pro rata temporis).
Note: Directors' fees received by executive company officers are deducted from the overall remuneration paid to them by the Company.

The table below summarises the various data relating to the existence in favour of the executive company officers, if applicable, of (I) an employment contract in addition to the appointment as company officer, (II) supplementary pension plans, (III) commitments entered into by the Company corresponding to allowances or benefits due or that could be due as a consequence of cessation or change of the executive company officer's duties or after their cessation and (IV) allowances compensating for a non-competition clause.

Executive company officer	**Employment contract**		**Supplementary pension plan**		**Allowances or benefits that could be due on cessation or change of duties**		**Allowances for non-competition clause**	
	yes	no	yes	no	yes	no	yes	no
Yves-Thibault de Silguy, Chairman of the Board of Directors Date of appointment: 1 June 2006 Term of appointment ends at AGM 2010		X	X			X		X
Xavier Huillard, Chief Executive Officer Date of appointment: 9 January 2006 Term of appointment ends at AGM 2010	X(1)		X			X(3)		X
Jacques Tavernier, former Senior Executive Vice-President* Date of appointment: 15 May 2006 Term of appointment ended: 28 March 2008	X(2)		X			X		X

(1) This employment contract was suspended at the time of Mr Huillard's appointment as Chief Executive Officer.
(2) This employment contract was maintained at the time of Mr Tavernier's appointment as Senior Executive Vice-President.
(3) Excluding allowances provided for in the Civil Engineering collective bargaining agreement in the event of termination of the employment contract.

a) Remuneration of Yves-Thibault de Silguy

Yves-Thibault de Silguy was appointed Chairman of the Board of Directors on 1 June 2006. In June 2006, the Board of Directors set his remuneration at €1,500,000 for a full year. This remuneration comprises a fixed part of €750,000 and a variable part of €750,000. The variable part is adjustable on the basis of a performance index mentioned on page 155. At its meeting held on 3 March 2009, the Board of Directors decided, as proposed by the Remunerations Committee, to set the variable part of Yves-Thibault de Silguy's remuneration at €861,556 in respect of 2008, applying an increase of 1.3% after calculating the performance index, before deducting the directors' fees paid in 2008. For 2009, it was decided,

as proposed by the executive company officers, not to adjust the fixed part. The formula used to calculate the performance index applicable to the variable part has been maintained.
Yves-Thibault de Silguy, who does not have an employment contract and has no entitlement to any leaving allowance, has an entitlement to a special pension regime amounting to €380,000 per annum. This undertaking was expressly approved by the Shareholders' Ordinary General Meetings of 10 May 2007 and then of 15 May 2008, in order to incorporate performance conditions in accordance with France's so-called "Tepa" Act (supporting work, employment and purchasing power). This retirement pension will be acquired if, on expiry of Yves-Thibault de Silguy's term of appointment, trends in both quantitative indicators (net profit, cash flow from operations, ROCE, VINCI share price, outperformance of the VINCI share compared with a sample of comparable companies, and dividends) and qualitative indicators (connected with his personal performance) are, in the majority, positive. The Board monitors these indicators annually. The purpose of this regime is to replace an equivalent regime to which Yves-Thibault de Silguy lost his entitlement when, having accepted his appointment in June 2006 as Chairman of the Board of Directors of VINCI, he left the Suez group. In connection with the monitoring of the performance criteria instituted in accordance with the so-called "Tepa" Act, the Board of Directors considered on 27 February 2008, as proposed by the Remuneration Committee, that, Mr de Silguy having taken up his duties on 1 June 2006, his performance had been positive in 2006 and 2007 on each of the points considered except two (ROCE in 2006 and outperformance by the VINCI share in 2007). The Board of Directors also considered on 3 March 2009, as proposed by the Remuneration Committee that the Chairman's performance criteria, with the exception of the criteria related to the trends in the VINCI share price, were met in 2008.

b) Remuneration of Xavier Huillard
In December 2005, the Board of Directors approved the arrangements for the remuneration of Xavier Huillard, which comprises a fixed part of €700,000 and a variable part initially set at €700,000. The variable part comprises a part that can be adjusted by application of the performance index mentioned on page 155 and a part (amounting to €250,000) payable at the Board's discretion.
At its meeting held on 3 March 2009, the Board of Directors decided, as proposed by the Remuneration Committee, to set the variable part of Xavier Huillard's remuneration at €855,847 in respect of 2008, applying an increase of 1.3% after calculating the performance index, before deduction of the directors' fees paid in 2008. This amount includes an amount of €250,000 corresponding to the ceiling of the discretionary part that the Board had decided.
For 2009, the Board decided, as proposed by the executive company officers, not to adjust the fixed part. Regarding the variable part, it has been decided to maintain the formula used to calculate the performance index and to increase the ceiling of the part subject to the discretionary assessment to €300,000.
Like a number of the Group's executives, Xavier Huillard is a member of the supplementary retirement benefit scheme mentioned in paragraph (e) below. VINCI has made no commitment to pay him a leaving bonus.
Xavier Huillard has had an employment contract within the VINCI group since 1996. This contract was suspended when he was appointed as an executive company officer in January 2006. It is governed by the civil engineering collective bargaining agreement and includes no contractual leaving allowance other than as provided for in that collective bargaining agreement. In accordance with the Afep-Medef recommendations, the Board of Directors has decided that the future of this contract will be examined on the occasion of the renewal of Xavier Huillard's appointment as a company officer, the term of which expires on completion of the General Meeting called to vote on the financial statements for 2009.

c) Remuneration of Jacques Tavernier
Jacques Tavernier was Senior Executive Vice-President from 15 May 2006 to 28 March 2008. He has been Chairman and Chief Executive Officer of Eurovia since January 2008. Previously, he was Chief Executive Officer of VINCI Concessions and Chairman and Chief Executive Officer of Autoroutes du Sud de la France. Jacques Tavernier received remuneration of €310,957 (*prorata temporis* for the period from 1 January to 28 March 2008), including a fixed part of €77,946 and a variable part in respect of 2007 for €232,217.
Like a number of the Group's executives, Jacques Tavernier is a member of the supplementary retirement benefit scheme mentioned in paragraph (e) below. VINCI has made no commitment to pay him a leaving bonus.

d) Benefits in kind paid to Executive Company Officers
In 2008, Yves-Thibault de Silguy, Xavier Huillard and Jacques Tavernier have had the use of a company car.

e) Retirement benefit obligations
Some of the Group's management staff who meet certain eligibility conditions are members of a supplementary retirement benefit scheme, which guarantees them a total pension of between 20% and 35% of the average of their final three years' remuneration, with a maximum of €85,595 per annum. Xavier Huillard, Director and Chief Executive Officer, and Jacques Tavernier, are members of this scheme.
Moreover, Yves-Thibault de Silguy is entitled to a special pension regime described in paragraph (a) above.
At 31 December 2008, VINCI's obligations in respect of retirement pensions for executive company officers amounted to €8,172.8 thousand, broken down as follows:

Beneficiary	Obligation at 31 December 2008 in €'000s
Yves-Thibault de Silguy	6,054.2
Xavier Huillard	862.7
Jacques Tavernier	1,255.9

Retirement benefit obligations are also described on page 246 of the Notes to the consolidated financial statements.

4. Options and performance shares

4.1 Policy on granting of options or performance shares

VINCI's Board of Directors has no authorisation from the Shareholders' General Meeting to grant subscription or purchase options. In respect of performance shares, the VINCI's policy is to grant performance shares to a significant number of the Group's employees in order to associate them with its good performance.

4.2 Share subscription or share purchase option plans

4.2.1 Existing option plans

a) General information

Under the authorisations that it had from the Shareholders' General Meeting before 2008, the Board of Directors of VINCI had decided to implement share subscription and / or share purchase option plans, details of which are given in the following table.

Record of granting of share subscription or purchase options

	Date		Original number		Including options originally granted to		Dates						
	Shareholders' Meeting	Board Meeting	Beneficiaries	Options(1)	Company officers(1)(3)	Top 10 employee beneficiaries(1)(2)	From which option may be exercised	Of expiry of option	Number of options exercised in 2008	Cumulative number of options cancelled or expired in 2008	Options not exercised as at 31/12/2008	Adjusted exercise price in euros	Number of remaining beneficiaries as at 31/12/2008
VINCI 1998	18/06/1993	04/03/1998	66	962,000	0	180,000	1/1/1999	4/3/2008	0	8	0	6.27	0
VINCI 1999 No. 1	25/05/1998	09/03/1999	88	2,608,000	240,000	700,000	9/3/2001	8/3/2009	16,388	0	31,144	9.3	3
VINCI 1999 No. 2	25/05/1998	07/09/1999	590	4,012,764	626,668	680,000	7/9/2001	6/9/2009	22,657	0	203,957	10.36	65
VINCI 2000 No. 1	25/10/1999	11/01/2000	40	3,900,000	1,000,000	1,360,000	11/1/2002	10/1/2010	10,500	0	117,284	12.25	4
VINCI 2000 No. 2	25/10/1999	03/10/2000	999	7,070,000	180,000	531,200	3/10/2002	2/10/2010	131,635	0	996,765	13.96	225
GTM 2000	-	-	355	2,256,480	168,000	244,800	24/1/2002	23/5/2008	202,469	45,868	0	8.73	0
VINCI 2001	25/10/1999	08/03/2001	3	930,000	930,000	0	8/3/2003	7/3/2011	0	0	24,333	13.96	1
VINCI 2002 No. 1	25/10/1999	17/12/2002	287	9,802,000	2,620,000	1,212,000	25/1/2004	17/12/2012	360,477	0	1,900,734	15.59	114
VINCI 2002 No. 2	25/10/1999	17/12/2002	409	10,000,000	2,760,000	1,020,000	17/12/2004	17/12/2012	275,951	0	1,676,603	12.96	166
VINCI 2003	14/05/2003	11/09/2003	126	5,608,000	1,400,000	1,296,000	11/9/2005	11/9/2013	667,913	0	1,727,676	15.04	75
VINCI 2004	14/05/2003	07/08/2004	142	6,344,000	1,640,000	1,420,000	7/9/2006	7/9/2014	636,517	0	4,066,973	20.18	127
VINCI 2005	14/05/2003	01/03/2005	158	5,081,136	2,268,000	1,176,000	16/3/2007	16/3/2012	30,396	0	3,252,745	24.2	154
VINCI 2006 No. 1	14/05/2003	09/01/2006	8	2,630,000	1,850,000	780,000	9/1/2008	7/1/2013	0	0	1,071,950	35.58	6
VINCI 2006 No. 2	14/05/2003	16/05/2006	1,352	3,383,606	50,000	242,000	16/5/2008	16/5/2013	0	16,168	3,352,071	40.32	1,344
Subscription plans total			**2,410**	**64,587,986**	**15,732,668**	**10,842,000**			**2,354,903**	**62,044**	**18,422,235**	**23.31**	**1,602**
VINCI 1999 No. 2	25/05/1998	07/09/1999	590	8,025,236	1,253,332	1,360,000	7/9/2001	6/9/2009	45,006	0	406,090	10.69	64
VINCI 2000	25/10/1999	03/10/2000	999	7,070,000	180,000	531,200	3/10/2002	2/10/2010	131,635	0	990,723	11.77	224
VINCI 2001	25/10/1999	08/03/2001	3	930,000	930,000	0	8/3/2003	7/3/2011	0	0	24,333	13.96	1
VINCI 2002	25/10/1999	25/01/2002	7	198,000	0	198,000	25/1/2004	24/1/2012	0	0	6,913	15.59	1
VINCI 2006 No. 2	14/05/2003	16/05/2006	1,352	3,383,606	50,000	242,000	16/5/2008	16/5/2013	0	16,168	3,352,071	40.32	1,344
Purchase plans total			**2,042**	**19,606,842**	**2,413,332**	**2,331,200**			**176,641**	**16,168**	**4,780,130**	**31.71**	**1,508**
Total			**1,743**	**84,194,828**	**18,146,000**	**13,173,200**			**2,531,544**	**78,212**	**23,202,365**	**25.04**	**1,605**

(1) Original number adjusted for the two-for-one share split in May 2007 but not adjusted for the increase in share capital in April 2006 (except for the 2006 No. 2 plan).
(2) Not company officers.
(3) Company officers serving at the time of granting.
Note: an option gives the right to subscribe to or purchase one share; options plans comprise an annual final vesting period by thirds over a three-year period as from the date of granting the options.

b) Number of shares that can be subscribed to or purchased by the company officers

Only two company officers can still subscribe to or purchase shares by exercising their options:

Total number of shares that can be subscribed to or purchased by the company officers as at 31 December 2008

	Xavier Huillard	Jacques Tavernier
Subscription plans		
VINCI 2003	89,180	-
VINCI 2004	245,016	-
VINCI 2005	245,016	-
VINCI 2006 No. 1	265,434	-
VINCI 2006 No. 2	-	50,000
Purchase plans		
VINCI 2006 No. 2	-	50,000
Total	**844,646**	**100,000**

4.2.2 Options granted in 2008

No options plan was set up in 2008. No subsidiary controlled by VINCI has granted share subscription or purchase options.

4.2.3 Options exercised in 2008

a) General information

Between 1 January and 31 December 2008, 2,531,544 options were exercised, comprising 2,354,903 subscription options and 176,641 purchase options. During this same period, 78,212 options were cancelled, comprising 62,044 subscription options and 16,168 purchase options. Taking this into account, the number of options remaining to be exercised at 31 December 2008 was 23,202,365 at an average exercise price of €25.04 (comprising 18,422,235 subscription options at an average price of €23.31 and 4,780,130 purchase options at an average price of €31.71).

b) Exercise of options by executive company officers

In 2008, VINCI's executive company officers exercised the following options:

Share subscription or purchase options exercised during the year by each executive company officer

Executive company officer	Plan	Date of corresponding meeting of the Board Directors	Type	Number of options exercised during the year	Exercise price (in euros)
Yves-Thibault de Silguy	-	-	-	-	-
Xavier Huillard	2003 Plan	11/9/2003	Subscription	13,000	15.04
Jacques Tavernier	-	-	-	-	-
Total				**13,000**	**15.04**

c) Exercise of options by the top ten employees who are not company officers

In 2008, the top ten VINCI group employees who were not company officers exercised the following options:

Plan	Type	Number of options exercised	Exercise price (in euros)
VINCI 2001	Subscription	7,022	14.0
VINCI 2001	Purchase	7,022	11.8
VINCI 2002 No. 1	Subscription	20,418	13.0
VINCI 2002 No. 2	Subscription	152,512	15.6
VINCI 2003	Subscription	354,398	15.0
VINCI 2004	Subscription	294,020	20.2
Total		**835,392**	**16.9**

4.3 Performance share plans

4.3.1 Existing performance share plans

a) General information

Record of granting of performance shares

Plan	Date		Original number		Including shares originally granted to		Date				
	Shareholders' Meeting	Board Meeting	Beneficiaries	Performance shares (existing shares)	Company officers[1]	Top 10 employee beneficiaries[2]	Start of vesting period	End of vesting period	End of retention period	Number of shares at 31/12/2008	Number of remaining beneficiaries at 31/12/2008
VINCI 2007	16/5/06	12/12/06	1,434	2,200,000[3][4]	55,000	139,000	2/1/07	2/1/09	2/1/11	2,052,980	1,329
VINCI 2008	16/5/06	11/12/07	1,570	2,165,700[5]	72,000	130,000	2/1/08	2/1/10[6]	2/1/12[6]	2,120,225	1,538
Total			**2,106**	**4,365,700[5]**	**127,000**	**269,000**				**4,173,205**	**1,982**

(1) Company officers serving at the time of granting.
(2) Not company officers.
(3) This number takes account of the two-for-one share split in May 2007.
(4) These shares were definitively granted to the beneficiaries on 2 January 2009, following the Board of Directors' decision on 16 December 2008, which noted that the performance conditions provided for in the plan decided in December 2006 had been met.
(5) Number that could be less depending on a performance indicator described below in paragraph 4.3.2.
(6) The Board of Directors may extend these dates by one year.

b) Number of performance shares granted to company officers

Two provisional grants of performance shares to company officers have been as decided by the Board of Directors in December 2006 and in December 2007, as shown in the table below:

Performance shares granted to each company officer

Performance shares granted to each executive company officer by VINCI and any Group companies	Plan	Date of corresponding meeting of the Board Directors	Number of shares granted	Value of shares using the method used for the consolidated financial statements	Date of vesting	Date of availability	Performance conditions
Yves-Thibault de Silguy	2007 Plan	12/12/06	30,000	735,000	2/1/2009	2/1/2011	Yes
	2008 Plan	11/12/07	18,000[1]	507,600	2/1/2010[2]	2/1/2012[2]	Yes
Xavier Huillard	2007 Plan	12/12/06	24,000	588,000	2/1/2009	2/1/2011	Yes
	2008 Plan	11/12/07	22,000[1]	620,400	2/1/2010[2]	2/1/2012[2]	Yes
Jacques Tavernier	2007 Plan	12/12/06	16,000	392,000	2/1/2009	2/1/2011	Yes
	2008 Plan	11/12/07	14,000[1]	394,800	2/1/2010[2]	2/1/2012[2]	Yes
Total			**124,000**	**3,237,800**			

(1) Number may be less depending on a performance indicator.
(2) The Board of Directors may extend these dates by one year.

It should be noted that these performance shares must be retained for two years and that company officers are required to retain at least one quarter of them during the term of their appointment.
No performance shares became available in 2008 for company officers.

4.3.2 Setting up of the 2008 plan with effect from 2 January 2008

On 11 December 2007, the Board of Directors decided to use the authorisation given to it by the Shareholders' General Meeting of 16 May 2006 to implement a plan for the granting of performance shares of the Company with effect from 2 January 2008. This plan provides for the granting of 2,165,700 existing shares to 1,570 Group executives and employees. The number of performance shares granted to company officers under this plan is shown in the table above.
The plan provides that the shares are only definitively allocated at the end of a vesting period of two years, which the Board can extend to three years. The number of shares definitively granted to the beneficiaries depends on a performance indicator which must show an increase on average by 10% annually during the vesting period. If the increase is less than 10% a year, the number of performance shares is reduced.
The performance indicator takes account of (I) the outperformance of the VINCI share compared with a sample of comparable European shares in the construction and infrastructure concessions sector (for 50%), (II) the increase in earnings per share (for 12.5%), (III) the increase in cash flow from operations before tax and financing costs (for 12.5%), (IV) the increase in operating profit (for 12.5%) and (V) the increase in return on capital employed (for 12.5%).
The plan also provides that the shares thus granted must be held for two years, during which time they may not be disposed of.
The number of shares originally granted by the Board of Directors on 11 December 2007 to the ten employees who were not company officers and who were granted the largest number was 130,000.

4.3.3 Shares vesting on 2 January 2009 under the 2007 plan

On 16 December 2008, the Board of Directors noted that the performance conditions provided for in the plan decided on in December 2006 had been met and the performance shares would be definitively granted to all the beneficiaries with effect from 2 January 2009 (1,329 people, including the two executive company officers). The Board of Directors has not decided any new granting of performance shares in 2008.

E. Social and environmental data

This report is compiled pursuant to Articles L225-102-1, R.225-104 and R.225-105 of the French Commercial Code.

It contains three separate sections:
– Corporate and societal responsibility;
– Environment and R&D;
– Customer and supplier relations.

The sustainable development policy and strategy are located on pages 14 to 19 of the present annual report. Additional information is available on the website www.vinci.com, which lists numerous activities illustrating the innovative approaches adopted by the Group's entities arranged by topic and type of challenge. From 2002 to 2007, VINCI requested the opinion of an auditor on the procedures for reporting social and environment information and a selection of indicators. In 2008, VINCI sought the approval of the college of auditors. This approval, along with a note about the methods employed, can be found on pages 146 to 149.

In addition to strict compliance with the legislation, VINCI has voluntarily undertaken to respect the ten principles of the Global Compact, a UN initiative, and to report each year on the initiatives implemented. In 2008, the year of the 60th anniversary of the Universal Declaration of Human Rights, Xavier Huillard, Director and CEO of VINCI, formally renewed his commitment to the United Nations to respect human rights.

Global Compact implementation

Commitments/Principles	Initiatives in 2008
Human Rights	
1. To support and respect, within the Group's sphere of influence, the protection of international law relating to human rights. 2. To ensure that the Group companies do not become complicit in human rights abuses	- Renewal by the CEO of VINCI for the Group's commitment to respecting the Universal Declaration of Human Rights. - Initiatives Sogea-Satom pour l'Afrique support for various community, health and educational projects. - Continuation of AIDS prevention programmes.
Labour standards	
3. To uphold freedom of association and the effective recognition of the right to collective bargaining 4. To eliminate all forms of forced and compulsory labour 5. To uphold the effective abolition of child labour 6. To eliminate discrimination in respect of employment and occupation	- Deployment of prevention programmes at the international level. - Deployment of the integration of social criteria for the selection of suppliers and sub-contractors in framework contracts. - Creation a "prevention" reporting method common to all Group companies and temporary employment agencies. - Performance of a "diversity" audit for the second consecutive year in 40 subsidiaries. - Creation of a body of internal auditors.
Environmental protection	
7. To support a precautionary approach to environmental challenges 8. To undertake initiatives to promote greater environmental responsibility 9. To encourage the development and the dissemination of environmentally friendly technologies	- Systematisation of project environmental risk analyses and product risks (REACH). - Systematisation of project approaches based on life cycle analysis in the tender and design phases. - Integration of renewable energies in our own activities and commercial offers. - Strengthen environmental reporting and the scope of its international application. 85% of the scope covered. - Joint effort on energy savings and greenhouse gas emission reductions at fixed premises and worksites. - Creation of an "Ecodesign of built ensembles and infrastructure" professorship with ParisTech. A five-year programme. - R&D programme and participative discussions on eco-communities and eco-cities by The City Factory.
Anti-corruption	
10. To work against all forms of corruption, including extortion and bribery.	- Further reinforcement of internal controls.

1. Social and societal responsibility

1.1. General human resources policy

The decentralised human resources management policy aims to develop and promote skills, guarantee equal opportunities during the recruitment process and in the workplace, provide safe working conditions and foster effective and appropriate social dialogue. Employee renewal is an important issue for the Group given our demographic structure and rapid business growth. The forward management of employment and skills (GPEC) policy, implemented in 2007, is an approach designed to aid the performance of VINCI companies. Its task is to support the Group's entrepreneurs in their everyday efforts to develop their business. In 2008, a best practices guide was written and disseminated to the management and co-ordination committee, the administration and finance divisions and human resources divisions. The GPEC approach has been rolled out to the majority of Group companies. Almost 100 GPEC enterprise agreements were signed in 2008.

1.1.1 Our workforce

At the end of 2008, VINCI had 164,057 employees in over 90 countries, an increase of 3% compared with 2007. Of these 2% came from recently acquired companies. During the year, VINCI recruited 26,359 people worldwide for long-term positions, of which over 10,000 in France. Management accounted for 15% of all employees, an increase of 8% worldwide.

1.1.2 International and European recruitment

Given its increasingly international growth, VINCI aims to speed up the trend towards more European recruitment by taking advantage of new levers. A VINCI European incubator has been established. The "incubator" path enables young graduates to access positions of responsibility in various European countries. The principle is to recruit and train young engineers in countries other than their own, and to provide them with the opportunity of acquiring in-depth knowledge of a second European culture and fluency in another language. At the end of 2008, the European incubator had 149 employees – 21% of whom are women – with an average age of 30, from 20 countries. The profile of the employees recruited is mainly "works" focused (58%), design accounts for 32% and support functions 10%.

Over the past five years, thanks to a dynamic recruitment policy and acquisitions, the Group's total headcount has increased 29%; the share of European entities in the total workforce has risen from 82% in 2003 to 85% in 2008.

In 2008, particular emphasis was placed on developing partnerships with schools, an important source of recruitment. Over 30,000 contacts were made with students through numerous recruitment forums.

Workforce by geographical area and by business line at 31 December 2008

Workforce	2008						2008	2007	2008/2007
	Concessions	Energy	Roads	Construction	Holdings and other		Total	Total	Change
France	11,343	20,852	24,785	35,184	552	57%	**92,716**	90,116	3%
United Kingdom	818	401	3,419	4,117	0	5%	**8,755**	8,868	(1%)
Germany	239	3,419	3,813	1,191	11	5%	**8,673**	8,795	(1%)
Central and Eastern Europe	173	2,838	5,550	6,168	0	7%	**14,729**	14,379	2%
Belgium	16	319	515	5,563	0	4%	**6,413**	5,748	12%
Spain	205	1,393	681	556	0	2%	**2,835**	3,356	(16%)
Rest of Europe	172	3,706	126	887	0	5%	**4,891**	4,831	(1%)
Europe excluding France	1,623	12,076	14,104	18,482	11	28%	**46,296**	45,977	1%
Americas	2,921	0	3,192	3,235	0	6%	**9,348**	8,421	11%
Africa	0	76	0	10,283	0	6%	**10,359**	9,815	6%
Asia, Oceania, Rest of World	883	0	0	4,455	0	3%	**5,338**	4,299	24%
Total	**16,770**	**33,004**	**42,081**	**71,639**	**563**	**100%**	**☑ 164,057**	**158,628**	**3%**

☑ *Audited indicators (see pages 148-149).*

1.1.3 Workforce by category, sex and business line

At the end of 2008, VINCI's total workforce comprised 15% management, 31% office, technical and supervisory staff and 54% manual labour. Women accounted for 13% of the workforce. Women account for 15% of management, 28% of office, technical and supervisory staff and 4% of manual labour employees.

Workforce by category, sex and business line at 31 December 2008

Workforce	2008						2008	2007	2008/2007
	Concessions	Energy	Roads	Construction	Holdings and others		Total	Total	Change
Management	1,571	6,311	4,698	11,365	328	15%	**24,273**	22,556	8%
Men	1,148	5,447	4,151	9,684	212	85%	**20,642**	19,427	6%
Women	423	864	547	1,681	116	15%	**3,631**	3,129	16%
Office, technical & supervisory staff	9,924	11,201	10,371	20,052	235	31%	**51,783**	49,945	4%
Men	6,008	8,502	7,433	15,327	75	72%	**37,345**	35,671	5%
Women	3,916	2,699	2,938	4,725	160	28%	**14,438**	14,274	1%
Manual labour	5,275	15,492	27,012	40,222	0	54%	**88,001**	86,127	2%
Men	4,027	15,080	26,467	39,267	0	96%	**84,841**	83,247	2%
Women	1,248	412	545	955	0	4%	**3,160**	2,880	10%
Total	16,770	33,004	42,081	71,639	563	100%	**164,057**	158,628	3%
☑ Men	11,183	29,029	38,051	64,278	287	87%	☑ **142,828**	138,345	3%
☑ Women	5,587	3,975	4,030	7,361	276	13%	☑ **21,229**	20,283	5%

☑ *Audited indicators (see pages 148-149).*

1.1.4 Type of employment contract

Out of a total workforce of 164,057 worldwide, 147,481 have long-term contracts, that is, 90% of employees. In France, especially in the construction sector, site contracts, lasting an average of 18 months, are considered as long-term employment. In 2008, 14,452 people were on fixed-term contracts. A total of 18,887 were recruited on temporary contracts, mainly in France (82%) and in the construction business.

Workforce by type of employment contract and business line at 31 December 2008

Workforce	2008						2008	2007	2008/2007
	Concessions	Energy	Roads	Construction	Holdings and others		Total	Total	Change
Unlimited-term contracts	15,711	30,056	39,558	56,497	545	87%	**142,367**	138,664	3%
Site contracts	50	37	86	4,941	0	3%	**5,114**	N/A	N/A
Fixed-term contracts	964	1,501	1,448	9,034	13	8%	**12,960**	16,487	(21%)
Work-and-study	45	1,410	989	1,167	5	2%	**3,616**	3,477	4%
Total VINCI employees	**16,770**	**33,004**	**42,081**	**71,639**	**563**	**100%**	**164,057**	**158,628**	**3%**
Temporary employees	398	2,963	3,900	11,605	21	12%	**18,887**	18,480	2%

1.1.5 Reasons for departure

Contracting business operates within the context of mobile sites lasting a limited time. They traditionally involve a large number of employees whose contracts expire once the construction is complete or when they want to transfer to other nearby companies to avoid having to move.

Departures by business line(*)

Workforce	2008						2008	2007	2008/2007
	Concessions	Energy	Roads	Construction	Holdings and others		Total	Total	Change
Normal end of contract(**)	11,986	1,647	3,205	17,230	43	65%	**34,111**	33,582	2%
Resignation	924	2,319	2,049	5,753	34	21%	**11,079**	11,615	(5%)
Economic redundancy	13	151	145	298	0	1%	**607**	378	61%
Other dismissals	580	543	947	1,901	23	8%	**3,994**	3,293	21%
Other reasons	273	253	210	2,000	3	5%	**2,148**	1,910	28%
Total	**13,776**	**4,913**	**6,556**	**27,182**	**103**	**100%**	**52,530**	**51,016**	**3%**

(*) Excluding changes in consolidation scope.
(**) End of fixed-term contract, end of site contract, retirement, termination during trial period, end of work-and-study contract, partial loss of activity.

1.1.6 Information regarding employee-reduction and employment protection plans, redeployment, rehiring and support measures

A significant recruiter for several years in numerous business areas, the Group only rarely implements restructuring programmes. VINCI's activities are by nature non-relocatable. In the event of a redundancy plan, management and human resources work together to organise economic and social solidarity as best possible, notably through mobility and redeployment schemes. During external growth operations, the general policy is to maintain the existing teams who are the guardians of skills and expertise, develop the activity while benefiting from the Group effect, pool tools and drive operation in network mode.

1.2 Organisation of working hours

1.2.1 Hours worked and overtime

In the Group companies, hours are arranged in accordance with statutory working hours or with collective bargaining agreements, which vary from one country to another. In 2008, a total of 291 million hours were worked, that is, 8% more than in 2007. Overtime came to 16.5 million hours, or 6% of the total hours worked.

Organisation of working hours

	2008			2008	2007
	Management	Office, technical & supervisory	Manual labour	Total	Total
Total hours worked	41,438,491	87,253,872	162,052,787	290,745,150	269,998,469
of which overtime	261,884	2,098,985	14,120,289	16,481,158	13,478,498
Number of part-time employees	349	2,295	1,192	3,836	3,806

1.2.2 Absenteeism

20.18 million days were worked in France. The number of calendar days' absence was 2.4 million in 2008, of which 63% were for non-occupational diseases.

Reason for days' absence

	2008						2008	2007
In number of calendar days	Concessions	Energy	Roads	Construction	Holdings and others	%	Total	Total
Non-occupational disease	158,691	311,401	488,552	572,037	4,239	63	1,534,920	1,465,899
Workplace accident	11,041	28,809	52,518	94,271	81	8	186,720	202,282
Commuting accident	1,812	5,146	8,757	7,125	54	1	22,894	20,268
Occupational disease	3,023	9,293	24,724	9,473		2	46,513	40,091
Maternity/paternity leave	23,019	33,944	30,459	27,112	1,508	5	116,042	N/A
Other causes	52,806	65,934	133,358	252,767	157	21	505,022	793,892
Total	**250,392**	**454,527**	**738,368**	**962,785**	**6,039**	**100**	**2,412,111**	**2,522,432**

1.3 Remuneration, social security contributions, employee savings and equal opportunity

1.3.1 General policy

The Group's remuneration policy is organised in accordance with our decentralised management structure. Common principles covering individual remuneration and incentives in line with our results are used as guidelines for this policy in all countries where we operate. Employee remuneration consists of various components: wages, bonuses, incentive schemes and employee share ownership. Individual remuneration reflects the personal responsibility and performance of each employee at every level. In France, 91% of employees benefit from incentive schemes and/or profit-sharing agreements. In all, we shared the benefits of our growth by paying out over €174 million in 2008 (€160 million in 2007).

Remuneration and employee share ownership

(in million of euros)	2008	2007	of which France 2008	of which France 2007
Incentive schemes	88.3	69.9	74.3	59.7
Share ownership	101.1	104.2	99.6	100.7
Welfare	52.6	54.2	26.6	27.5
Sub-total	*242*	*228.3*	*200.5*	*187.9*
Employer contribution	48.2	97.4	48.2	91.9
Total	**290.1**	**325.7**	**248.7**	**279.8**

1.3.2 Remuneration and social security payments

Remuneration and social security payments in France

	Total		Management		Office, technical & supervisory staff		Manual labour	
(in thousands of euros)	**2008**	2007	2008	2007	2008	2007	2008	2007
Average VINCI wage in France	**33**	33	59	58	31	30	25	25
Men	**34**	33	62	61	32	31	25	25
Women	**31**	29	46	45	28	26	22	23
Average wage in the Construction and Public Works sector(*)	**NC**	25	NC	49	NC	27	NC	21
Social security payments	**51%**	54%	53%	58 %	50%	53 %	48%	50 %

(*) Source: Pro BTP.

Remuneration and social security payments worldwide

	Total		Management		Office, technical & supervisory staff		Manual labour	
(in thousands of euros)	**2008**	2007	2008	2007	2008	2007	2008	2007
Average VINCI wage in France	**29**	29	57	57	29	29	22	22
Men	**29**	30	59	59	31	30	22	22
Women	**28**	26	45	44	26	25	15	15
Social security payments	**41%**	43%	45%	48%	39%	41%	39%	40%

1.3.3 Employee savings schemes

In 2008, the economy was marked by substantial worldwide economic and financial upheaval resulting in highly fluctuating stock markets. Nonetheless, and in line with the actions implemented to date in the area of employee savings schemes, VINCI maintained the principle of three capital increases a year under its savings scheme in France. This product – open to employees since 1995 – earns its legitimacy and its strength from the recurrence of the operations and its continuous operation.

The number of savers in France, despite a slight taper, has remained relatively high (nearly 60% of the workforce in 2008, compared with 72% in 2007). It should be noted that the savings invested by employees in the Castor fund, invested in VINCI shares, is encouraged by a 10% discount on the VINCI share price and an employer contribution that can be as high as €3,500, with a bracket favouring more modest levels of savings: the first €1,000 paid in is matched by VINCI with the same amount. In 2008, the employer contribution came to over €48 million.

The decrease, by more than two thirds, of retirement savings more than offset the lower average voluntary savings made (approximately €1700 in 2008). The total percentage of employee share ownership in the Group's equity remained unchanged at 8.25% in 2008. The trust demonstrated by the employees in the Group's future means they are still collectively among the Group's tier one shareholders.

At 31 December 2008, through the various unit trusts invested in VINCI shares, 89,236 employees were Group shareholders with an average portfolio worth nearly €12,000.

In 2009, VINCI's general management is proposing a new employer contribution scale, with an exceptional bracket with an employer contribution of 200% for the first €300 paid into the scheme, bringing the total employer contribution for an employee savings of €1,000 to €1,300. The maximum employer contribution will be €3,800 in accordance with the following scale:

– 200% employer contribution for the first €300 paid;
– 100% above that and up to €1,000;
– 70% above that and up to €3,000;
– 25% above that and up to €5,000;
– 10% above that and up to €11,000.

1.3.4 Equal opportunity

In line with the CEO's commitment in the Manifesto published in 2006, in 2008, for the second consecutive year, VINCI has ordered the independent Vigeo Group to audit its diversity and equal opportunity policy. This audit concerned 40 subsidiaries, 25% of which are outside France, and focused on mapping policy, deployment and result performance in four areas: women, people with disabilities, people of immigrant background and people aged 50 or over. Concerning the equal opportunity audit, the 2008 results are identical to those published for 2007 (the overall score is 2/4), while an improvement in practices was noted. A group of internal auditors has been appointed and trained to track the audits performed. In accordance with the Group's commitments, the results will be published and communicated to all employees in 2009.

Result of the Vigeo Group diversity audit

In 2008, the diversity audit involved 40 new subsidiaries located in 12 countries: France, Switzerland, Poland, Germany, Spain, the United Kingdom, Greece, Czech Republic, Belgium, the Netherlands, Luxembourg and Slovakia. 786 people were interviewed, of whom 12% were from employee representative bodies or trade unions.

Vigeo audit

Policy	- The existence of commitments
	- The transmission of the commitments and the understanding the employees and their representatives have of them
	- The explicit responsibility of managers, combined with objectives and regular assessment of achievements
Implementation	- The implementation of the procedures for all employees concerned and according to schedule
	- The availability of adequate resources: training (in accordance with the responsibilities defined in the organisation), information tools, aids for the uniform and automatic processing of data
	- The reality of the control exercised by the specialist function (usually HR), employee representatives and, if applicable, external audits
Results	- The existence and monitoring of indicators
	- The results observed in management charts, audit reports and the minutes of employee representative meetings
	- Employees' and their representatives' opinions of these results

Map of performance observed

Group-level assessment	Policy	Implementation	Results	Overall score
Women	2	2	2	2 ↗
People with disabilities	3	2	2	2 + ↗
People of immigrant background	3	2	2	2 + ↗
People aged 50 and over	3	2	3	3 – ↗

Rating grid

1	**No discernible commitment** No evidence of managerial commitment or appropriation; high risk of discrimination	3	**Conclusive evidence** Conclusive evidence of commitment to equal opportunities and the prevention of discrimination; managerial factors under control; reasonable assurance that discrimination risk is under control
2	**Action initiated** Commitment and partial managerial appropriation evident; low assurance of control of discrimination risks	4	**Advanced commitment** Commitment in an advanced state, comprehensive and innovative action taken: the company is a leader in terms of promoting equal opportunities and preventing discrimination

1.4 Professional relations and review of collective agreements

1.4.1 Social dialogue

Our social dialogue policy reflects our commitment to several fundamental principles: recognition of the role of unions in the Group; decentralisation; the quest for a constant balance to be maintained between trade union involvement and close links with professional activities; determination to facilitate communication and meetings for trade union representatives and employee representative bodies, and determination to provide more information and training for employee and trade union representatives by involving them in the implementation of the Group's major policies on health and safety, sustainable development, gender mix, disabled persons policy, etc.

1.4.2 Employee representative bodies

At local level, works councils, single staff delegations and employee representatives, together with the occupational health, safety and working conditions committees, contribute to the quality of dialogue between employers and employees. A number of specific bodies have also been created to complement individual companies' representative bodies. Discussions within these various bodies are reported at national level by the Group Works Council, and at the European level by the European Works Council. The Group Works Council, which meets at least twice a year, is made up of representatives from over 50 entities. It receives information about the Group's business and financial situation, employment trends and forecasts, and accident prevention initiatives at the Group and company levels. It is kept informed of VINCI's economic prospects for the coming year and has access to the Group's consolidated financial statements, together with the corresponding statutory auditors' reports. Before any decision is taken, it is advised of any significant project affecting the Group's consolidation scope or its legal or financial structure, and of the potential impact of such a project on employment. The European Works Council was renewed in 2006 for four years. It is made up of representatives from the 13 countries in which VINCI has subsidiaries: France, the United Kingdom, Austria, Belgium, Czech Republic, Germany, Spain, Hungary, the Netherlands, Poland, Sweden, Slovakia and Portugal. It meets once a year.

1.4.3 Trade union freedom

All Group companies respect the legislation in force in all countries where they operate. Operational managers are backed by the human resources managers who provide them with the most appropriate local solutions for the country context and VINCI's requirements in the area of respect for trade union freedom. As 90% of our business is in Europe, the European Works Council is the prime guarantor of the freedom of expression of trade unions.

1.4.4 Collective agreements

Collective agreements negotiated and signed by companies within the Group are tangible evidence of a decentralised human resources policy, which takes account of the realities on the ground and aims to improve working conditions, health and safety and the organisation of working hours. In 2008, 1,475 collective agreements were signed. In France, absenteeism due to strikes amounted to 6,614 days out of a total 20.18 million days worked, that is fewer than 0.003% of the number of days worked.

1.5 Health and safety

1.5.1 General prevention policy

The "zero accidents" goal remains the prime motivator for all VINCI employees. This goal applies to Group employees, temporary personnel and the employees of sub-contractors working on our worksites. In five years, this active policy has led to a significant drop in the frequency rate (down by 35% from 18 to 11.59), and the severity rate (down by 40% from 1.06 to 0.64) of lost-time accidents.

Frequency rate, severity rate and percentage of VINCI companies without any lost-time accidents

	France		Group	
	2008	**2007(*)**	**2008**	**2007(*)**
Frequency rate	☑ 13.75	14.04	☑ 11.59	12.85
Severity rate	☑ 0.97	1.09	☑ 0.64	0.75
Percentage of companies without any lost-time accidents	43%	47 %	46%	47 %

☑ *Audited indicators (see pages 148-149).*
(*) 2007 data restated using the 2008 method.

Frequency rate and severity rate of VINCI companies without any lost-time accidents

	Frequency rate		Severity rate	
	2008	**2007(*)**	**2008**	**2007(*)**
VINCI Concessions	11.08	13.89	0.42	0.54
Contracting				
VINCI Energies	11.47	10.84	0.54	0.48
Eurovia	10.79	11.43	0.76	0.74
VINCI Construction	12.14	14.27	0.67	0.91
Total	**11.59**	**12.85**	**0.64**	**0.75**

(*) 2007 data restated using the 2008 method.

The accident prevention/safety approach is led by a VINCI "safety" co-ordination unit created in 2008. This co-ordination unit comprises all the leaders of the accident prevention and safety network throughout the Group's various business lines. The aim of this worldwide co-ordination unit is to facilitate the exchange of best practices, improve indicator reliability and examine new avenues for making progress towards the goal of zero accidents.

1.5.2 Case of temporary workers

Temporary worker agencies are linked into the Group's accident prevention policy under a progress contract when renewing framework contracts. A workplace accident reporting system for temporary worker agencies, identical to that used in VINCI, has been rolled out. This approach aims to close the gap between the accident frequency rates of temporary employment agencies (28.34) and the workplace accident frequency rate for VINCI company employees (11.59). The gap is attributable to the positions occupied, technical experience and expertise, and "safety" background.

Workplace accidents with time off for temporary workers by VINCI business line

Frequency rate

	2008
VINCI Concessions	12.71
Contracting	
VINCI Energies	26.2
Eurovia	20.01
VINCI Construction	30.5
Total	**28.34**

1.5.3 Case of sub-contractors

Many Group companies have introduced specific framework contracts for their sub-contractors. Particular clauses cover accident prevention, expressly the wearing of personal protective equipment, workplace accident reporting and ongoing information about evolving site risks.

1.5.4 Managing road risk

Road risk concerns all VINCI employees who drive any of the 30,000 company vehicles and 5,000 site machines, as well as the 600 million customers who use our roads, motorways, car parks and other VINCI structures worldwide. Awareness and information campaigns are ongoing, along with specific training for those employees most exposed to this type of risk.

1.5.5 Managing health-environment risks

Health-environment risks are tracked year-by-year. Their management involves critical and collective analysis by the "Health-Environment" group that includes occupational physicians and the accident prevention policy managers in the Group's various entities. The risks that are systematically examined cover musculoskeletal disorders; bitumen risks; asbestos risks; cardiovascular risks; and drug, tobacco, alcohol and medication abuse. The risk of pandemic diseases is also closely monitored country-by-country, notably in relation with embassies and the Group safety division.

1.6 Training

VINCI applies a committed policy for work-and-study training, hosting 3,249 young people in 2008. VINCI also encourages mentoring, which is the preferred method of passing on know-how from one generation to the next. Site manager and team leaders are provided with appropriate training for this task.
VINCI's approach to training combines a decentralised organisation with the determination to create and exploit synergies within the Group. Each business line has established its own training centre offering programmes tailored to its particular activities and needs. In 2008, an average of 19 hours' training per employee were given to the employees in the various subsidiaries, that is, a 58% increase in five years. In 2008, training represented an investment of over €129 million, that is, 16% more than in 2007. Training was primarily focused on accident prevention and safety.

Development of in-house training centres

Training centre	Division	Number of training hours	Number of trainees
Césame/VINCI Construction France	Construction	304,070	15,124
Centre Eugène Freyssinet	Construction	5,950	460
VINCI Park School	Concessions	20,240	1,112
Winter maintenance centre, ASF	Concessions	5,760	279
Cofiroute Campus	Concessions	50,765	5,247
Road Industry Training Centre, Eurovia	Roads	106,250	2,690
VINCI Energies Academy	Energy	83,000	4,300
Total		**576,035**	**29,212**

Change in number and breakdown of training hours

	2008						2007	
	Management	Office, technical & supervisory staff	Manual labour		Total	of which France	Total	2008/2007 change
Technical	165,757	427,886	718,698	41%	**1,312,341**	803,705	935,640	40%
Safety-environment	102,954	262,045	565,629	30%	**930,628**	572,834	686,101	36%
Management	90,031	72,568	35,149	6%	**197,748**	103,592	146,638	35%
IT	37,510	67,593	8,064	4%	**113,167**	63,174	97,619	16%
Admin/acctg/mgmt/legal	56,619	68,701	17,867	5%	**143,187**	81,483	116,759	23%
Languages	42,840	56,905	13,053	4%	**112,798**	29,129	89,186	26%
Diversity	1,460	3,711	2,579	N/S	**7,750**	2,759	N/A	N/A
Other	46,852	59,597	192,675	10%	**299,124**	49,994	455,792	(33%)
Total	**544,023**	**1,019,006**	**1,553,714**	**100%**	☑ **3,116,743**	**1,706,670**	**2,517,735**	**24%**
Hours of training per employee	23	20	17		**19**	19	17	12%

☑ *Audited indicators (see pages 148-149).*

1.7 Hiring and integrating disabled employees

1.7.1 General policy

Hiring and integrating disabled employees is based on a triple approach:
1. Redeployment of persons suffering a disability of professional or personal origin;
2. Hiring disabled employees at equivalent skill levels;
3. Contracting from companies mainly employing disabled persons.

This policy is exemplified by the Trajeo'h initiative co-funded by AGEFIPH (Disabled Persons' Occupational Integration Funds Management Association) and VINCI, offering Group companies in France's Rhône-Alpes and Auvergne regions, support to help solve their disabled employee issues:
1. Review and team awareness campaigns;
2. Retaining and integrating disabled workers;
3. Company representation with institutions: MEDEF (French Construction Association), FFB (French Construction Association), other associations, etc.;
4. Proposals for quality support services: redeployment meeting with the employee, job and training searches, financial aid for the company, interface with the occupational physician and institutions.

1.7.2 Disabled persons: 2008 results

The number of disabled persons (identified from voluntary employee declarations) employed by the Group at the end of 2008 was 2,634. Temporary employment agencies also contribute to employing disabled workers. In 2008, we strengthened partnerships with institutions in the relevant sector, notably APF (Association of Paralysed Persons in France). Subcontracting made under these partnerships represented €2.5 million in sales, a 19% increase on 2007.

In line with its commitment in the Manifesto published in 2006, in 2008, for the second consecutive year, VINCI ordered an audit by an independent organisation of its diversity and equal opportunity policy. Regarding the employment and integration of disabled employees, the 2008 results were identical to those for 2007, with a score of 2+/4, despite the significant efforts made.

Number of disabled persons by business line

	2008	2007
VINCI Concessions	445	458
Contracting	2,185	2,171
VINCI Energies	633	571
Eurovia	698	606
VINCI Construction	854	994
Holdings and others	4	4
Total	**2,634**	**2,633**

1.8 Social services

VINCI companies have set up additional systems (medical insurance, welfare schemes, etc.) for their employees abroad. Also, through its foundation, each year Eurovia awards around one hundred scholarships to its employees' children.

1.9 Extent of subcontracting

Purchasing represents approximately 60% of VINCI's sales. Subcontracting is an important part of this (over 20% of sales). Each relation is formalised in a contract that includes social and environmental factors. The general policy aims to build a long-term relationship, usually over three years. Sub- and co-contracting companies have long been encouraged to adopt the Group's commitment to safety, then to respect the ten principles of the Global Compact. In practice, the frequent direct relations on worksites provide an opportunity to ensure compliance with the provisions of the basic conventions of the International Labour Organisation. Internal communication methods are established each year for the operational managers and human resources networks.

1.10 Local impact on employment and regional development

At the local level, the nature of the Group's activities, highly engaged with the community, their geographic diversity and the decentralised management model adopted, have a compounding effect prompting operational managers to step up the number of local actions to drive economic as well as community and environmental development. For example, in 2008, GEIQ (an employer group to promote social integration through work and qualifications) in the greater Paris area, founded by eleven VINCI companies, with the aim of helping people in difficulty find work and at the same time meet our companies' needs, signed 90 contracts in the greater Paris area and found positions for 35 workers in the Group's subsidiaries. In a similar vein, the national agreement signed with EPIDe (a state organisation for employment insertion under the authority of the French Ministries for Defence and Employment) is tasked with ensuring the social and professional integration of young volunteers at the end of a comprehensive educational programme. Eighteen young people enrolled in EPIDe centres were offered internships in Group companies or were recruited under unlimited-term or fixed-term contracts.
Another example: in 2007, GTM Bâtiment established the Rehabilitation School that enabled 13 people aged between 25 and 31, with qualifications obtained after two years of higher education, all from disadvantaged neighbourhoods and all seeking employment, to undergo training in 2008 to become assistant works supervisors for public housing projects. All were subsequently recruited under unlimited-term contracts with a ten-month professional development period.
At the central level, VINCI responds favourably to requests from the government, national, European and international institutions, and to those from professional associations, to report on and promote its social and societal initiatives. With 631 projects supported since its creation in 2002, the VINCI Foundation for the City provides the link between the world's leading concession/construction group and the organisation developing innovative methods of access to employment for people who find themselves socially excluded, and to strengthen social ties in poor neighbourhoods. The VINCI Foundation for the City funded 121 projects in 2008 for a total of €2.2 million, involving more than 150 employees, and in so doing it enabled numerous associations and social and professional integration companies to develop their activity for the longer term.

2. Environment

General policy and environmental reporting cover and scope

In 2008, the base for environmental indicators used by all companies was strengthened and the reliability of information feedback from new subsidiaries was improved. VINCI's annual environmental reporting now uses a single computer tool that is identical to that used for financial and social reporting. VINCI's environmental reporting is based on updated method guides and procedures available for consultation on the Group intranet. In accordance with the deployment plan established in 2003, the scope of the reporting system is extended each year with the entry of new subsidiaries: Solétanche Bachy, Entrepose Contracting, Nuvia and Eurovia International Delegations in 2008, and extended internationally (CFE, VINCI PLC, etc.). The performance of this reporting procedure involved over 250 people at the Group level.

Environmental reporting coverage rate

	% of total revenue in 2008
VINCI Concessions	93 (*)
Contracting	
VINCI Energies	100
Eurovia	90
VINCI Construction	76
VINCI Immobilier	100
Total	**85**

(*) VINCI Concessions covers 100% of its scope in France.

In 2008, the environmental indicators that were subject to external audit are marked with the symbol ☑ in the tables.

2.1 Consumption of resources

2.1.1 Protecting water resources

Given the diverse nature of our activities, the regions where we operate and the variable nature of our sites, water needs vary significantly (industrial process water, cleaning water, road watering, etc.). The main issue is to control wastewater discharge, especially outside France. With the many specific actions implemented by the subsidiaries to reduce water consumption (such as water recycling on worksites), actual water consumption is mainly evolving apace with the level of production.

Water consumption in 2008

	Cubic metres of water purchased	Scope
VINCI Concessions	1,124,899	ASF, Cofiroute, Escota, Stade de France, VINCI Park
☑ VINCI Autoroutes (France)	1,014,059	ASF, Cofiroute, Escota
VINCI Concessions, other	110,840	Stade de France, VINCI Park
Contracting		
☑ VINCI Energies	154,243	All VINCI Energies companies
Eurovia	Not available	
VINCI Construction	3,648,767	81% of the activity of VINCI Construction, including all or part of VINCI Construction France, VINCI Construction Grands Projets, Entrepose Contracting, Solétanche Bachy, CFE, Freyssinet, VINCI PLC (fixed sites)
Holdings and other	1,670	VINCI Immobilier

☑ Audited indicators (see pages 148-149).

More specifically, in 2008, 70% of the motorway network was equipped with water resource protection systems. In 2008, Eurovia continued its programme to reduce wastewater discharge:
- 85% of fuel service stations have sealed distribution and filling areas; the runoff water is fed to a hydrocarbon separator unit (78% in 2007);
- 71% of parking areas for HGVs and construction site machinery are sealed (70% in 2007);
- 90% of parking areas for light vehicles and utility vehicles are sealed (89% in 2007);
- 58% of sealed areas with a water collection system are connected to a regularly maintained hydrocarbon separator (55% in 2007).

2.1.2 Raw materials, energy and energy efficiency

Heating and electricity consumption of VINCI's "fixed" activities in 2008

	Natural gas (MWh)	Heating oil (litres)	Electricity (MWh)
VINCI Autoroutes (France)	7,333	☑ 1,633,158	☑ 129,385
Stade de France	10,793	66,000	16,920
VINCI Park	0	0	105,561
VINCI Energies	26,953	☑ 1,416,860	☑ 53,585
VINCI Immobilier	0	0	1,600

☑ *Audited indicators: heating oil and electricity (see pages 148-149).*

In 2008, VINCI launched an extensive experimental energy-savings operation at ten fixed sites (agencies, offices, workshops, warehouses, parking areas, tunnels, etc.), and at its worksites. The "Energy management" working group tracked these pilot sites in each VINCI division to identify potential avenues for energy savings. VINCI companies in France consumed 646 GWh of electricity.

Turning to renewable energies

The Group has signed specific contracts with suppliers of energy from renewable sources for a total of 4,905 MWh. At VINCI PLC, 45% of the energy consumed is derived from renewable sources (also 45% in 2007).
VINCI motorway concession companies (ASF, Cofiroute and Escota) have 3,035 renewable energy generation units (solar, thermal and wind, but excluding heat pumps) (compared with 2,745 in 2007. VINCI Park has 1,771 parking meters with solar panels (1,712 in 2007). VINCI Energies' photovoltaic units generate 213 kW of electricity. For fleet vehicles, the subsidiaries are actively seeking alternative solutions to thermal-powered vehicles. VINCI Energies has 33 clean vehicles (hybrid, electric or using biofuels). VINCI PLC's fleet includes 27 hybrid vehicles (up from 6 in 2007), and the fleet's new vehicles emit an average of 141.2 g CO_2/km compared with the UK average of 155.4 g CO_2/km. In a further move to reduce its fuel consumption, VINCI supports eco-driving initiatives. Eurovia has introduced a training programme for more than 1,500 HGV and machinery drivers that will run from 2008 to 2010. In 2008, eco-driving courses concerned light vehicles and utility vehicles, and were extended to several VINCI subsidiaries. The consumption savings observed range from 5% to 15% after training and regular monitoring.

Fuel consumption (petrol and diesel) in 2008

	Litres	Scope
VINCI Concessions	9,338,878	ASF, Cofiroute, Escota, VINCI Park in France
☑ VINCI Autoroutes (France)	9,054,934	ASF, Cofiroute, Escota
VINCI Park	283,944	France
Contracting		
☑ VINCI Energies	35,439,016	France and international
Eurovia	126,575,950	France and international, 90% of the activity
VINCI Construction	164,914,023	76% of the activity of VINCI Construction, including all or part of VINCI Construction France, VINCI Construction Grands Projets, VINCI Construction Filiales Internationales, Entrepose Contracting, Solétanche Bachy, CFE, Freyssinet and VINCI PLC
Total	**336,267,867**	

☑ *Audited indicators (see pages 148-149).*

2.1.3 Air discharges and CO_2 emissions

Air discharges

The activities concerned by the prevention and management of air discharges are mainly found in VINCI Concessions, Eurovia and VINCI Construction.
At VINCI Concessions, notably VINCI Park, VINCI Airports and motorway concession companies, air discharges are mainly generated by users: automobiles, aircraft, etc. In 2008, at VINCI Park, 91% of the sites had detectors to measure carbon dioxide (CO_2) (90% in 2007), and 32% had nitrous oxide (NOx) detectors (26% in 2007) to measure the levels of these pollutants in the air.

90% of Eurovia's quarries located less than 200 metres from the nearest dwellings installed efficient systems and procedures to combat dust particle emissions (84% in 2007).

67% of VINCI Construction Grands Projets worksites installed similar systems (65% in 2007).

CO_2 emissions

In 2007, VINCI made a significant commitment to reducing greenhouse gas (GHG) emissions from its activities. VINCI monitors its emissions in accordance with the ISO 14064 international standard's ISO Scope 2, which provides a detail of the emissions in the added value generated by VINCI and also has the advantage allowing emissions to be added between subsidiaries. In 2007, these emissions were tracked for continental France. In 2008, in accordance with the implementation plan adopted, the scope was extended to include international activity.

CO_2 emissions from VINCI activities, ISO Scope 2 in 2008

	Tonnes of CO_2 equivalent
VINCI Concessions	56,063
Contracting	2,829,629
VINCI Energies	113,643
Eurovia	1,260,988
VINCI Construction	1,454,998
Holdings and others	148
Total	**2,885,840**

Data extrapolated to cover 100% of VINCI's revenue.

In addition to their direct emissions, several VINCI subsidiaries quantified the global emissions from their activity to identify the main areas on which to focus reduction measures. For example, VINCI Autoroutes France motorway concession companies introduced tracking measures for their own emissions and those of their customers. The companies' emissions equated to 0.3% of customer emissions.

CO_2 emissions of motorway concession companies in France

	2008	2007	2008/2007 change
Companies' emissions (tonnes CO_2 equiv.)	38,513	39,671	(3%)
Motorway customer emissions (tonnes CO_2 equiv)	13,335,661	13,622,284	(2%)

These initiatives to quantify greenhouse gas emissions, combined with emission containment measures, were favourably perceived by investors. In 2008, VINCI confirmed its lead position in the area of climate strategy by obtaining the highest score in the "construction and public works" group under the Carbon Disclosure Project (CDP). Performed on behalf of 385 investors in the companies listed in the SBF 120 (the top 120 French stock market capitalisations), each year CDP assesses the response by large corporations to climate change issues.

2.1.4 Noise pollution

VINCI's motorway concession companies in France continued to roll out their campaign to reduce "noise black spots".

Number of dwellings provided with protection in 2008

	ASF	Cofiroute	Escota
On new sections	108	45	0
On existing motorways	27	0	135
On motorway widening projects	8	8	16
Under partnerships	23	0	0

VINCI Park continued its noise pollution abatement plan, maintaining the number of sites fitted with sound traps at 83%.
Effective noise prevention measures and processes were implemented at 51% of VINCI Construction Grands Projets worksites

2.1.5 Waste management and recycling

The general policy can be summed up in three precise points: limit waste at the source, sort waste and ensure its final traceability, and lastly waste recovery as a resource. This policy ties in with the eco-design strategy for products. In 2008, waste management cost VINCI around €74 million.

Motorway concession companies in France have been introducing selective sorting in all services since 2003. They encourage their service companies to apply this same system. Waste is sorted and shipped to external recovery units and treatment is systematically tracked. They examine the use of recycling road surface products in the production of new surfaces that retain all the road's technical performance and durability.

Waste by type - ASF, Escota, Cofiroute

In tonnes	2008
☑ Waste assimilated to household waste	8,399
Packaging sorted on parking areas	101
Glass sorted on parking areas	5
Non-hazardous waste sorted and collected, household waste included (customers + operations)	11,234
Hazardous waste sorted and collected (customers + operations)	112
Parking areas with sorting facilities (%)	14

☑ *Audited indicators (see pages 148-149).*

With its 135 recycling units and over 8 million tonnes of material recycled, Eurovia is still the European leader for the recycling of these products.

Recycling and recovery by Eurovia

	2008	2008	2007
	Total	of which France	France
Percentage of mix manufactured with recycled mix aggregate	6.2	3.9	3.5
Production of recycled material as a percentage of total aggregate production	12	14	14
Recycled site rubble (asphalt mix crust, planings, demolition concrete, etc.) (tonnes)	5,136,000	3,898,000	3,854,000
Number of worksite rubble recycling facilities	130	90	89

The use of recycled material is strongly encouraged for construction activities. Worksite recycled material is used at 47% of VINCI Construction Grands Projets projects, and 21% use material recycled from outside the company.

2.1.6 Site usage conditions

VINCI companies' activities have a significant impact on the environment, landscape and habitat. These altered sites include built spaces, roads and parking areas, along with other altered areas (worksites, landfills and quarries). Ground usage conditions are regularly monitored for motorway concessions (that had a total 17,294 ha of natural spaces in 2008, compared with 17,148 in 2007) and at Eurovia's quarries.

2.2 Protecting biodiversity

VINCI companies are locally responsible for the operational application of their biodiversity protection policy which they adapt according to their activities and where they operate. They undertake to acquire greater awareness of biodiversity so they are able to take action as early as possible (impact studies, prevention measures, etc.) and limit the risks of endangering flora and fauna environments, both on land and at sea.

The network of VINCI motorway concession companies in France has 529 crossings for wild animals (478 in 2007) and 8,405 km of fences to protect animals (8,194 in 2007).

In 2008, VINCI increased its level of "biodiversity risk" management by structuring the approach at the central level. Sub-working groups have been created: regulation monitoring, compensation, monetisation, and "Green belts, blue belts". Consultation and information sharing are also structured through participation in certain environmental and biodiversity consultative associations (Entreprises pour l'environnement, Orée biodiversité, Comité d'orientation scientifique de la fondation Recherche pour la biodiversité, etc.).

2.3 Environmental certification

In 2008, VINCI companies continued to deploy their programme of environmental management and continuous improvement systems. ISO 14001 certification, commonplace in contracting companies, is also being adopted by VINCI Concessions companies.

VINCI used Afnor Certification's Afaq 1000NR ® evaluation system to assess the effectiveness of its sustainable development action plans and the progress made. VINCI Construction Grands Projets, CBC Île-de-France (VINCI Construction France) and Eurovia Centre-West region have reached the level of "mature" according to this assessment.

Evaluation and environmental certification

ISO 14001	2008	2007	Scope
VINCI Concessions (% of motorways under construction)	25	9	VINCI Autoroutes (France)
VINCI Energies (% of revenue)	☑ 17	7	France and international
Eurovia			France
– Percentage of production from quarries owned	49	48	
– Percentage of production from coating plants owned	36	22	
– Percentage of production from binder plants owned	53	38	
VINCI Construction (% of revenue)	48	43	VINCI Construction France, VINCI Construction Grands Projets, VINCI Construction Filiales Internationales and Freyssinet in 2007. Entrepose Contracting, Solétanche Bachy, CFE and VINCI PLC added in 2008.

☑ *Audited indicators (see pages 148-149).*

2.4 Compliance with legislation and regulations

Environmental project compliance with legislative provisions and regulations is monitored by the legal departments and the subsidiaries' quality, safety and environment departments. These audits and the results of environmental law monitoring are compared in inter-entity working groups. During the work by the Grenelle Environmental Forum (France), the French NRE-article 116 law was the subject of discussion, especially by operational committee No 25, which proposed clarifying the scope of application and the extension of the system. VINCI was invited to contribute in particular to the MEDEF and AFEP discussion groups' replies.

In 2008, the application of the new European regulation on chemical substances REACH (Registration Evaluation and Authorization of Chemicals) mainly concerned VINCI companies as downstream users. Discussions with the suppliers of products and substances used established that the latter comply with the new regulations and their availability in accordance with the way they are used by VINCI companies.

2.5 Preventing the environmental consequences of activity and associated costs

The expenditure for environmental protection is included in the activity's management (for example: soil remediation at Solétanche Bachy, cleaning and decontaminating structures at Freyssinet, recovery of organic material at VINCI Environnement, etc.) and is not presented in the form of a final consolidation, either by the relevant entity or the division. As far as IFEN (French environmental institute) is concerned, the motorway concession companies in France consolidate their environment expenditure.

Environment-related expenditure in 2008, ASF, Cofiroute, Escota (millions of euros)

Investment in the environment	45.19
Maintenance of natural spaces	30.67
Premiums for insurance cover of environmental risks	0.35

2.6 Environment organisation and risk-reduction resources

The implementation of the environmental policy is founded on commitments by Group management, on empowering each individual at the operational level in the companies and on ongoing discussions with the stakeholders. In 2008, all executive managers were presented with a copy of the Group's environmental roadmap and the common environmental indicators.

The sustainable development committee is in charge of the network of "environment" correspondents and organises technical working groups of experts from each activity division.

In 2008, training was focused on energy performance, factoring in environmental risks and sustainable development applied to VINCI's activities. In addition to contractual training sessions, the number of which has doubled in a year, VINCI employees are kept regularly informed internally of the impact of their professional activity on the environment and how to reduce it (worksite environment quarter hours, information about climate change, etc.).

Training and environmental awareness programmes

	Number of contractual training hours		Other actions: in-house awareness programmes
	2008	2007	
VINCI Concessions	1,554	1,058	Employee and service provider sustainable development training. Focus on water management.
Contracting	42,036	19,824	
VINCI Energies	3,824	1,153	Increased number of training courses on energy efficiency and carbon balances.
Eurovia	15,302	11,222	Over 800 people received environment training in France (regulations, everyday environment management, eco-driving, etc.).
VINCI Construction	22,910	7,449	Systematic environment quarter hours at worksites, creation of special 1 and 2-day environment courses.
Holdings and others	0	0	Active technical and regulation monitoring, focus on CO_2 and biodiversity.
Total	**43,590**	**20,882**	

Environment incident prevention

Each VINCI entity has implemented and maintains an environmental incident prevention plan as a function of the risks to be prevented. Through the Group's inter-entity clubs and committees, "environment" managers exchange best practices and experience feedback to help minimise residual risks. In 2008, there were seven environment incidents identified and considered as major, that is, having created extensive pollution requiring the intervention of an external expert and the consequences of which extend beyond the entity's perimeter, involving VINCI or its sub-contractors, of which four were outside continental France. The following were identified: two pipes broken during earthworks; three oil leaks one of which at a customer's worksite, one at sea and one on a beach; toxic product discharge in Rivière des Pluies in Reunion; and a sand and dust leak caused by a crack in a dredging pipeline.

2.7 Environment provisions and guarantees

See the chapter on risk factors: "Industrial risks and technology and environmental risks", on page 106.

2.8 Damages paid in 2008 following a legal decision in favour of the environment and cases brought for damage to the environment

It does not appear that VINCI companies have paid any damages in 2008 following a legal decision in favour of the environment. Any legal decisions regarding the environment are handled by the relevant operational entity and the amounts are not consolidated.

2.9 Objectives set for foreign subsidiaries

The programmes, resources and results of foreign subsidiaries are included in the present report.

2.10 Research and development - Innovation

2.10.1 R&D and innovation policy

Research is traditionally based in VINCI companies, as the Group has grown from culturally innovative companies. VINCI's lines of business are complex and require constant review. The capacity for innovation is a determining element in our identity; it is essential for taking up the technical challenges inherent in large-scale projects. The RDI policy is based on three priorities: research programmes specific to each business line, structuring cross-business projects, and the promotion of the innovation approach through the VINCI Innovation Award. Each division manages its own budget and directs the focus of its research topics. In all, in 2008, the R&D budget exceeded €30 million, and involved more than 180 researchers working on 45 research programmes.

2.10.2 Specific research programmes

In 2008, the main theme of the executive management meeting was innovation, with a particular emphasis on encouraging inter-activity innovation. The group's research, development and innovation committee includes representatives of the various entities and has acquired even greater depth with the arrival of newly acquired companies. Under the authority of the Executive Committee, it is tasked with facilitating discussion about the current research projects being run by the companies or within the context of national or European programmes.

2.10.3 Cross-business programmes

The main cross-business programmes are structured around several instruments. The City Factory is a discussion circle involving the scientific world, local communities and companies and focussing on city-related topics. In 2008, VINCI took the step of providing significant scientific support in conjunction with the three ParisTech schools specialising in advanced studies on the eco-design of cities and their environment (Mines ParisTech, AgroParisTech and École des Ponts ParisTech), by funding an eco-design professorship for built ensembles and infrastructure for five years starting in November 2008. This professorship is tasked with developing neutral and objective measuring instruments, and making them available to all stakeholders in the value chain.

2.10.4 Participative innovation: the VINCI Innovation Awards

The VINCI Innovation Awards have been held every two years since 2001. This competition provides recognition for the best innovation projects presented by all Group employees. The 2009 VINCI Innovation Awards competition was launched at the end of 2008.

3. Customer and supplier relations

3.1 Managing customer relations

VINCI companies are encouraged to maintain and improve the quality of their products and services. The continuous improvement approach is reflected in quality certifications being obtained for all companies. At Eurovia, 88% of the roadworks activities are now certified ISO 9001 in France, and 90% abroad; as are more than 73% of manufacturing activities (coating plants and binder plants) in France and 90% abroad; and 54% of Eurovia's French quarries are certified ISO 9001, and 100% are certified abroad. At VINCI Energies, 63% of companies are certified ISO 9001. Companies operating in the industrial sector have specific certifications and authorisations (11% of the activity is ILO OSH/OHSAS certified, 8% is MASE (company safety improvement manual) and 11% VCA (contractor safety certification) certified. All VINCI Construction divisions have a quality, safety and environment department; 68% of VINCI Construction business is certified ISO 9001, and 19% ILO OSH/OHSAS. At VINCI Concessions, Cofiroute was the first French motorway company to obtain ISO 9001 certification, in 2004, for its network operation activities. ASF was awarded ISO 9001 certification for its motorway design-build and development activities.

Group companies are increasingly including social and environmental components in their responses to tenders. This marketing approach, which is already very common in international offers, is now also developing in France, especially in public-private partnership (PPP) projects that take into account the life cycle and overall cost of the completed structure. PPPs form a solid basis for long-term customer relations.

VINCI subsidiaries are developing quality measurement systems on their intranet sites and are pooling the data collected: customer satisfaction evaluations, experience feedback, gap analysis, etc.

3.2 Managing supplier relations

Purchases represent about 60% of our revenue. They break down into €8.3 billion for materials and €12.1 billion for external services (including subcontractors). Our purchasing policy is managed by the central purchasing co-ordination unit and by 30 decentralised purchasing clubs around France and in countries where we have operations, in conjunction with the business lines and subsidiaries' purchasing structures. The purchasing clubs have more than 425 members who manage the Group's 361 multi-business line framework contracts, in addition to the business lines and subsidiaries' specific purchasing contracts.

In 2007, a total of 2,780 hours of training in France was devoted to the purchasing function. Our purchasing policy takes account of the way in which each supplier market operates (concentrated, diffuse; international, national or regional), and helps underpin our decentralised management model by involving subsidiaries' buyers and operations managers. Most purchases are made by the profit centres, which source regional suppliers under the framework contracts. The flow of materials is mainly between worksites and service providers, working to create the best possible fit with operational needs.

F. General Information about the Company and its share capital

1. Corporate name and articles of association

Corporate name: VINCI.
Registered office: 1 cours Ferdinand-de-Lesseps, 92851 Rueil-Malmaison Cedex, France
Telephone: + 33 1 47 16 35 00.
Legal form: French public limited company ("*Société Anonyme*") with a Board of Directors
Applicable legislation: French
Date of formation: 1 July 1908
Legal term of existence: The initial duration was set at 99 years and was extended by another 99 years on 21 December 1979. The date of expiry is thus 21 December 2078, unless the term of existence is extended once again or the company is liquidated at an earlier date.
Financial year: From 1 January to 31 December
Registration number: RCS 552 037 806 Nanterre – Siret no. 552 037 806 00585 – Code NAF: 7010Z
Place where legal documents can be consulted: Legal documents relating to VINCI are available at its registered office and at the Clerk's Office of the Nanterre Commercial Court.

Corporate purpose (Article 2 of the articles of asociation)

"The Company has as its purpose:
– undertaking all forms of civil engineering: in particular, development of the goodwill originally contributed by Sainrapt-et-Brice and continuation of the business of that company, specialising in all types of underground works, foundations, hydraulics and reinforced concrete; and
– more generally, all industrial, commercial, financial, securities and property operations directly or indirectly related to the purposes specified above.

The Company may pursue these operations in mainland France, in overseas French regions, departments and territories, as well as outside France, either alone, or in partnership, on a trading basis, or in any other form whatsoever, either directly, or indirectly through transfer, leasing arrangements or under licence, either on a brokerage or commission basis.

In addition, it may implement any measures, either alone or by any other means, create any partnerships or companies, make any contributions in kind to existing companies, merge or enter into alliances with them, subscribe, purchase and resell any shares or other corporate rights, take all orders and extend any loans, credits and advances."

Statutory appropriation of income (from Article 19 of the articles of asociation)

"At least 5% of the income for the year, after deduction of any previous year's losses, is taken to the statutory reserve. This ceases to be obligatory when the reserve reaches an amount equal to 10% of the share capital. This process is to resume when the reserve falls below this 10% level.

The income available for distribution consists of the income for the year (after deduction of previous years' losses as well as any amounts set aside in reserves in application of the law or corporate statutes) and retained earnings.

The Shareholders' Meeting allocates the following from this distributable income:
– any amounts considered by the Board of Directors as appropriate for constituting or supplementing any ordinary or special reserves, or for carrying over to the next year as retained earnings;
– the amount required for distribution to shareholders by way of a first dividend, equal to 5% of the amounts of their fully paid, unredeemed shares. Shareholders cannot, however, claim this dividend against the income of subsequent years, should the income of a given year be insufficient for the dividend payment;
– the balance available after these allocations is distributed in respect of all shares, in proportion to the amount of the share capital they represent.

Following a proposal from the Board of Directors, the Shareholders' Meeting may decide to distribute amounts taken from available reserves. In such a case, the decision must indicate the specific reserves from which the amounts are to be taken.
Except in the case of a capital decrease, no distribution to shareholders may be made if the shareholders' equity is (or would be following such a distribution) less than the amount of the share capital plus any reserves whose distribution is not permitted under the law or corporate statutes.
The conditions for payment of dividends agreed by the Shareholders' Meeting are determined by the Shareholders' Meeting or, failing that, by the Board of Directors. The payment of dividends must occur within nine months of the year-end, unless this deadline is extended by a Court decision.
The Shareholders' Meeting may offer each shareholder, for all or for part of the dividend or interim dividend distributed, the choice between payment in cash and payment in shares."

Shareholders' Meetings (from Articles 17 and 8 of the articles of asociation)

"Shareholders' Meetings are called and take place in accordance with the legislation and regulations in force. Meetings are held either at the registered office or at another location specified in the notice of the meeting. All shareholders may, regardless of the number of shares they own, participate in meetings personally or by proxy, on producing evidence of their identity and shareholding in the form of either:
– a personal registration of the shares in their own name; or

– for bearer shares, registration of the shares with an authorised intermediary, who provides an attendance certificate, if necessary by electronic means.

These formalities must be completed no later than midnight, Paris time, on the third working day before the meeting. Shareholders wishing to attend the meeting but who have not received their admission card by midnight (Paris time) of the third working day before the meeting will be given an attendance certificate. However, the Board of Directors may shorten or remove this deadline, provided any such decision applies to all shareholders.

Individual shareholders may also attend the Shareholders' Meeting by videoconference or by other means involving telecommunications, subject to the conditions and restrictions set out by legislative and regulatory provisions in force, if the Board of Directors so authorises at the time the meeting is convened. Shareholders attending in these circumstances are considered present and are included in the calculation of the quorum and the majority.
Postal votes are treated under the terms and conditions set out in legislative and regulatory provisions. Shareholders may send proxy forms and postal votes for every Shareholders' Meeting as paper documents under the conditions set out in legislative and regulatory provisions or by electronic means if the Board of Directors authorises this in the notice of the meeting.
Shareholders' Meetings are chaired by the Chairman of the Board of Directors or, in his or her absence, by the Vice-Chairman of the Board of Directors, if a Vice-Chairman has been designated, or by a member of the Board of Directors specifically appointed by the Board of Directors to that effect. Failing that, the Shareholders' Meeting elects its own Chairman. The Minutes of the Shareholders' Meetings are drawn up and the copies thereof are certified and delivered in compliance with legislative and regulatory provisions in force."

In addition to the voting right attached to it under the law, each share also gives the right to a proportion (on the basis of the number and nominal value of outstanding shares) of the Company's assets, earnings and liquidating dividends."

Statutory threshold provisions (from Article 10b of the articles of asociation)

"In addition to the obligations relating to declaration thresholds set out in paragraph 1 of Article L.233-7 of the French Commercial Code, any individual or legal entity, acting alone or in concert, who comes to hold or ceases to hold a proportion of the share capital, voting rights or securities giving future access to the Company's share capital, equal to or greater than 1%, or a multiple thereof, including a multiple exceeding the reporting threshold as defined by legislative and regulatory provisions in force, must inform the Company within five stock market trading days of the date of crossing one of these thresholds, or, when a Shareholders' Meeting has been convened, no later than midnight (Paris time), of the third working day preceding the meeting, of the total number of shares, voting rights or securities giving future access to the Company's share capital, that it holds on its own account directly or indirectly, or in concert.

Failure to meet this obligation will be sanctioned by the loss of the voting rights attached to the shares exceeding the undeclared proportion, at any Shareholders' Meeting held within two years of the date of the due notification provided for above.

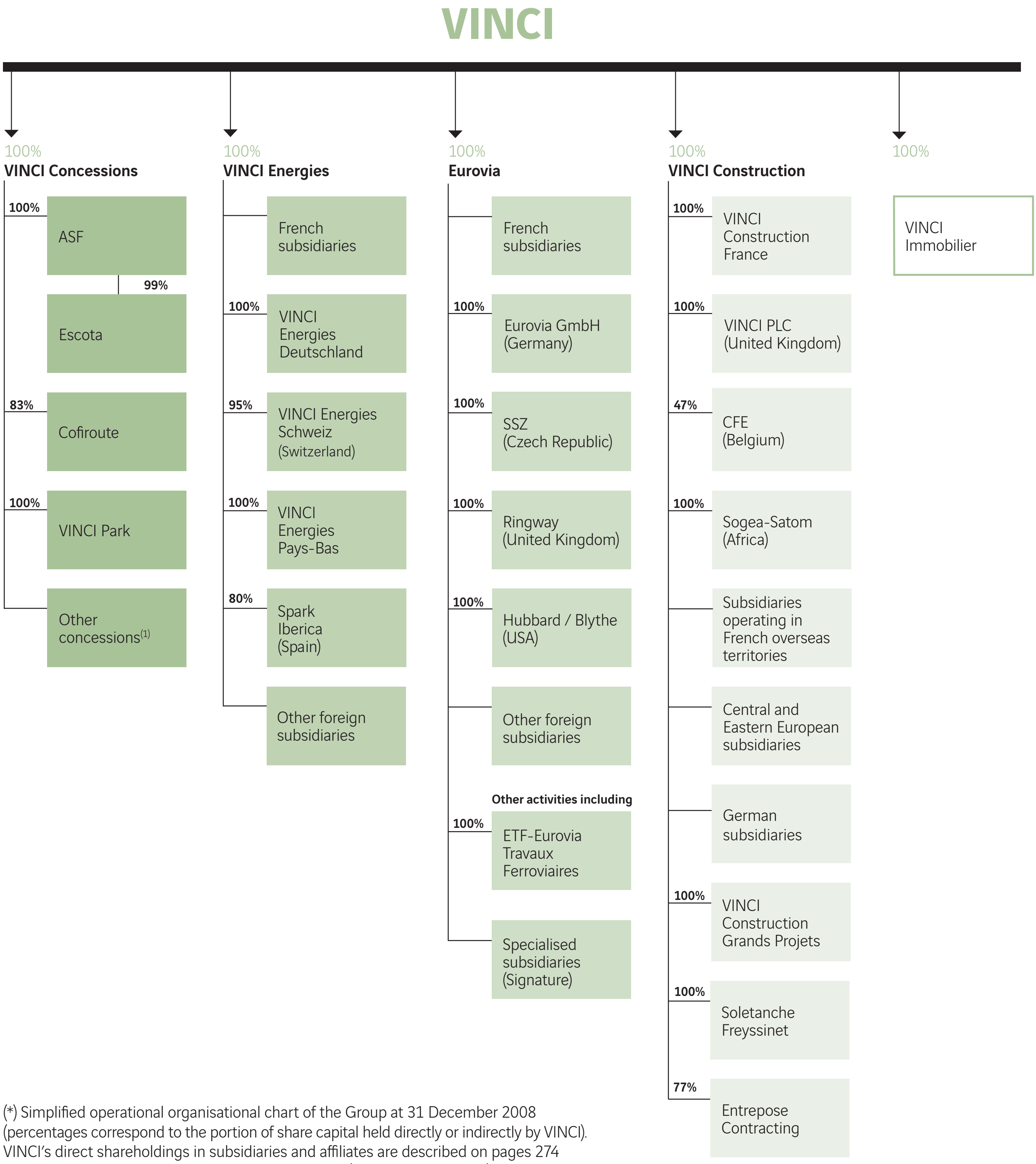
This sanction is applied if so requested by one or several shareholders holding at least 5% of the Company's share capital and if the request is entered in the minutes of the Shareholders' Meeting."

Shareholder identification (from Article 10b of the articles of asociation)

"The Company is entitled to ask the securities clearing body, under the conditions defined by the regulations in force, for the name, nationality and address of individuals or legal entities holding securities that confer, now or in the future, voting rights at Shareholders' Meetings; for the number of securities held by each individual or legal entity; and, where applicable, for the restrictions attached to the securities."

2. Relations between the parent company and its subsidiaries

2.1 Organisational structure (*)



(*) Simplified operational organisational chart of the Group at 31 December 2008 (percentages correspond to the portion of share capital held directly or indirectly by VINCI). VINCI's direct shareholdings in subsidiaries and affiliates are described on pages 274 to 275. The list of the main consolidated companies (on pages 251 to 255) gives an indication of the various subsidiaries that comprise the Group and of VINCI's equity interest (whether direct or indirect) in the various entities.

(1) See the list of concessions on page 43.

2.2 Role of the VINCI holding company towards its subsidiaries

The VINCI holding company has no operational activities of its own. The Group's operational activities are carried out by a large number of subsidiaries (there were 2,196 Consolidated entities at 31 December 2008) which are grouped into four business lines of which the lead companies are VINCI Concessions, VINCI Energies, Eurovia and VINCI Construction. VINCI Immobilier, which is in charge of property development activities, comes directly under VINCI.

The holding company provides leadership and supervisory functions for the Group's operational entities, supplying services and assistance to its subsidiaries in the following areas:
– participation in the development and execution of subsidiaries' strategies, participation in acquisitions and disposals, and in the study and implementation of industrial and commercial synergies within the Group;
– provision of expertise in administrative, legal, human resources, tax, a financial and communication matters;
– provision of benefits associated with the Group's size and reputation, such as easier access to internationally recognised partners, optimisation of terms for financing, purchases and insurance, easier access to regulatory authorities, and public relations.

2.3 Transfers of funds between the VINCI holding company and its subsidiaries

The main transfers of funds between the VINCI holding company and its subsidiaries, other than the payment of dividends, are as follows:

Centralised cash management

Subsidiaries are generally invested with the holding company through a cash pooling system. In turn, the holding company meets subsidiaries' financing needs. The holding company acts on the money and the financial markets on its own behalf or on its subsidiaries' behalf, investing and borrowing funds as necessary. With some exceptions (the main one to date being ASF and its subsidiaries in accordance with the contracts entered into with the *Caisse Nationale des Autoroutes*), this system applies to all French and German subsidiaries wholly owned directly or indirectly by VINCI.
VINCI may make medium-term loans to some subsidiaries and receive funds from other subsidiaries for short and medium-term investment. At 31 December 2008, these transactions amounted to €1,310 million outstanding for medium-term and loans and €650 million for fixed-term deposits.

Management fees charged by the holding company to subsidiaries

In exchange for the assistance provided to its subsidiaries, the holding company receives a fee depending on the scope of the services provided. For 2008, fees for assistance received by VINCI from its subsidiaries amounted to €78.5 million.

Regulated agreements

There are a certain number of regulated agreements between VINCI and its subsidiaries, which are subject to prior authorisation by the Board of Directors, disclosure in the Special Reports by the Statutory Auditors and approval by the Shareholders' General Meeting.

3. General information about VINCI's share capital

All changes in share capital or in the rights attached to the shares are subject to general legal provisions. The corporate statutes do not provide for additional conditions (except as regards capital thresholds, see paragraph 1).

On 31 December 2008, VINCI's share capital amounted to €1,240,406,200 represented by 496,162,480 shares, each with a nominal value of €2.5, fully paid-up and all of the same class. VINCI shares are registered or bearer shares, at the shareholder's choice, and may be traded freely.

3.1 Movements in share capital over five years

	Capital increase / (reduction) (in euros)	Share premium arising on contributions or mergers (in euros)	Number of shares issued or cancelled(*)	Number of shares outstanding(*)	Share capital (in euros)
Position at 31/12/2003				**335,180,128**	**837,950,320**
Capital reduction	(55,335,000)	(402,166,161)	(22,134,000)	313,046,128	782,615,320
Group Savings Scheme	21,840,500	86,888,477	8,736,200	321,782,328	804,455,820
Share subscription options exercised	33,682,210	117,231,545	13,472,884	335,255,212	838,138,030
Position at 31/12/2004				**335,255,212**	**838,138,030**
Capital reduction	(12,500,000)	(112,613,432)	(5,000,000)	330,255,212	825,638,030
Group Savings Scheme	22,221,105	136,222,479	8,888,442	339,143,654	847,859,135
Share subscription options exercised	22,452,345	89,460,904	8,980,938	348,124,592	870,311,480
Conversion of 2001-2007 Oceane bonds	57,341,310	458,730,480	22,936,524	371,061,116	927,652,790
Conversion of 2002-2018 Oceane bonds	55,528,580	444,228,640	22,211,432	393,272,548	983,181,370
Position at 31/12/2005				**393,272,548**	**983,181,370**
Capital reduction	(34,875,000)	(445,071,106)	(13,950,000)	379,322,548	948,306,370
Group Savings Scheme	23,938,315	236,775,085	9,575,326	388,897,874	972,244,685
Share subscription options exercised	23,880,620	111,025,993	9,552,248	398,450,122	996,125,305
Share capital increase	180,432,020	2,325,239,176	72,172,808	470,622,930	1,176,557,325
Position at 31/12/2006				**470,622,930**	**1,176,557,325**
Capital reduction	(9,500,000)	(113,364,800)	(3,800,000)	466,822,930	1,167,057,325
Group Savings Scheme	21,693,128	310,020,226	8,677,251	475,500,181	1,188,750,453
Share subscription options exercised	26,191,518	134,657,853	10,476,607	485,976,788	1,214,941,970
Position at 31/12/2007				**485,976,788**	**1,214,941,970**
Group Savings Scheme	8,476,643	139,104,535	3,390,657	489,367,445	1,223,418,613
Share subscription options exercised	5,887,258	31,048,028	2,354,903	491,722,348	1,229,305,870
Payment of dividend in shares	11,100,330	185,751,933	4,440,132	496,162,480	1,240,406,200
Position at 31/12/2008				**496,162,480**	**1,240,406,200**

(*) Adjusted for the two-for-one share splits in May 2005 and May 2007.

3.2 Potential capital

The only existing financial instruments that could cause the creation of new shares are the share subscription options allocated to VINCI officers and employees (see section D paragraph 4 on pages 118-121 for details of these options). Share subscription and purchase options would become exercisable in the event of a takeover bid.

3.3 Breakdown of share capital and voting rights

Breakdown of share capital at 31 December 2008

	December 2008 (2)		December 2007	
	Number of shares	% capital	Number of shares	% capital
Treasury shares (1)	22,919,652	4.6%	18,138,019	3.7%
Employees (company mutual funds)	40,915,658	8.2%	39,938,590	8.2%
Total not publicly held	**63,835,310**	**12.9%**	**58,076,609**	**12.0%**
Company officers	2,327,737	0.5%	2,451,817	0.5%
Other individual shareholders	59,780,117	12.0%	53,637,245	11.0%
Total individual shareholders	**62,107,854**	**12.5%**	**56,089,062**	**11.5%**
Financière Pinault	20,987,172	4.2%	24,200,000	5.0%
Other institutional investors	349,232,144	70.4%	347,611,117	71.5%
Total institutional investors	**370,219,316**	**74.6%**	**371,811,117**	**76.5%**
Total	**496,162,480**	**100.0%**	**485,976,788**	**100.0%**

(1) Treasury shares held by VINCI S.A.
(2) Estimates at 31 December 2008 on the basis of registered named shareholders, a schedule of identifiable bearer shares and a shareholding survey conducted with institutional investors.

Employee shareholders

Details of the Group Savings Scheme are described in the Social and Environmental section of the Board of Directors' report on page 125.

Voting rights
The difference between the breakdown of shareholdings and voting rights is due to the absence of voting rights attached to treasury shares.

Breaching of shareholding thresholds
According to the declarations received by the Company of breaches of the legal threshold of 5%, or the threshold of 1% provided for in the corporate statutes, of the share capital or voting rights, the shareholders identified as holding more than 1% of the share capital or voting rights, other than those shown in the table above, are as follows:
- Artisan Partners (2.0% of the share capital, declared on 4 September 2008);
- Edmond de Rothschild Asset Management (1.1% of the share capital, declared on 16 June 2008);
- Crédit Agricole Asset Management (2% of the share capital, declared on 11 June 2008).

Moreover, Carlo Tassara International has declared in its declaration dated:
- 4 April 2008, having breached the threshold of 3% of the share capital;
- 19 December 2008, having fallen below several thresholds to hold 0.4% of VINCI's share capital.

Shareholder agreements
To the best of the Company's knowledge, with the exception of the concerted action of Financière Pinault with Artémis, Artémis 12 and Victoris, which it controls, declared on 8 June 2007, there are no shareholder agreements or groups of shareholders acting as partners.

Registered shareholders
At 31 December 2008, the Company had 1,111 shareholders whose registration is managed by the Company and 1,565 shareholders whose registration is managed by a financial institution. At that date, 1,052,378 shares whose registration is managed by the Company, and 328,552 shares whose registration is managed by a financial institution were pledged.

Changes in the breakdown of share capital and voting rights during the last three years

	31/12/2008			31/12/2007			31/12/2006		
	Number of shares	% capital	% voting rights	Number of shares	% capital	% voting rights	Number of shares	% capital	% voting rights
Treasury shares	22,919,652	4.6%		18,138,019	3.7%		4,171,178	0.9%	
Employees (company mutual funds)	40,915,658	8.2%	9%	39,938,590	8.2%	9%	39,325,420	8.4%	8.4%
Company officers	2,327,737	0.5%	0%	2,451,817	0.5%	1%	3,034,066	0.6%	0.7%
Other individual shareholders	59,780,117	12.0%	13%	53,637,245	11.0%	11%	46,877,734	10.0%	10.0%
Financière Pinault	20,987,172	4.2%	4%	24,200,000	5.0%	5%	16,130,800	3.4%	3.5%
Other institutional investors	349,232,144	70.4%	74%	347,611,117	71.5%	74%	361,083,732	76.7%	77.4%
Total	**496,162,480**	**100.0%**	**100.0%**	**485,976,788**	**100.0%**	**100.0%**	**470,622,930**	**100.0%**	**100.0%**

3.4 Shareholders' agreement relating to ASF shares

In December 2006, in connection with the financing of the transfer by VINCI of its 22.99% shareholding in ASF to ASF Holding, VINCI entered into a shareholders' agreement with its subsidiary ASF Holding, to which this shareholding was transferred, under which the two companies organise their relations within ASF.

Under the terms of this agreement, the parties undertake, as majority shareholders of ASF, to act accordingly to ensure that the decisions made by the competent governing bodies of ASF comply with:

– the principle of implementing and maintaining a policy of maximising the dividends distributed on the basis of ASF's distributable income and reserves, provided ASF meets its commitments to a syndicate of 23 banks in respect of the €3.5 billion financing signed on 18 December 2006, and, in particular, with the following financial ratios, calculated on the basis of ASF's consolidated financial statements: net debt to cash flow from operations before tax and financing costs ≤ 7 and cash flow from operations before tax and financing costs to net financial costs ≥ 2.2;

– the prior conditions for any disposal by ASF of shares it holds in Escota, as defined in the credit line agreements signed on 18 December 2006 with a bank syndicate by ASF and ASF Holding of €3.5 billion and €1.2 billion, respectively.

VINCI undertakes furthermore:

– that VINCI Concessions will return to ASF Holding the sums that ASF Holding may have made available under Group centralised cash management agreements, should ASF Holding be required to make early repayment of its syndicated loan of €1.2 billion;

– that it will maintain, directly or indirectly, a shareholding in ASF giving it access to a majority of the share capital and voting rights. This commitment will end when ASF Holding has increased its shareholding in ASF so as to hold the majority of the share capital and voting rights directly.

This shareholder agreement will remain in force as long as any money remains due to the banks under ASF Holding's syndicated loan, it being understood that VINCI and /or ASF Holding may sell all or part of their holdings in ASF, provided any third party becoming the holder of at least a blocking minority signs this shareholder agreement beforehand.

VINCI has not entered into any agreements other than this agreement that could have a material impact on share price. However, it should be stated that the formation of companies by VINCI with other parties may result in agreements being made. This is the case in particular for Cofiroute, Consortium Stade de France and companies created specifically for the needs of securing and managing infrastructure concessions. The main purpose of these agreements is to organise the respective rights of shareholders in the event of the disposal of shares, and if applicable, to set certain operating principles for the corporate governing bodies.

3.5 VINCI shares and the stock market

The VINCI share is traded on the regulated market of Euronext Paris (Compartment A) and is included in particular in the CAC 40, NextCAC 70, Euronext 100, FTSEurofirst 80, DJ Eurostoxx 50, DJ Eurostoxx Construction & Materials, Aspi Eurozone, Dow Jones Sustainability and Euronext FAS IAS indexes.
Changes in the stock price and in trading volumes over the last 18 months were as follows (source: Euronext Paris):

		Average price (*) *(in euros)*	**High** (**) *(in euros)*	**Low** (**) *(in euros)*	**Transactions** *(in millions of shares)*	**Value of transactions** *(in millions of euros)*
2007	June	55.8	60.8	52.5	69.0	3,851.7
	July	55.1	58.4	52.0	53.8	2,966.0
	August	50.2	53.2	45.7	73.3	3,676.1
	September	52.1	55.4	48.1	81.3	4,237.2
	October	54.2	57.2	51.3	59.0	3,194.8
	November	54.8	58.2	51.8	52.6	2,882.8
	December	53.1	56.7	47.1	50.8	2,696.2
2008	January	45.2	50.8	39.6	101.2	4,575.1
	February	45.7	48.9	42.8	57.9	2,645.7
	March	44.4	46.3	41.9	48.4	2,150.0
	April	47.4	49.4	44.8	45.9	2,174.4
	May	48.5	51.2	46.8	39.5	1,917.5
	June	42.5	48.3	37.7	65.0	2,757.5
	July	36.5	38.8	33.1	68.8	2,512.9
	August	37.5	39.7	35.3	41.3	1,552.0
	September	35.2	39.9	30.5	76.6	2,693.0
	October	27.4	33.5	21.7	112.7	3,082.7
	November	28.4	31.8	24.9	62.2	1,770.6
	December	29.6	31.8	27.7	59.8	1,770.5

(*) Average of the closing prices.
(**) Price during trading sessions.

4. Matters that could be material in the event of a public offer

In application of Article L.225-100-3 of the French Commercial Code, elements that might have an impact in the event of a public offering are as follows:

a) structure of the Company's share capital	F. General information, paragraph 3.3 *"Breakdown of share capital at 31 December 2008"*
b) restrictions in the articles of association on the exercise of voting rights and the transfer of shares or clauses of agreements brought to the Company's knowledge in application of Article L. 233-11;	F. General information, paragraph 1 *"Statutory threshold provisions (from Article 10b of the articles of association)"*
c) direct or indirect shareholdings in the Company's capital of which it has knowledge by virtue of Articles L.233-7 and L.233-12;	F. General information, paragraph 3.3 *"Shareholder identification"*
d) the list of holders of any shares granting special control rights and description thereof;	F. General information, paragraph 3.3 *"Shareholder identification"*
e) control arrangements provided if there is an employee shareholding system in place, whenever rights to control are not exercised by the employees;	F. General information, paragraph 3.3 *"Employee shareholders"*
f) any agreements between shareholders of which the Company has knowledge and that could entail restrictions on the transfer of shares and the exercise of voting rights;	F. General information, paragraph 3.3. *"Shareholder agreements" and 3.4. "Shareholders' agreement relating to ASF shares".*
g) the rules applicable to the appointment and replacement of members of the Board of Directors and to amendments of the articles of association;	Report of the Chairman on arrangements provided by law and corporate statutes
h) the powers of the Board of Directors, in particular for the issue or buy-back of shares;	Table of authorisations regarding share capital increases attached to the Board of Directors' report
i) agreements entered into by the Company that are amended or cease in the event of a change of control of the Company, unless this disclosure would seriously undermine its interests, except when such disclosure is a legal obligation;	F. General information, paragraph 3.4 *"Shareholders' agreement relating to ASF shares"* Note 22.2.5 to the consolidated financial statements
j) agreements providing for compensation payable to members of the Board of Directors or employees if they resign or are dismissed without valid grounds or if their employment is terminated due to a public offering.	D. Company officers and executives. 3.2. *"Remuneration of executive company officers"*

5. Other information on the Company forming an integral part of the Board of Directors' report

The sections "*Stock market and shareholder base*" (pages 20 to 21), *"Parent company financial statements"* (pages 257 to 277), *"List of shareholdings in subsidiaries and affiliated companies at 31 December 2008"* (page 275), and the consolidated financial statements (pages 166 to 256) form an integral part of the Report of the Board of Directors.

The following documents are annexed to the Report of the Board of Directors:
– the Report of the Chairman of the Board of Directors on corporate governance and internal control (pages 150 to 164);
– the table of financial results over the last five financial years (page 276);
– the table of authorisations granted to increase the share capital (pages 144 to 145).

Authorisations granted to the Board of Directors to increase the share capital and carry out other financial transactions

The authorisations currently in force are as follows:

	Date of Shareholders' Meeting	Date of expiry	Maximum amount of issue (nominal value)
Issues of all securities giving a right to debt securities	10/5/2007 (Twenty-fourth resolution)	9/7/2009	€5,000 million
Share buy-backs	15/5/2008 (Thirteenth resolution)	14/11/2009	€3,000 million 10% of the share capital
Capital reductions by cancellation of treasury shares	15/5/2008 (Eighteenth resolution)	14/11/2009	10% of the share capital over periods of 24 months
Capital increases through capitalisation of reserves, profits and share premiums	10/5/2007 (Seventeenth resolution)	9/7/2009	(1)
Issues, while maintaining the shareholders' preferential subscription rights, of all shares and securities giving access to the share capital of the Company and / or its subsidiaries	10/5/2007 (Sixteenth resolution)	9/7/2009	€200 million (shares)(2) €5,000 million (debt securities) (3)
Issues of Oceane bonds, while cancelling shareholders' preferential subscription rights, by the Company and / or its subsidiaries	10/5/2007 (Eighteenth resolution)	9/7/2009	€100 million (shares)(2) (4) €3,000 million (debt securities)(3) (5)
Issue of debt securities other than Oceane bonds giving access to the share capital, while cancelling the shareholders' preferential subscription rights	10/5/2007 (Nineteenth resolution)	9/7/2009	€100 million (shares)(2) (4) €3,000 million (debt securities)(3) (5)
Increase of the amount of an issue if it is over-subscribed	10/5/2007 (Twentieth resolution)	9/7/2009	15% of the initial issue(2) (3)
Issues of all shares and securities giving access to the share capital to use as consideration for contributions in kind made to the company in the form of shares or securities giving access to the share capital	10/05/07 (Twenty-first resolution)	9/7/2009	10% of the share capital
Capital increase reserved for employees of VINCI and its subsidiaries under group savings schemes	10/05/07 (Twenty-second resolution)	9/7/2009	10% of the share capital(6) 2% of the share capital(7)
Issue of shares in the Company following the issue by one or more subsidiaries of securities giving access to the Company's share capital	15/05/08 (Nineteenth resolution)	14/7/2010	€100 million(4) €200 million(2)
Authorisation to grant performance shares using existing shares	15/05/08 (Twentieth resolution)	14/7/2011	1% of the share capital(8)

(1) Total amount of reserves, profits or shares premiums that may be capitalised.
(2) The cumulative nominal amount of share capital increases that may be undertaken by virtue of the Sixteenth, Eighteenth, Nineteenth, Twentieth and Twenty-fifth resolutions adopted by the Shareholders' Meeting of 10 May 2007 and the Nineteenth resolution adopted by the Shareholders' Meeting of 15 May 2008 may not exceed €200 million.
(3) The cumulative amount of issues of debt securities that may be undertaken by virtue of the Sixteenth, Eighteenth, Nineteenth, Twentieth and Twenty-fifth resolutions adopted by the Shareholders' Meeting of 10 May 2007 may not exceed €5,000 million.
(4) The cumulative nominal amount of share capital increases that may be undertaken by virtue of the Eighteenth and Nineteenth resolutions adopted by the Shareholders' Meeting of 10 May 2007 and the Nineteenth resolution adopted by the Shareholders' Meeting of 15 May 2008 may not exceed €100 million.
(5) The cumulative nominal amount of issues of debt securities that may be undertaken by virtue of the Eighteenth and Nineteenth resolutions adopted by the Shareholders' Meeting of 10 May 2007 may not exceed €3,000 million.
(6) The unit funds that hold the Company's shares acquired through an increase in the share capital of VINCI, reserved for its employees and of which the subscription price was set with a discount against the stock market price, may in no case as a consequence of one of the increases in the Company's share capital carried out in accordance with the Twenty-second resolution adopted by the Shareholders' Meeting of 10 May 2007 hold more than 10% of the shares representing the Company's share capital at any time;
(7) The total number of shares that may be issued under this authorisation may not exceed 2% of the shares representing the share capital when the Board of Directors takes its decision;
(8) The total number of shares that may be granted under this authorisation may not exceed 1% of the shares representing the share capital when the Board of Directors takes its decision.

The authorisations proposed to the Shareholders' Meeting of 14 May 2009 are as follows:

	Date of Shareholders' Meeting	Date of expiry	Maximum amount of issue (nominal value)
Share buy-backs	14/5/2009 (Ninth resolution)	13/11/2010	€2,000 million 10% of the share capital
Capital reductions by cancellation of treasury shares	14/5/2009 (Seventeenth resolution)	13/11/2010	10% of the share capital over periods of 24 months
Capital increases through capitalisation of reserves, profits and share premiums	14/5/2009 (Eighteenth resolution)	13/7/2011	(1)
Issues, while maintaining the shareholders' preferential subscription rights, of all shares and securities giving access to the share capital of the Company and / or its subsidiaries	14/5/2009 (Nineteenth resolution)	13/7/2011	€300 million (shares)(2) €5,000 million (debt securities)(3)
Issues of Oceane bonds, while cancelling shareholders' preferential subscription rights, by the Company and / or its subsidiaries	14/5/2009 (Twentieth resolution)	13/7/2011	€150 million (shares)(2)(4) €3,000 million (debt securities)(3)(5)
Issue of debt securities other than Oceane bonds giving access to the share capital, while removing the shareholders' preferential subscription rights	14/5/2009 (Twenty-first resolution)	13/7/2011	€150 million (shares)(2)(4) €3,000 million (debt securities)(3)(5)
Increase of the amount of an issue if it is over-subscribed	14/5/2009 (Twenty-second resolution)	13/7/2011	15% of the initial issue(2)(3)
Issues of all shares and securities giving access to the share capital to use as consideration for contributions in kind made to the company in the form of shares or securities giving access to the share capital	14/5/2009 (Twenty-third resolution)	13/7/2011	10% of the share capital
Capital increase reserved for employees of VINCI and its subsidiaries under group savings schemes	14/5/2009 (Twenty-fourth resolution)	13/7/2011	1.5% of the share capital(6)
Capital increases reserved for financial institutions or companies created especially under group savings schemes for employees of certain VINCI subsidiaries outside France.	14/5/2009 (Twenty-fifth resolution)	13/11/2010	1.5% of the share capital(6)
Issue of share subscription or purchase options	14/5/2009 (Twenty-sixth resolution)	13/7/2012	1.5% of the share capital(7) Other conditions(8)

(1) Total amount of reserves, profits or shares premiums that may be capitalised.
(2) The cumulative nominal amount of share capital increases that may be undertaken by virtue of the Nineteenth, Twentieth, Twenty-first and Twenty-second resolutions adopted by the Shareholders' Meeting of 14 May 2009 and the Nineteenth resolution adopted by the Shareholders' Meeting of 15 May 2008 may not exceed €300 million.
(3) The cumulative amount of issues of debt securities that may be undertaken by virtue of the Nineteenth, Twentieth, Twenty-first and Twenty-second resolutions adopted by the Shareholders' Meeting of 14 May 2009 may not exceed €5,000 million.
(4) The cumulative nominal amount of share capital increases that may be undertaken by virtue of the Twentieth and Twenty-first resolutions adopted by the Shareholders' Meeting of 14 May 2009 and the Nineteenth resolution adopted by the Shareholders' Meeting of 15 May 2008 may not exceed €150 million.
(5) The cumulative nominal amount of issues of debt securities that may be undertaken by virtue of the Twentieth and Twenty-first resolutions adopted by the Shareholders' Meeting of 14 May 2009 may not exceed €3,000 million.
(6) The total number of shares that may be issued under Twenty-fourth and Twenty-fifth resolutions may not exceed 1.5% of the shares representing the share capital when the Board of Directors takes its decision.
(7) The total number of options that can be allocated under the Twenty-sixth resolution cannot relate to a number of shares to subscribe exceeding 1.5% of the number of shares making up the share capital.
(8) Grants must relate to at least 1,500 beneficiaries. The options granted to members of the Executive Committee may not exceed 10% of each grant, each beneficiary may not be granted more than 1% of each grant, the issue price of the shares may not be less than the average stock market price on the twenty trading days preceding the day of the Board of Directors' meeting at which the options are granted.

Note on the methods used in social and environmental reporting

VINCI's social and environmental reporting framework complies with Articles L.225-102-1, R.225-104 and R.225-105 of the French Commercial Code and draws on the transparency principles in the Global Reporting Initiative (GRI).

1. Methodological procedures

The procedures adopted by VINCI comprise:
> for social indicators: a guide in four languages (French, English, German and Spanish) containing definitions of social indicators, a users' manual for the IT system in four languages, a guide to consistency checks in two languages (French and English) and a training module for new users;
> for environmental indicators: a methodological guide to the VINCI environmental reporting system that entities can use to set up environmental reporting procedures and a guide in two languages (French and English) defining VINCI's core indicators.

2. Scope

The reporting scope is intended to be representative of VINCI's business activities. It is based on criteria related to the actual activity of its subsidiaries. Since 2002, social reporting has covered all VINCI's worldwide operations. In 2008, environmental reporting covered 85% of worldwide revenue. Within this scope, 100% of the relevant social and environmental data is consolidated (global data consolidation).

Changes in scope

> Social data: changes in scope are integrated in year Y.
> Environmental data: changes in cope are integrated in year Y+1. Solétanche Bachy, Entrepose Contracting, Nuvia, which were acquired in 2007 were included in the 2008 reporting.

3. Choice of indicators

Indicators are defined in the light of the social and environmental impacts of VINCI companies' activity and the risks related to the specific challenges of their business lines.
The core social indicators amalgamate three levels of indicators:
– the indicators in Articles R.225-104 and R.225-105 of the French Commercial Code;
– the indicators in the social report;
– the specific indicators reflecting VINCI's human resources policy.
The complementary nature of these three sets of indicators enables the results of the Group's human resources policy and its social commitments to be measured.
In 2008, the environmental indicators working group enriched the core VINCI indicators with additional definitions and calculation methods. Each division continues however to monitor its own indicators, based on its specific environmental constraints. The core set of indicators comprises five sub-groups:
– indicators of consumption of resources: energy, CO_2 and water;
– waste management and recycling;
– certification and recognised projects;
– environmental training and awareness raising;
– environmental incidents and provisions.

4. Methodological explanations and limitations

The methodologies used for some social and environmental indicators may present limitations due to:
– differences in definitions between France and other countries (e.g. the concept of employment contracts of indefinite duration, or types of waste). Work on harmonisation is permanently undertaken at VINCI.
– the representativeness of the measurements and estimates made or the limited availability of external data essential to calculations, in particular regarding environmental indicators at VINCI Construction, where a statistical approach is being developed;
– changes in definitions that might affect the way in which they are reported;
– changes in activity scope from one year to the next, in particular at VINCI Construction;
– difficulties in obtaining information in the event of sub-contracting or joint ventures;
– procedures governing the collection and input of this information. For example, with respect to safety indicators, two parallel reporting systems can co-exist. One is a corporate social reporting system prepared using the Group's Magnitude consolidation software. The other is an operational reporting system to monitor the prevention policy and is run by Group companies' safety officers. Data may differ between these two reporting systems because they do not have the same objectives and are not necessarily geared towards the same users.

5. Internal consolidation and verification

Social indicators are collected from each operational entity using a specific section of the Magnitude financial data reporting system, which enables social data for all VINCI entities to be collected. This data is then consolidated and verified by the companies themselves, by sub-group (senior management of business lines) and by the human resources department. Automatic controls are also conducted at entity level. Environmental data is collected and consolidated by each Group subsidiary by the environmental officers, who have their own IT data collection tools. It is then consolidated by the VINCI sustainable development delegation through Magnitude.
On consolidation, data consistency checks are carried out by the human resources department and the sustainable development delegation. Comparisons are made with the results of previous years. Any material discrepancies are analysed and examined in detail.

6. External controls

To ensure information published is reliable, the Statutory Auditors have been asked to give their opinion on the quality of social and environmental reporting procedures annually since 2003. In 2008, the Statutory Auditors conducted an audit. Social and environmental indicators that have been verified by outside bodies are identified in tables by a "☑" checkbox symbol (see pages 121-136). The nature of the work done and these conclusions are presented on pages 148-149.

Report by the Statutory Auditors on the examination of selected social indicators at VINCI level and of selected environmental indicators at the level of VINCI Energies and some VINCI Autoroutes companies for 2008.

As requested by VINCI and in our capacity as Statutory Auditors, we have carried out an assurance engagement in order to provide a moderate assurance on some indicators [1] (the data) selected by VINCI for the year ended 31 December 2008, reported on pages 121-136 and shown by the symbol ☑.
The social data was prepared under the responsibility of the VINCI human resources department and the environmental data under the responsibility of the sustainable development delegation in accordance with:
– the users' manual for the collection of Group social data;
– the methodological guide for Group environmental reporting and the guide to the definitions and methods of use of the common indicators used in VINCI's environmental reporting;
referred to hereafter as "the guidelines", which can be consulted at VINCI's head office and of which certain elements appear on page 146-147. It is our responsibility, based on the work performed to express our conclusions on this data based on our work. The conclusions expressed below apply solely to the data examined and not to the entire Social and Environmental report included in the Board of Directors report for 2008.

Nature and scope of our work

We planned and performed the assurance engagement described below to provide a moderate level of assurance that the selected data are free of material misstatement. A higher level of assurance would have required more extensive work.
> We assessed the guidelines as to their relevance, reliability, understandability and completeness.
> We interviewed site managers and holding company staff involved in the application of the guidelines.
> We conducted detailed work on the basis of data available at:
– 5 selected entities [2] for social data, representing 25.1% of the Group's consolidated headcount;
– 9 selected sites [3] for the environmental data of some VINCI Autoroutes companies, representing between 23.4% and 35.3% of consolidated data; and
– 3 selected sub-divisions [4] for the environmental data of VINCI Energies, representing between 10.8% and 43.2 % of the VINCI Energies consolidated data.
For these sites and entities, we conducted interviews on the understanding and application of the guidelines with the persons involved and, on the basis of sampling, we verified the calculations, performed consistency checks and reconciled the data with documentary evidence.
> Lastly, we verified the consolidation of data at sub-group and holding company level.

Information on the procedures

We have the following comments to make on the reporting procedures:

The Group's social reporting system

> The Group's social reporting system and data collection tools have been fully assimilated by the persons participating to the reporting system.
> The checks on data, which are described in the procedures, should be performed systematically at each consolidation level, in particular as regards the indicator of the number of training hours.
> The data on the frequency and severity rates of VINCI employees' work-place accidents involving time off work are monitored by means of:
– the social reporting system, which we reviewed and did not find any material anomalies;
– a safety reporting system, which we did not review;
– reconciliations should be made systematically between the two sets of data collected and variances should be justified.

Environmental reporting by VINCI Energies and some VINCI Autoroutes companies

> The Group has continued its work on harmonising the guidelines, in particular in the VINCI Autoroutes companies that we reviewed.
> The reporting procedures applied by the Group, VINCI Autoroutes and VINCI Energies should be added to and clarified, in particular as regards how the scope of entities covered by the environment reporting system should be managed. Furthermore, reporting procedures applied by the Group and VINCI Energies should specify the checks to be made when collecting and consolidating data and provide more detailed definitions for some environmental indicators.
> A calculation method should be defined in the specific procedures used by VINCI Autoroutes and VINCI Energies in order to make up for any lack of documentary proof. We have noted varied practices used to collect or estimate water and energy consumption when invoices have not yet been received.
> Regarding VINCI Energies:
– checks made on data should be strengthened at the level of the Division and the eighteen sub-divisions. To this end, a list of specific checks could be drawn up and applied systematically at sub-division level;
– particular attention should be paid to the configuration of the reporting tool, following the identification of technical dysfunctions leading to loss of data in the event of changes in financial structure. These anomalies were corrected following our work.

Conclusion

Based on our work, we did not identify any material anomalies likely to call into question the fact that the social and environmental data examined disclosed in the Social and Environmental report included in the Board of Directors report for 2008 and which are identified in the report by the symbol ☑ on pages 121-136, were established, in all material respects, in accordance with the guidelines mentioned.

(1) Social indicators: workforce at 31 December; workforce by gender; number of hours of training, frequency and severity rates of VINCI employees' work-place accidents involving time off work.
VINCI Autoroutes environmental indicators: consumption of water purchased, electricity consumption, fuel consumption, heating oil consumption, household waste management.
VINCI Energies environmental indicators: consumption of water purchased, electricity consumption, fuel consumption, heating oil consumption, percentage of revenue certified ISO 14001.
(2) VINCI Construction: GTM Bâtiment (France), CFE (Belgium); VINCI Concessions: Cofiroute (France); VINCI Energies: Northern operational division (France) and the complete division.
(3) Cofiroute: operational centers at Chambray, Monnaie, Le Mans and Laval; ASF: districts of Orange and Valence, Montélimar center; Escota: Côte d'Azur sector and DEX maintenance department.
(4) Eastern, south-west and German divisions.

Neuilly-sur-Seine and Paris La Défense, 23 March 2009

Deloitte & Associés

Éric Dugelay
Partner

Jean-Paul Picard
Partner

Responsible for the Risk Management & Sustainable Development Department

KPMG Audit,
Department of KPMG SA

Philippe Arnaud
Partner

Patrick-Hubert Petit
Partner

Responsible for the Environment and Sustainable Development Department

This is a free translation into English of the statutory auditors' report issued in French and is provided solely for the convenience of English speaking users.
This report should be read in conjunction with, and is constructed in accordance with, French laws and professional auditing standards applicable in France.

Report of the Chairman on corporate governance and internal control procedures

Article L.225-37 of the French Commercial Code requires the Chairman of the Board of Directors of VINCI to report on the composition of the Board of Directors, how the Board of Directors' work is prepared and organised, and the internal control and risk management procedures put in place by the Group.

The report sets out the nature of operations requiring the prior agreement of the Board.

It mentions the code of corporate governance used as a reference and presents the principles and rules established by the Board of Directors to determine the compensation and benefits of any nature paid to Company Officers.

It also sets out the procedures governing participation of the shareholders in general meetings and mentions the publication of information required by article L225-100-3 of the French Commercial Code.

The above information is included in the report of the Chairman of the Board of Directors, which was approved by the Board at its meeting on 3 March 2009.

A. Corporate governance

1. Adherence to the Afep-Medef code of corporate governance

In compliance with Law no. 2008-649 of 3 July 2008 concerning various provisions for adapting French company law to Community law in application of EC directive 2006/46/EC of 14 June 2006, the Board of Directors of VINCI decided at its meeting on 13 November 2008 that the company would, as of 1 January 2008, use the Afep-Medef code as amended by the recommendations of 6 October 2008 as a reference for drafting the report required by Article L.225-37 of the French Commercial Code. This corporate governance code may be consulted in full on the Medef website (www.medef.fr).

Any provisions of this code that have been set aside are mentioned in this report.

2. General Management

In accordance with Article 15 bis of VINCI's Articles of Association, the Board of Directors decided, on 9 January 2006, to separate the functions of Chairman and Chief Executive Officer. This principle of organisation was confirmed on 1 June 2006 on the appointment of Mr Yves-Thibault de Silguy as Chairman of the Board of Directors.

Mr De Silguy was appointed with a view to improving corporate governance and, in particular, the functioning of the Board of Directors and its committees. His implementation of this responsibility has led to the progressive renewal of the members of the Board of Directors.

Chairmanship

The Chairman of the Board of Directors, Mr Yves-Thibault de Silguy, organises and directs the work of the Board and reports on this work to the Shareholders' General Meeting. He ensures the proper functioning of the different corporate bodies and committees and, in particular, ensures that the directors are able to fulfil their responsibilities. He works to promote VINCI's image to political and economic decision-makers in France and abroad. He also spends a major part of his time meeting the managers of the Group's numerous subsidiaries and providing them, as needed, with his assistance in their relations with their major clients. Lastly, he attaches particular importance to the shareholder base and changes therein.

In 2008, Mr de Silguy's priorities were to ensure strong corporate governance and a stable shareholding structure, in particular by developing individual and employee shareholding.

Mr de Silguy chairs the Strategy and Investments Committee and the Appointments Committee.

General Management

As Chief Executive Officer, Mr Xavier Huillard has the broadest powers to act in all circumstances in the Company's name. He exercises these powers within the limits of the corporate purpose and subject to the powers that the law attributes expressly to General Meetings of Shareholders and the Board of Directors. He represents the Company in its dealings with third parties and is responsible for overall operational management of the Company.

The Chief Executive Officer is also in charge of providing the Board and its Committees with the information they need, reporting on the highlights of the Company's operations over the period and implementing the Board's decisions. The Company's material transactions, referred to in paragraph 3.3 below, are subject to prior approval by the Board. Furthermore, the Chief Executive Officer regularly presents the Company's performance and prospects to the financial community, in particular through roadshows.

Mr Huillard chairs the Executive Committee and the Management and Co-ordination Committee. The Executive Committee has nine members. It met 47 times in 2008, with an average of four meetings per month. The Management and Co-ordination Committee is composed of the members of the Executive Committee and the Group's main operational and functional executives. Its purpose is to ensure broad consultation on VINCI's strategy and development and on policies that affect several group entities. This committee has 31 members and met four times in 2008.

Mr Huillard also chairs the Risks Committee mentioned in paragraph 4.3, part B.

3. The Board of Directors

3.1 Composition of the Board of Directors – Independence of members

At the date of registration of this document, the Board of Directors had 13 members, including one member representing employee shareholders.

In 2008, one director tendered his resignation and a new director was co-opted. Quentin Davies resigned from his appointment on 6 October 2008. The Board of Directors co-opted a new director, Jean-Pierre Lamoure, to replace Mr Davies for the remainder of his term of office, which will expire at the close of the general meeting called to rule on the accounts for the year 2011. This co-optation will be submitted for ratification to the Shareholders General Meeting on 14 May 2009.

The Board of Directors meeting on 3 March 2009, on the proposal of the Appointments Committee, decided to propose appointment of a new director, Michael Pragnell, to the Shareholders' General Meeting on 14 May 2009.

The appointments of François David, Patrick Faure and Bernard Huvelin expire in 2009. Bernard Huvelin, aged 72, did not wish to renew his appointment. The Board took formal note of this and unanimously paid tribute to him for the importance of his contribution to its work for many years. The Board will propose re-appointing François David and Patrick Faure at the Shareholders' General Meeting on 14 May 2009.

The term of office of Directors is four years for those appointed or re-appointed since 1 January 2005, which applies to 12 Directors, and six years for those already serving on 1 January 2005, which applies to only one Director, Mr David. The terms of office of the Directors expire at different times, which means that approximately one-quarter of the Board is renewed every year.

The Company's Articles of Association provide that no one may be appointed or reappointed as a Director if they have reached the age of 75 and that no more than one-third of the Directors in office at the close of the financial year for which the Shareholders' Meeting is asked to vote on the financial statements may be over 70.

At its meeting of 27 February 2008, the Board also made an assessment of the current Directors' independence, in accordance with the recommendations of the Afep-Medef code.

After receiving the Appointments Committee's report, the Board concluded that the following seven Directors cannot be considered to be independent:
– Yves-Thibault de Silguy, who is the full-time Chairman of the Board and has various responsibilities in the Company;
– Xavier Huillard, who is responsible for the Company's general management and has been an employee of VINCI;
– Dominique Bazy, who has management responsibilities (Vice-Chairman) with UBS Investment Bank, a financial institution that could be involved in transactions entered into by the Company or its subsidiaries; the Board considered the links that could exist between the UBS Group and the VINCI group to be material;
– Bernard Huvelin, who has held management responsibilities in the Company and in VINCI subsidiaries of which he has been an employee, has, moreover, been a Director of the Company for more than twelve years and who now holds various other directorships within the Group;
– Dominique Ferrero, who holds management responsibilities (Chief Executive Officer) in Natixis, a bank providing financial services to the Company; the Board considered the links existing between Natixis and the VINCI group to be material;
– Jean-Pierre Lamoure, who has management responsibilities as a Company Officer and is a former employee of a VINCI subsidiary, and is currently Chairman of Solétanche Bachy Entreprise, a 100%-owned VINCI subsidiary;
– Denis Vernoux, who is an employee of a Group company and who represents employee shareholders through the corporate unit funds.

The Board of Directors considered that the six other members of the Board, listed below, do not have relations with the Company, its Group or its management that might compromise their independence of judgment and are therefore independent:
– Robert Castaigne, who was Chief Financial Officer of Total and member of its Executive Committee; the Board considered however that any links that may exist between the Total Group and the VINCI group (contracts for works or provision of goods between the subsidiaries of the two groups) are not sufficiently material to adversely affect Mr Castaigne's independence of judgment;
– François David, who is Chairman of Coface, which provides credit insurance on contracts entered into by VINCI subsidiaries; the Board considered however that any links that may exist between the Coface Group and the VINCI group are not sufficiently material to adversely affect Mr David's independence of judgment;
– Patrick Faure, who has held management duties or Director's appointments in automobile manufacturing companies (Renault) that could at some time enter into contracts (for construction work or services) with VINCI subsidiaries, or provide goods or services to Group companies; the Board considered however that any links that might have existed, and which have since disappeared, were not sufficiently material to unfavourably affect Mr Faure's independence of judgment. Furthermore, Mr Faure has been a director since 1993, i.e. for over twelve years, but the Board considered that this circumstance was not an obstacle to Mr Faure being considered as an independent director.
– Jean-Bernard Lévy, who has management responsibilities (Chairman of the Management Board) in Vivendi. Until 2002, this company was a large shareholder in VINCI and commercial relations remain between VINCI and some Vivendi Group subsidiaries; the Board considered however that these transactions are not sufficiently material to adversely affect Mr Lévy's independence of judgement;
– Henri Saint Olive, who has management responsibilities (Chairman of the Board of Directors) of Banque Saint Olive, a bank that could be involved in transactions entered into by the Company, its subsidiaries or personally by its executives; the Board considered however that these transactions are not sufficiently material to adversely affect Mr Saint Olive's independence of judgment.
– Pascale Sourisse, who has management responsibilities in the Thales Group; the Board considered however that any links that may exist between the Thales Group and the VINCI group are not sufficiently material to adversely affect Mrs Sourisse's independence of judgment.

Consequently, following the resignation of Mr Davies and the co-optation of Mr Lamoure occurring at the end of 2008, the proportion of independent directors has fallen to less than half the members of the Board of Directors, which is not compliant with the Afep-Medef code. Moreover, the Board of Directors' meeting on 3 March 2009 decided, on the proposal of the Appointments Committee, to recommend the appointment of a new director, Michael Pragnell, to the Shareholders' General Meeting on 14 May 2009. The Appointment Committee examined the situation of Mr Pragnell and the Board of Directors decided that he could be considered as an independent director. Mr Pragnell, who has held management responsibilities in Syngenta AG, meets all the criteria of independence set out in the Afep-Medef code.

In consequence, assuming the election of Mr Pragnell and the renewal of the appointments of Mr. Faure and Mr. David, seven directors out of thirteen, i.e. more than half, would be independent.

3.2 Personal situation of Company Officers

As of the date of registration of this document, to the Chairman's knowledge:
– there are no family links between any of VINCI's Officers;
– none of VINCI's Officers has been found guilty of fraud in the last five years;
– none has been involved as a company officer in a bankruptcy, sequestration of assets or liquidation during the last five years and none has been incriminated or officially publicly punished by a statutory or regulatory authority. None has been disqualified by a Court from serving as a member of a Board of Directors or corporate management or supervisory body of an issuer of securities nor from being involved in the management or conduct of the affairs of an issuer of securities in the last five years;
– no Company Officer of VINCI has declared a conflict of interest in respect of any decisions taken by the Board of Directors in 2008.

3.3 The Board of Directors' internal rules

In May 2003, the Board of Directors adopted a set of internal rules, which is periodically amended and which sets out the rules applicable to the functioning of the Board and its committees, and the behaviour expected of each of its members. These rules may be consulted in full on the Company's website (www.vinci.com)

The Board of Directors' internal rules require that the Board examines and gives prior approval to any significant transactions undertaken by the Company and in particular the determination of its strategic choices, material acquisitions and disposals of financial holdings and assets that are likely to alter the structure of the Company's balance sheet and, in any case, all acquisitions and disposals of shareholdings and assets of €200 million or more, as well as any transactions that fall outside the Company's announced strategy.

3.4 Conditions of preparation and organisation of the work of the Board

3.4.1 Functioning and work of the Board of Directors

In 2008, the Board of Directors discussed all major matters relating to the Group's activities. The Board met eight times during the year and the average attendance rate at its meetings was 85.4%. The Chief Operating Officer and Chief Financial Officer assists the work of the Board. Secretarial duties for the Board are the responsibility of the Chief Legal Officer.

In particular the Board:
– determined the strategy of the Company as proposed by the Chief Executive Officer;
– closed the annual consolidated and parent company accounts at 31 December 2007 together with the interim consolidated and parent company accounts to 30 June 2008;
– prepared and convened the Combined General Shareholders' Meeting of 15 May 2008, and defined the terms of its different reports to the meeting, the agenda and the resolutions submitted for the approval of the shareholders;
– decided to submit to the Combined General Shareholders' Meeting of 15 May 2008 an option for payment of the final dividend in respect of 2007 in new shares and decided payment of an interim dividend in respect of 2008.

At each of its meetings, it:
– examined the Group's financial situation and indebtedness;
– approved the share buy-back policy and allocation of treasury shares;
– was informed of share capital evolution and employee shareholding through unit trusts in the Castor France, Castor International, ASF and Entrepose Contracting company savings funds.

As regards corporate governance, it:
– set the performance criteria for the Chairman of the Board's supplementary pension
– decided to adopt the Afep-Medef corporate governance code
– examined the situation of the Chairman of the Board of Directors and the Director-Chief Executive Officer with respect to the recommendations of the Afep and Medef report of 6 October 2008.

In addition, the Board, in particular:
– examined the budgets and budget updates;
– examined the Group's quarterly activity;
– decided to modify the allocation of Directors' fees and set the remuneration of the Chairman of the Board of Directors and the Director-Chief Executive Officer.

– decided to implement three operations for France and one international operation in the framework of the company savings fund and set the subscription price of the shares to be issued for each of these operations;
– co-opted a new director;
– examined various projects for acquisition of companies;
– authorised the reclassification of the ASF shares held by VINCI in ASF Holding;
– examined and approved the project to regroup airport activities;
– authorised the issue of guarantees, renewed delegations of powers in respect of suretyships, guarantees and endorsements, and reconstituted the global envelope available to the Chief Executive Officer for issue of suretyships, guarantees and endorsements;
– examined the impact of the financial crisis on the Group, and, in particular, on its liquidity position.

One of the Board of Directors' meetings was held in Marseilles. During this meeting, the activities of VINCI and, in particular, of VINCI Construction France, were presented to the Directors. A visit to the CMA-CMG tower construction site was also organised on this occasion.

3.4.2 The Board Committees

The terms of reference and the manner of functioning of the Committees are governed by the internal rules of the Board of Directors, amended by the Board during its meeting of 3 March 2009 to ensure compliance with the provisions of Article L823-19 of the French Commercial Code created by Order no. 2008-1278 of 8 December 2008. Each Committee has a role to play in analysing and preparing certain of the Board's discussions falling within its field of competence and in studying topics and/or projects that the Board or its Chairman may submit to it for examination. It has consultative powers and acts under the authority of the Board of which it is a committee and to which it is answerable. Minutes of each Committee's meetings are drawn up and distributed to the members of the Board of Directors.

The Audit Committee

Terms of reference
The Audit Committee helps the Board monitor the accuracy and fair presentation of VINCI's consolidated and parent company financial statements and the quality of the information given.
In particular its duties are to monitor:
– the process of compiling financial information; examine the Group's annual and half-yearly, consolidated and parent company financial statements before they are presented to the Board, to satisfy themselves that the accounting policies and methods are appropriate and consistently applied and to prevent any non-compliance with these rules and monitor the quality of the information given to the shareholders;
– the effectiveness of the Group's internal control and risk management systems as: (a) concerns internal control, to assess the Group's internal control systems with the managers of the internal audit function and to examine with them the internal audit work programme and actions, their conclusions and recommendations arising therefrom and the actions taken as a result; (b) concerns risks, to review regularly the Group's main exposures to financial risk and in particular off-balance sheet commitments;
– legal control of the parent company and consolidated financial statements by the Statutory Auditors and the independence of the Statutory Auditors: to examine with the Statutory Auditors their work programmes, conclusions and recommendations, as well as actions taken as a result; verify compliance with the obligation of independence of the Statutory Auditors, assess proposals on the appointment of the Company's Statutory Auditors and their remuneration and issue recommendations on this point;
– the Group's policy in respect of insurance.

Composition
The Audit Committee comprises at least three directors designated by the Board. The Chief Financial Officer and the Statutory Auditors attend the Audit Committee's meetings. Until 31 November 2008, its members were Henri Saint Olive (chairman), Robert Castaigne and Quentin Davies (until resignation of his office as Director on 6 October 2008). Since 13 November 2008, the Committee has been chaired by Henri Saint Olive and its members are Robert Castaigne and Mrs. Pascale Sourisse. All three are considered independent directors.

Activities in 2008
The Audit Committee met five times in 2008, with a participation rate of 100%.

In particular, in addition to the accounts prepared during the period, it examined:
– as concerns internal control and audit: the organisation of internal control within VINCI Construction Filiales Internationales for Overseas France, Solétanche Bachy and Freyssinet; the chairman's report relating to internal control, the results of the IT security audit in the Group concerning management applications (with the intervention of an outside consultant); the self-assessment on internal control; and organisation of the audit department;
– as concerns financial and accounting matters: the various budget updates, the Company's net debt position, the change in accounting methods concerning accounting treatment of concession contracts, the financial rating of the Company (with a presentation by Standard & Poor's);
– follow-up of risk management (with, in particular, an update of disputes in progress and the Group's insurance policy and programme);
– regulatory changes, in particular concerning governance (with the intervention of an outside lawyer) and transposition of the eighth European directive.

In order to carry out these duties, the Audit Committee has in particular interviewed the Chief Financial Officer, the Head of the Budget, Consolidation and Accounting Department, the Internal Auditor, the Statutory Auditors, the Insurance Manager, the Chief Legal Officer, and the financial officers of several business lines to which particular attention was paid in connection with the assessment of internal control procedures. Secretarial duties for the Committee are the responsibility of the Head of the Budget, Consolidation and Accounting Department.

The Strategy and Investments Committee

Terms of reference
This Committee helps the Board develop the Group's strategy. It examines proposed contracts, investments and divestments that could have a material impact on the Company's scope, activities, results or stock market performance before they are presented to the Board.

In particular its duties are to:
– prepare the Board's discussions on the Group's strategy;
– formulate an opinion, for the benefit of Senior Management, on proposed acquisitions or disposals of shareholdings of a value of more than €50 million that do not come under the Board's direct terms of reference.

The Committee is also informed by the Senior Management of the state of progress of multi-year projects that imply, as regards the VINCI group's share, a total investment, in equity or debt, of more than €100 million.

Composition
The Strategy and Investments Committee comprises at least three Directors designated by the Board. The Chairman of the Committee is Yves-Thibault de Silguy and its members are Pascale Sourisse, François David, Patrick Faure, Bernard Huvelin and Denis Vernoux. The Chief Executive Officer, the Chief Financial Officer and the Business Development Manager of VINCI attend the meetings of the Strategy and Investments Committee. Secretarial duties for the Committee are the responsibility of the Board Secretary.

Activities in 2008
The Strategy and Investments Committee met four times in 2008, with a participation rate of 87.5%.

During the year it considered in particular:
– an acquisition project in the field of car parks: a possible alliance between VINCI Park and Interparking, subsidiary of the Fortis Group;
– an acquisition project in the field of rail works: Vossloh Infrastructure Services, a subsidiary of the Vossloh Group, acquired by Eurovia (renamed: ETF-Eurovia Travaux Ferroviaires);
– an acquisition in the construction sector in the United Kingdom: acquisition of Taylor Woodrow Construction, a subsidiary of the Taylor Wimpey Group;
– various multi-year concession and public-private partnership contracts.
The Committee expressed the wish to meet every two months to examine the status of public-private partnership operations (concession and operations that imply a total investment of over €100 million).

The Remuneration Committee

Terms of reference
The Remuneration Committee proposes the terms and conditions of remuneration of the Company Officers to the Board.

Its duties are to:
– make recommendations to the Board concerning the remuneration, pension and welfare benefit plans, benefits in kind and miscellaneous pecuniary rights, including any free shares or share subscription or share purchase options granted to the Chairman, the Chief Executive Officer, the Senior Executive Vice-Presidents and, if applicable, any salaried employees who are members of the Board;
– propose to the Board the determination of an overall package of performance shares and/or share subscription or purchase options relating to the Company's shares and the general and specific conditions applicable to these allocations;
– express an opinion on Senior Management's proposals regarding the number of beneficiaries;
– propose to the Board an aggregate amount of directors' fees and the manner of their allocation.

Composition
The Remuneration Committee comprises at least three directors designated by the Board. Its Chairman was Quentin Davies until his resignation on 6 October 2008 and its members were Dominique Bazy and Robert Castaigne. Since 13 November 2008, its Chairman is Jean-Bernard Lévy and its members are Dominique Bazy and Robert Castaigne. Two of the Committee's three members are independent. The Chief Executive Officer attends meetings of the Committee when it is examining the proposals of Senior Management relating to the company savings fund and long-term incentive systems. Secretarial duties for the Committee are the responsibility of the Board Secretary.

Activities in 2008
The Remuneration Committee met four times in 2008, with a participation rate of 100%.

The Committee examined and made proposals to the Board regarding:
– the variable component of the Chairman's and Chief Executive Officer's remuneration for 2008, and, more generally, the remuneration of Directors and Company Officers;
– determination of performance-related conditions in respect of the supplementary pension of Mr de Silguy;
- the amount of directors' fees;
– the situation of the Chairman of the Board of Directors and the Director-Chief Executive Officer with regard to the Afep and Medef recommendations of 6 October 2008;
– the situation of Mr Lamoure prior to his co-optation, jointly with the Appointments Committee;
– the final allocation of performance shares (2007 plan);
– future performance share plans and/or stock option plans.

The Appointments Committee

Terms of reference
The Committee:
– prepares the Board's discussions on the assessment of the Company's Senior Management;
– examines, on a consultative basis, the Senior Management's proposals relating to the appointment and dismissal of the Group's top executives;
– is informed of the policy drawn up by Senior Management on the management of the Group's top executives;
– makes proposals on the selection of Directors;
– examines all candidacies for appointments to the Board and expresses an opinion or recommendation to the Board on those candidacies;
– prepares at the appropriate time recommendations and opinions on the appointment or succession to the posts of Executive Company Officers.

Composition
The Appointments Committee comprises at least three Directors designated by the Board. Its Chairman is Yves-Thibault de Silguy and its members are Dominique Bazy and Henri Saint Olive. This composition does not comply with the recommendations of the Afep-Medef code insofar as the proportion of independent directors is less than two thirds, and as an Executive Company Officer is a member of the Committee. The Board considered however that this composition was not likely to adversely affect the judgment of members of the Appointments Committee in carrying out their functions.

The Chief Executive Officer attends the Committee's meetings when it examines Senior Management's proposals relating to the appointment and dismissal of the Group's main executives and when it is informed of the policy drawn up by Senior Management on the management of the Group's executives. Secretarial duties for the Committee are the responsibility of the Board Secretary.

Activities in 2008
The Committee met three times in 2008 with an average attendance rate of 100%.

The Committee examined in particular:
– the report on the assessment of the Board of Directors
– the re-appointment of Directors whose term of office expired at the time of the 2008 Shareholders' General Meeting;
– the independence of Directors;
– the candidacies of individuals representing employee shareholders for the position of Director;
– the candidacy of Mr Lamoure for the position of Director;
– the review of the composition of the Audit Committee and the Remuneration Committee following the departure of Mr Davies.

3.5 Assessment of the composition and functioning of the Board of Directors

In application of the Board of Directors' internal rules, the Board made an assessment, at its meeting on 27 February 2008, based on a study commissioned from an outside consultant, of the composition and functioning of the Board with the aim of improving its effectiveness. The assessment shows that the Directors are satisfied with both the composition of the Board and its functioning. However, after completing this assessment, they proposed a number of improvements to the functioning of the Board.

The Directors also met informally on 23 October 2008 without the presence of Messrs de Silguy and Huillard, to examine the functioning of the Board and the specialised Committees, relations between the Chairman and the Chief Executive Officer and any monitoring actions to be conducted. This examination shows that the Directors continue to take a positive view of the organisation set up in 2006, the functioning of the Board of Directors and the Committees and the separation of functions between the Chairman and the Chief Executive Officer. The Board of Directors took formal note thereof in its meeting on 13 November 2008.

4. Principles and rules for determining Company Officers' remuneration and interests of whatever nature

4.1 Company officers' remuneration and interests

Directors' fees are set by the Board of Directors as proposed by the Remuneration Committee. They consist of a fixed fee and a variable fee.

The fixed fee is determined on appointment of Company Officers and is reviewed every year by the Board of Directors on the proposal of the Remuneration Committee.

The variable fee corresponds to the product of the variable fee allocated in respect of the previous year, on the one hand, and, on the other, to a performance index calculated by means of a formula combining the following indicators: (a) net earnings per share; (b) cash flow per share; (c) return on capital employed; (d) variation in the VINCI share price; (e) the relative performance of the VINCI share compared to the CAC 40 index; (f) the relative performance of the VINCI share compared to a basket of European companies in the same sector; and (g) evolution of the dividend.

For the Chief Executive Officer, the variable fee also includes a fee paid at the discretion of the Board.

The Board of Directors is keen to associate a significant number of managers and executives with creation of value by the Group so as to align their interests with those of shareholders over the long term through share subscription and performance share plans. In its meeting on 3 March 2009, the Board of Directors decided, on the proposal of the Remuneration Committee, to submit to the Shareholders' General Meeting of 14 May 2009 a delegation in respect of share subscription options in view of the fact that the preceding delegation expired on 13 July 2006. Such delegation would be implemented in strict compliance with the recommandations contained in the Corporate Governance Code adopted by the Company.

The Chief Executive Officer and the previous Chief Executive Officer benefit, in the same way as other Senior Group Executives, from supplementary pension arrangements guaranteeing them an additional annual pension capped at €85,595 per year.

The Chairman benefits from a special pension arrangement amounting to €380,000 per year, subject to performance conditions, to replace equivalent arrangements that lapsed when the Chairman resigned from the Suez Group. Given that this arrangement is to the benefit of a single person, it is not in compliance with the Afep-Medef code.

4.2 Directors' fees

The Shareholders' General Meeting of 4 May 2004 set the aggregate amount of Directors' fees at €800,000 as from the financial year starting on 1 January 2004.

At its meeting of 27 February 2008, the Board of Directors upon proposal of the Remuneration Committee allocated the Directors' fees for the year commencing 1 January 2008 as follows:
– €70,000 for the Chairman of the Board, including €20,000 as a variable fee;
– €40,000 for each Director, including €20,000 as a variable fee;
– an additional amount of €25,000 for the Chairman of each Committee and an additional amount of €15,000 for the members of the Audit Committee and of €10,000 for the members of the other Committees.

Payment of the variable fee depends on the Member's presence at Board Meetings, an amount of €2,500 being deducted from the maximum for each absence from Board Meetings after the first.

5. Formalities for participation of shareholders in the Shareholders' General Meeting

The formalities for participation of shareholders in the Shareholders' General Meeting are described in Article 17 of the Articles of Association reproduced below:
"Shareholders' Meetings are called and take place in accordance with the legislation and regulations in force. The meetings are held either at the registered office or at another location specified in the notice of the meeting. All shareholders, may, regardless of the number of shares they own, participate in meetings personally or by proxy, on producing evidence of their identity and shareholding in the form of either:
– a personal registration of the shares in their own name; or
– for bearer shares, registration of the shares with an authorised intermediary, who provides an attendance certificate, if necessary by electronic means.
These formalities must be completed no later than midnight (Paris time), on the third working day before the meeting. Shareholders wishing to attend the meeting but who have not received their admission card by midnight (Paris time) of the third working day before the meeting will be given an attendance certificate. However, the Board of Directors may shorten or remove this deadline provided that any such decision applies to all shareholders.
Individual shareholders may also attend the Shareholders' Meeting by videoconference or by other means involving telecommunications, subject to the conditions and restrictions set out by legislative and regulatory provision in force, if the Board of Directors so authorises at the time the meeting is convened. Shareholders attending in this manner are considered present and are included in the calculation of the quorum and the majority.
Postal votes are treated under the terms and conditions set out in legislative and regulatory provisions. Shareholders may send proxy forms and postal votes for every Shareholders' Meeting by mail, under the conditions set out in legislative and regulatory provisions, or by electronic means, if the Board of Directors so authorises in the notice of the meeting.
Shareholders' Meetings are chaired by the Chairman of the Board of Directors or, in his or her absence, by the Vice-Chairman of the Board of Directors, if a Vice-Chairman has been designated, or by a member of the Board of Directors specifically appointed by the Board of Directors to that effect. Failing that, the Shareholders' Meeting elects its own Chairman. The Minutes of the Shareholders' Meetings are drawn up and the copies thereof are certified and delivered in compliance with legislative and regulatory provisions in force."

6. Publication of the information required by Article L.225-100-3 of the French Commercial Code

Information mentioned in Article L.225-100-3 of the French Commercial Code concerning elements which might have an impact in the event of a public offering are published in the management report.

B. Internal control and risk management procedures

1. Introduction

1.1 Definition–Reference framework

In January 2007, the French Stock Market regulator, the *Autorité des marchés financiers* (AMF) published the findings of the working group formed under its aegis. This document is entitled "The Internal Control System – Reference Framework."

According to this document, which constitutes the reference framework applied by the Group, internal control is a process of the VINCI group, defined and implemented under its responsibility.

It includes a set of resources, conduct, procedures and actions adapted to the specific characteristics of the VINCI group, which:
– contributes to better control of its activities, the effectiveness of its operations and the efficient use of its resources and
– must allow it to take into account, as appropriate, significant risks, whether operational, financial or in respect of compliance.

The system aims more particularly to ensure:
- compliance with laws and regulations;
- implementation of the instructions and guidelines set by Senior Management;
- the satisfactory functioning of the Company's internal processes, notably those contributing to preservation of its assets;
- the reliability of financial reporting.

Nevertheless, like any control system, internal control, however well designed and implemented, cannot provide an absolute guarantee that such risks have been completely eliminated.

1.2 Scope of application of internal control

The scope applies to the holding company and subsidiaries included within the scope of consolidation. For the specific case of the Belgian company CFE – in which VINCI has a 46.84% capital stake – and its subsidiaries, these provisions are adapted to the specific features of Belgian law, which attributes responsibility for internal control to the Board of Directors of companies listed a the stock exchange.

Within this scope, internal control contributes to prevention and control of risks arising from the activities of Group companies and the risks of error and fraud, in particular in the areas of accounting and finance.

2. Organisation and environment of internal control

2.1 Principles of action and conduct

The businesses in which VINCI operates require the personnel involved to be geographically close to customers in order to provide them promptly with solutions suited to their needs. In order to enable the manager of each profit centre – some 2,500 in total in the Group – to take the required operational decisions rapidly, a decentralised organisation has been implemented in each of the four business lines (Concessions, Energy, Roads and Construction) and in VINCI Immobilier.

This organisation entails delegation of authority and responsibility to operational and functional staff at all levels.

This delegation of authority to operational and functional management staff is carried out complying with the general guidelines (see paragraph 4.2) and the principles of conduct and behaviour to which VINCI is strongly committed:
– rigorous compliance with the rules common to the whole Group, in particular in respect of entering into commitments, risk-taking (see paragraph 4.3), acceptance of business (see paragraphs 4.4 and 4.5) and submission of financial, accounting and management information (see paragraph 4.2). These common rules, which are deliberately restricted in number, given the range of the Group's activities, must be strictly applied by the staff concerned and their teams;
– transparency and loyalty of managers towards their line management superiors and towards functional departments and the holding company. In particular, all managers must inform their superiors of any difficulties encountered in the performance of their duties (e.g. with respect to carrying out works on sites, relations with customers, government departments, suppliers, financiel partners, internal relationships, personnel management, safety, etc). Although an integral part of operational managers' duties is to take decisions alone, within the framework of the general guidelines received, on matters falling within their area of competence, any difficulties encountered must be handled with the assistance, if necessary, of their line management superiors or divisional or holding company functional departments;
– compliance with the laws and regulations in force in the countries where the Group operates, and, in particular, rigorous compliance with the rules on competition and ethical behaviour;
– responsibility of operational executive managers to communicate the Group's principles governing conduct and behaviour to their staff by appropriate means and to set an example. This responsibility cannot be delegated to functional managers;
– safety of persons (employees, external service providers, sub-contractors, etc.);
– a culture of financial performance.

2.2 The Board of Directors and the Audit Committee

VINCI's Board of Directors represents all the shareholders collectively and is responsible for monitoring management performance, defining the Company's strategic choices and ensuring satisfactory functioning of the Company. It considers all major matters concerning the Group's business.

The Board of Directors, which adopted a set of internal rules in 2003 and set up ad hoc committees for audit, strategy and investments, remuneration and appointments, has delegated certain specific tasks to the Audit Committee regarding accounting rules and procedures, and the monitoring and analysis of accounts and forecasts, internal control and risk management, such as for example the monitoring of provisions, off-balance sheet commitments, the level of debt and the Group's policy in respect of insurance.

2.3 The Executive Committee

The Executive committee currently has nine members:
– the Director and Chief Executive Officer;
– the Chairman of Eurovia;
– the Executive Vice-President and Chief Financial Officer;
– the Chairman of VINCI Construction;
– the Chairman of VINCI Construction France;
– the Chairman of VINCI Energies;
– the Co-Chief Executive Officer of VINCI Concessions;
– the Chairman of VINCI Autoroutes France, who is also Co-Chief Executive Officer of VINCI Concessions;
– the Director of Business Development

The Executive Committee is in charge of executing the Group's strategy and of defining and implementing its management policies (finance, human resources, safety, insurance etc.).

2.4 The holding company and the divisions

The holding company's staff is comparatively small (153 people at end December 2008), suited to the Group's strong decentralised structure. In particular, the holding company's functional departments have to ensure that the Group's rules and procedures and Senior Management's decisions are applied. Furthermore, and depending on needs expressed, these departments advise divisions on technical matters but do not interfere in the taking of operational decisions, which are the sole responsibility of the divisions.

The divisions carry out their activities according to the principles of action and behaviour described in paragraph 2.1.

2.5 Internal audit

The Internal Audit Department's role is to draw up and disseminate the general procedures laid down by the holding company and to supervise the situation in each division as regards procedures, ensuring in particular that they are adapted to the Group's situation and organisation, while complying with the requirements of the law dated 3 July 2008 containing various provisions to adapt French Company Law to the European Community Law ("DDAC Act").

In this connection, the Internal Audit Department's role is to co-ordinate the risk management process. In particular, it organises the meetings of the VINCI Risk Committee in charge of monitoring and authorising the acceptance of new business that exceeds certain thresholds set by General Management, then records and follows up the Risk Committee's decisions.

Lastly, it undertakes specific assignments requested either by the Group's Senior or Financial Management or the various divisions' Senior Management.

The Internal Audit Department is mainly supported by the divisions' internal audit staff, with whom it undertakes joint assignments, and by personnel seconded for this purpose from the operational department concerned and personnel from certain of the holding company's functional departments.

3. Identification of risks and risk management system

Risks are defined as obstacles that might prevent the Company from achieving its objectives. These objectives may be divided into strategic (commitments), operational (common or specific to a business line) and financial risks and risks in respect of compliance with laws and regulations.

An action plan initiated in 2003 led, initially, in 2004, to identification of the main risks and the associated controls in the business divisions, and subsequently to actions to strengthen internal control. These actions are described in chapter 5 entitled "Actions undertaken to strengthen internal control."

In October 2008, the Executive Committee reaffirmed its objective of implementing a risk management system at Group level to satisfy new legal requirements, on the one hand, and, on the other, to ensure more uniform, systematic and formalised monitoring of the risks incurred.

This action plan should closely involve operational managers without introducing further complexities in operating methods. Risk monitoring is therefore included in the framework of the meetings provided for by existing procedures in respect of commitments and monitoring of operations.
In 2009, we will be establishing a mapping process that includes the following phases:
– development by the holding company of a methodological guide providing a general procedure for risk identification and analysis;
– implementation of this procedure by business line in the divisions and sub-divisions;
– summary of actions by the holding company.
The next phase will be deployment of risk management procedures (implementing indicators and a uniform monitoring process by the divisions and sub-divisions).

4. Principal internal control procedures

The main procedures described below are common to all companies in the Group. There are specific procedures within each division, in particular for the monitoring of projects and forecasting of results, especially for contracts spanning several years.

4.1 Compliance with laws and regulations

The standards of behaviour included in the Group's compliance objectives are set by the laws and regulations in force.

The legal department of the holding company is responsible for:
– conducting legislative tracking intelligence in order to remain informed of the different rules applicable to the Group;
– informing the employees concerned about the rules pertaining to them (in particular, for the holding company, the "General rules concerning privileged information, insider trading and securities operations", which are available on the intranet);
– follow-up of major disputes that could have an impact on the Group.

These provisions are supplemented by a system adapted to the divisions and subsidiaries, particularly those located outside France.

With a view to ensuring compliance with the laws and regulations described in paragraph 2.1 above, training and awareness actions are organised by the divisions for operational managers.

Further to these general aspects, particular emphasis is laid in training on:
– safety of employees on worksites through active continuation of the Group's risk prevention policy;
– purchasing and sub-contracting.

4.2 Application of the guidelines and instructions of General Management

The Chairmen of the companies heading divisions (VINCI Energies, Eurovia and VINCI Construction), the Co-Chief Executive Officers of VINCI Concessions and the Chairman of VINCI Immobilier exercise the powers given to them by law.

Under the Group's internal organisation, they are also required to comply with the general guidelines issued by VINCI's Director and Chief Executive Officer, which they have formally accepted.

These apply in particular to the following areas:
– the entering into commitments, and in particular the acceptance of new business of a significant size or involving significant potential risks; corporate acquisitions and disposals; property development, investments and divestments; and material off-balance sheet commitments.
– the reporting of information in connection with the Group's requirements for accounting and financial data or relating to events that are material for the Group, in particular in respect of litigation, disputes and insurance policies and claims.
In particular, these general guidelines require compliance with the holding company's procedures regarding the acceptance of new business or investments. These procedures define thresholds above which specific authorisation has to be obtained from the appropriate committees – the Risk Committee (see paragraph 4.3), the Strategy and Investment Committee – or prior information has to be submitted to the Director and Chief Executive Officer or certain VINCI functional departments or both.

These directives are passed on by the heads of the divisions:
– in the framework of delegations to operational and functional staff for the clauses concerning them;
– to managers acting as company officers in a company in their business sector; acceptance by these managers of the provisions of the same nature as the general directives is a prior condition of their appointment.

Operational and functional line managers regularly carry out field visits and unannounced spot inspections in order, in particular, to satisfy themselves that the principles described in 2.1 are applied permanently and effectively.

4.3 Procedures in respect of new commitments/the VINCI Risk Committee

Strict procedures are in force that must be complied with before a new commitment is accepted.

The VINCI Risk Committee has to assess:
– acquisitions and disposals of businesses;

– the terms and conditions of offers for work worth more than the thresholds set, and in particular the associated technical, legal and financial commitments; these thresholds relate to the entire operation, taking all works together, whatever the share obtained by Group entities in the operation, and however the enterprise is contacted (directly, through an invitation to tender, etc.);
– all transactions relating to property development, concession operations, public-private partnerships (PPPs) or long-term commitments, including all associated financing, whether in France or abroad.

For construction contracts, other thresholds, below those necessitating consideration by the Risk Committee, trigger submission of prior information to VINCI Senior Management on an alert form. If the Chief Audit Officer considers that the alert form renders it necessary, in particular in view of the offer's specific technical, geographical or financial features and the associated risks, he may propose that a specific Risk Committee meeting be held.

Lastly, under the system of delegation and sub-delegation in place, other thresholds trigger a requirement for a formal agreement from the division's Senior Management, under the procedure specific to and defined by each division.

The Risk Committee's objective is to review projects that, particularly because of their size, financing, location or specific nature, bears a special risk, whether technical, legal, financial or other.

Submission to the Risk Committee constitutes formalisation of the commitment made by the manager of the subsidiary in question to his or her superiors as to the quality of the analysis made and therefore of the offer envisaged, and consequently, the expected level of profit on the project presented.

The Risk Committee is usually composed of the following members:
– the Director and Chief Executive Officer;
– the Executive Vice-President and Chief Financial Officer;
– the Chief Audit Officer;
– the Chairman (or Chief Executive Officer) of the concerned division;
– representatives from the operational staff of the bidding company or division (the general manager, project manager, design manager, etc.);
– representatives of the functional departments (legal, insurance, finance, etc.) of this company or division.

Moreover, the composition of the Risk Committee may be altered depending on the purpose of its meeting (e.g. examination of property transactions, acquisitions of companies, concessions contracts and public-private partnerships).
The holding company's Risk Committee, in its various configurations, met 190 times in 2008 and examined approximately 250 projects.

4.4 Procedures in respect of monitoring of operations

Divisions have their own management accounting systems tailored to their business. Specific budgetary control tools linked to the accounting system have been installed in the Energy, Roads and Construction divisions and each of the concession activities (motorways, car parks, etc.) and allow regular monitoring of the progress of works and contracts. These systems are generally interconnected with the systems in place to draft and process financial and accounting information as described below.

A monthly report on business, new orders taken, the Group's order book and consolidated net borrowing position is prepared by the Finance Department on the basis of detailed information provided by the divisions. It is distributed to the Chairman, the Senior Management and the members of the Executive Committee.

The Management of each division prepares a specific report on the month's key events. These are centralised at the holding company and then distributed to the Chairman, the Senior Management and the members of the Executive Committee.

This information is also transmitted to the internal Audit Department.

The budget procedure is common to all divisions and their subsidiaries. It is built around five key dates in the year: the budget for the next year at the end of the current year, followed by four updates in March, May, September and November. For each of these stages, management committees meet to examine each division's position and financial data, usually in the presence of the Group's Chief Executive Officer and/or its Executive Vice-President – Chief Financial Officer.

In addition, the divisions participate in regular monitoring of VINCI's societal and environmental commitments as described in the sustainable development chapter, with a particular emphasis on safety.

4.5 Procedures governing the preparation and processing of financial and accounting information

The Budgets and Consolidation Department, part of the Finance Department, is responsible for the production and analysis of the financial, company and consolidated information distributed inside and outside the Group, which it must ensure is reliable. In particular the Department is in charge of:
– preparing, agreeing and analysing VINCI's half-year and annual parent company and consolidated financial statements and forecasts (consolidation of budgets, budget updates and three-year forecasts);
– the definition and monitoring of the Group's accounting procedures and the application of the IFRS standards;
– co-ordination of the "Vision" Group financial information system, which incorporates the consolidation process and which is used to unify the various VINCI reporting systems (accounting and financial information, human resources information, commercial data, borrowing).

The Budgets and Consolidation department lays down a timetable and closure instructions for the preparation of the half-yearly and annual accounts. These instructions, sent to the division's Finance Departments, are presented in detail to the staff in charge of consolidation in the entities in question.

The Group's accounting rules and methods, including the definition of reporting documents and consolidation packages, are set out in widely distributed procedural notes and are available on the Intranet. Specific detailed monitoring is carried out for some areas – such as provisions for liabilities, deferred tax and off-balance-sheet commitments. At each accounts closure, divisions send the Budgets and Consolidation Department a dossier with an analysis of and comments on the consolidated data submitted. The Group Finance Department presents the accounting treatment it intends using for any complex transactions to the Statutory Auditors, in order to receive their prior opinion, and to the Audit Committee.

The Statutory Auditors present their observations on the half-year and annual accounts to the Audit Committee before they are presented to the Board of Directors. Prior to this, they present their observations to the Management of the divisions in question and of the VINCI holding company.

Before signing their reports, the Statutory Auditors request letters of representation from Group Management and divisional management. In these representations, group management and divisional management confirm, in particular, that they consider that all items at their disposal have been submitted to the Statutory Auditors to enable them to perform their duties and that the effects of any anomalies still unresolved at the date of those representations and noted by the Statutory Auditors do not have a material impact, either individually or in aggregate, on the financial statements taken as a whole.

5. Actions undertaken to strengthen internal control and risk management

5.1 Summary of work carried out before 2008

In 2003, VINCI initiated an action plan intended to enhance the quality of the internal control system, without bringing into question the principles and features of its management organisation, which combines, in a decentralised environment, an entrepreneurial culture, the autonomy of operational managers, transparency and sincerity, and network-based operations.

The project comprised several stages, of which the first, completed in 2003, was to identify the main risks and the associated controls for the main Group entities and major business line processes.

The second stage related to determining and describing the current organisation of internal control, the aim being to describe the internal control arrangements existing in the various divisions. Self-assessment questionnaires on the internal control environment, drafted by the Internal Audit Department and approved by the Executive Committee, were sent in 2003 and 2004 to managers of a sample of entities, selected from the largest and most representative entities.

The third step, in 2003 and 2004, involved extending the listing of risks and associated controls to all Group entities. The objective here was to use the self-assessment questionnaires and the interviews conducted with VINCI's Senior Management, the managers of the main business lines and VINCI's functional departments to list the main risks and corresponding controls existing within the Group and the business lines. This allowed the identification of the critical processes that the various entities should assess from an internal control viewpoint. In this connection, the bidding process appeared to be a priority.

2004 actions were launched in the respect of the improvement of the internal control environment, organisation and procedures:
– distribution of the Chief Executive's general guidelines (see paragraph 4.2) to all the operational and functional managers of divisions in France and abroad;
– harmonisation and fine-tuning of the formalisation of certain procedures (through the creation of working groups and specific dedicated resources), including in particular cash management and accounting at holding company level and a complete revision of operational procedures in the Roads division; holding company procedures have also been made available on the Group's intranet;
– implementation in certain foreign subsidiaries of management methods and procedures complying with Group policy;
– creation of internal audit functions in those divisions where none existed and an increase in divisions' head-office cost control staff;
– implementation of a charter in the largest operational entity of the Construction business line (Sogea Construction, now VINCI Construction France), covering its 10 internal operating rules on risk taking, financial engineering, external functions or appointments, acquisition or disposal of securities, reorganisation, property and other tangible assets, human resources, budgetary management, banking relations and financial commitments, administrative management, communication and the use of brands and logos.

Assessment of internal control
The survey made in 2005 to assess the quality of internal control under the Financial Security Act covered 193 Group entities (including 38 foreign entities), which replied to 120 questions grouped into three self-assessment questionnaires (control of operations and monitoring business, control of financial information; the control environment and risk assessment). They were analysed using various criteria: division, business line, geographical area, and revenue.

In 2006, 208 entities (including 45 outside France) were questioned and replied to these same questionnaires. Furthermore, more detailed replies to the questions were requested, with five possible answers instead of three. Given the general improvement in internal control within the Group, this allowed the subjects requiring particular attention to be identified more precisely. Lastly, improvements to the software used for these surveys enabled each division and sub-division to make better use of the information generated by this survey at its own level.

In 2007, the questionnaires were reviewed by a committee of experts from the divisions and the holding company in the light of the results of the 2006 survey and the recommendations published in January 2007 by the AMF. The annual survey related to 218 entities (including 37 outside France) representing almost 60% of the Group's consolidated business. The questionnaire included 130 questions for operational entities (211 entities surveyed) and 73 questions for the holding companies (7 entities surveyed).

Furthermore, to ensure full compliance with the AMF's recommendations, the Chairman of the Board of Directors completed a specific questionnaire covering matters relating solely to his function.

Information systems
A project to assess the operation of information systems was launched in 2007 with 13 entities located in mainland France, forming a representative sample. They replied to a self-assessment questionnaire comprising four sections: the information system environment, software and hardware, operation and information systems security.

5.2 Work carried out in 2008

Assessment of internal control
In 2008, before the survey on the assessment of internal control within the Group was made, the questionnaires were reviewed by a committee of experts from the divisions and the holding company in the light of the results of the 2007 survey. The annual survey related to 261 entities (including 37 outside France) representing almost 60% of the Group's consolidated business. The questionnaire comprised 130 questions for operational entities (211 entities surveyed) and 73 questions for the holding companies (7 entities surveyed). The replies were analysed by the Internal Audit Department using the criteria of geographical area, business line, entity size and process. A summary was presented to the Audit Committee.

Furthermore, to ensure full compliance with the AMF's recommendations, a specific questionnaire was sent to the Chairman of the Board covering matters solely related to his function.

Information systems
A project to assess information systems relating to production of financial and accounting information was launched at the end of 2007 covering 17 Group divisions or sub-divisions in France, with the assistance of external specialists, continuing on from the work done in 2006. This project, co-ordinated by the holding company's internal Audit Department and information Systems Department, gave rise to a series of audit reports delivered to the entities in question in July 2008. A summary of the assessment and recommendations were presented to the Audit committee and actions plans based on these recommendations were drawn up by the entities in question during the summer of 2008.

An information systems assessment campaign for subsidiaries based outside mainland France was launched at the end of 2008, with a questionnaire adapted from that already used in 2006.

Work carried out by the divisions
At **VINCI Construction**, the cost control and internal audit functions are mainly performed at the level of the various sub-divisions, given the division's size and the scope of its activities. The construction division's holding company has a small number of staff, and its role is to define common rules, based on the Group's rules but adapted to the specific features of its business, to monitor internal control work programmes drawn up by the sub-divisions (including the deployment of new computerised tools or new procedures), to verify their consistency and progress, and lastly to initiate audits at its own initiative or at the Group holding company's suggestion.

The sub-divisions in the construction division are VINCI Construction France, VINCI Construction Grands Projets, VINCI Construction Filiales Internationales, Freyssinet, Solétanche Bachy, Entrepose Contracting, VINCI plc (UK) and CFE (Belgium).

At **VINCI Construction France**, work on the replacement of financial management and accounting systems, launched in 2006, continued in 2008, the aim being to implement a single tool that will strengthen internal control. At the same time, four internal audit assignments were conducted in 2008, in the following delegations: Bateg, Provence-Languedoc-Roussillon, Travaux nautiques-Environnement and Normandy-Centre.

In 2008, **Freyssinet** continued to draft its internal control manual, although the approach and content of this document will have to be redefined in the context of the Solétanche-Freyssinet merger. Moreover, 12 audits were carried out, mostly outside France (eight financial audits and four legal audits).

For **Solétanche Bachy**, which joined the Group in 2007, the main areas of action concern the continuing adoption of Group rules (accounts, reporting) and implementation of the rules and procedures for reviewing complex or sensitive offers in the French and foreign subsidiaries, with the appointment of local correspondents reporting to the head office. In 2008, five system and procedures audit assignments were carried out.

VINCI PLC (UK) updated the manual of policies and procedures aimed at senior executives (VINCI PLC Directors' and Senior Executives' Policies and Procedures Manual). Newly acquired companies (Taylor Woodrow Construction, Gordon Durham and Stradform) are working to harmonise their systems with those of VINCI PLC. The project launched in 2007 to overhaul its management and internal control system, run by a multidisciplinary team (Finance Leadership Team), continued in 2008, with particular emphasis on reporting and purchasing, thereby contributing to an improvement of the internal control culture in all the enterprise's functions and enhancing the effectiveness of internal control.

VINCI Construction Grands Projets carried out 41 audit assignments on its sites, focusing in particular on projects in start-up phase and projects with the biggest construction risks. The aspects reviewed in each of these assignments were accounting, budget, cash flow and uncertainties. Supplementing these internal assignments, three audits were carried out jointly with the Statutory Auditors.

VINCI Construction Filiales Internationales has created an internal audit service which conducted implementation of a structuring management system (Probox) in the Europe division. This system is built on three components: a manual of basic rules that must be applied in all subsidiaries (the Rules), a shared construction management solution (Pégase) and standard budget control reporting forms for each construction site. In 2008, 64 audit assignments were carried out in the Africa, Overseas France and Europe divisions. Furthermore, four information system audit assignments were carried out in Eastern Europe with the assistance of specialised consultants.

Entrepose Contracting, as a listed company, drafts its own internal control report. At the end of 2008, it initiated procedures to recruit an internal audit manager.

VINCI Energies has continued the work commenced in previous periods; a self-assessment campaign focusing on sub-contracting and cash management processes was carried out in all active profit centres, i.e. 748 units. Moreover, a complete self-assessment questionnaire (350 questions) was completed by new business units or business units with a new manager (79 altogether). In addition, a review of internal control was carried out in 97 profit centres in 2008.

In 2008, **Eurovia** carried out an overhaul of its Group management system bringing together all its entities in France and abroad, with the system available online at the beginning of 2009. Methods and management tools (Kheops, Ermes) were adopted in Canada, Slovakia, Poland, Lithuania and Romania and the systems are now used in all the French, and most of the foreign, businesses, enabling greater uniformity in the processing of accounting, financial and management data, together with greater transparency, thus further facilitating their analysis and enabling simpler and more systematic control.
Mapping of risks now covers all services in the Finance department, which has raised employee awareness of internal control. The division's internal audit department conducted 30 assignments in 2008, broken down as follows:
- 15 audits of agencies or operational subsidiaries in France;
- 11 audits of agencies or operational subsidiaries outside France;
- 1 audit of a functional department (shared services centre in France);
- 3 acquisition audits.

VINCI Concessions, which experienced an exceptional growth in the number of companies managed in 2008, focused on implementing internal control organisation (power of attorney and adapting the general directives of the Director and Chief Executive Officer) and procedures in these new subsidiaries, with particular emphasis on reporting.
An improved cost control system was put in place for development activities.
Implementation of internal control is still the responsibility of the companies making up the division. Thus, ASF, Escota and VINCI Park have their own dedicated internal control structures.
In 2008, VINCI Park conducted some 100 assignments aimed at ensuring compliance with operating procedures in its car parks.

Cofiroute strengthened security for payment by bank card. Two audits were conducted, one dealing with sub-concessionaires (one-third of the brands) and one concerning follow-up of ISO 9001/2001 certification.

ASF recruited an information system security manager responsible for analysing IT risks, and in particular, mapping and implementing a security action plan. A quality action plan inspired by Itil (Information Technology Infrastructure Library) is applied to all functional and operational processes in the Engineering of Information Systems department. Quality audit assignments focusing on the purchasing process were also conducted.

Escota initiated a risk control action plan at the end of 2007, which led to the mapping of major risks in 2008. At the end of 2008, the working groups responsible for the different themes proposed action plans to manage these risks. In addition, a new business manager position was created in the Finance and Legal department with responsibility for monitoring the compliance of internal procedures with the regulations in force in respect of contracts and purchasing in general.

The assignments carried out in the various companies in 2008 revealed no anomalies that would raise doubts as to the level of internal control in the entities audited.

In 2008, **VINCI Immobilier** continued with its efforts to strengthen internal control in two areas: procedures and new IT systems.

The "business line" software covering the whole chain of production and financial management of operations deployed in 2007 was extended to include monitoring of all property development operations under way, systematically implementing the associated procedures and giving full scope to the structuring effects of the software in terms of processes, both for accounting staff and for operational staff. In addition, the procedures specific to the accounting and management control departments were finalised, in line with the objectives set on the reorganisation of accounting and financial departments initiated in 2007.

The internal new business committees specific to VINCI Immobilier were strengthened. In particular, the meetings of these internal committees now systematically require presentation of more in-depth analyses and commercial and legal studies considering the volatility of the markets. The internal committees were also more selective as concerns authorisations given, taking into account the deterioration in the markets.

5.3 Work to be done in 2009 and beyond

VINCI's various divisions are aware of the stakes of internal control and are deploying the necessary resources in consequence.

In 2009, the priority areas for improvement identified for all divisions include:
– mapping of major risks according to the methodological guide drafted by the holding company;
– implementation of action plans responding to the recommendations of audits or information system reviews in 2008;
– continued formalisation of the internal control rules in divisions or their main entities, in order to have comprehensive standards adapted to the various businesses;
– continued deployment of management tools that are common to the various divisions, especially in the foreign subsidiaries;
– integration of entities acquired in 2008 by deploying the procedures and resources common to the Group and those specific to their division, to ensure rapid dissemination and implementation of the Group's internal control culture, tools and practices;
– assessment of internal control, in particular by sampling during specific internal audit assignments carried out by cost controllers or internal auditors dedicated to these duties.

VINCI will strive to continue to improve the organisation of internal control within the Group, while maintaining light command structures, at both holding company and divisional level. The following objectives will be pursued:
– ensure the correct application of the Group's rules and procedures;
– monitor changes in regulatory requirements;
– maintain effective management of the major risks;
– guarantee reliable financial information.

Report of the Statutory Auditors in application of Article L.225-235 of the French Commercial Code

on the Report of the Chairman of the Board of Directors

Year ended 31 December 2008

To the Shareholders,

As Statutory Auditors of VINCI S.A., and in application of the provisions of Article L.225-235 of the French Commercial Code, we present our report on the report prepared by the Chairman of your Company in accordance with the provisions of Article L. 225-37 of the French Commercial Code, for the period ended 31 December 2008.
The Chairman is required to prepare and submit to the approval of the Board of Directors a report on the internal control and risk management procedures implemented within the Company and providing the other information required in Article L.225-37 of the French Commercial Code relating in particular to corporate governance.
Our role is:
– to communicate to you any comments required by the information contained in the Chairman's report on internal control procedures relating to the preparation and treatment of accounting and financial information; and
– to attest that the report includes the other information required by Article L.225-37 of the French Commercial Code, it being clearly stated that we are not required to verify the fair presentation of this other information.
We conducted our review in accordance with the professional standards applicable in France.

Information on the internal control procedures relating to the preparation and treatment of accounting and financial information

The applicable professional standards require us to plan and perform our work so as to be able to assess the fair presentation of the information in the Chairman's report on the internal control procedures relating to the preparation and treatment of accounting and financial information. Those standards require in particular that we:
– inform ourselves of the internal control procedures relating to the preparation and treatment of the accounting and financial information supporting the information presented in the Chairman' s report, and of the existing documentation;
– inform ourselves of the work done to prepare this information and the existing documentation;
– ascertain if appropriate disclosures have been made in the Chairman's report in respect of any major deficiencies of internal control relating to the preparation and treatment of accounting and financial information that we may have noted in performing our work.
On the basis of this work, we have no comments to make on the disclosures regarding the Company's internal control procedures relating to the preparation and treatment of accounting and financial information, contained in the report of the Chairman of the Board of Directors, prepared in application of Article L.225-37 of the French Commercial Code.

Other information

We declare that the report of the Chairman of the Board of Directors includes the other information required by Article L 225-37 of the French Commercial Code.

Paris La Défense and Neuilly-sur-Seine, 19 March 2009
The Statutory Auditors

KPMG Audit
Department of KPMG S.A.

Deloitte & Associés

Patrick-Hubert Petit   Philippe Bourhis   Jean-Paul Picard   Mansour Belhiba

This is a free translation into English of the statutory auditors' report issued in French and is provided solely for the convenience of English speaking users.
This report should be read in conjunction whith, and is construed in accordance with, French law and professional auditing standarts applicable in France.

Consolidated financial statements

Contents

Notes to the consolidated financial statements

Key figures

(in € millions)	2008	2007(*)
Revenue	**33,930.3**	**30,874.3**
of which:		
Revenue excluding construction by third parties of new infrastructure under concession	*33,457.8*	*30,337.9*
Revenue realised by concession operators for the construction of new infrastructure by third parties(**)	*472.5*	*536.4*
Revenue outside France	12,571.9	10,742.6
% of revenue(***)	*37.6%*	*35.4%*
Operating profit from ordinary activities	3,377.8	3,117.5
% of revenue(***)	*10.1%*	*10.3%*
Operating profit	3,275.9	3,010.7
Net profit attributable to equity holders of the parent	**1,591.4**	**1,455.0**
Earnings per share (in €)	3.39	3.13
Diluted earnings per share (in €)	3.30	3.01
Dividend per share (in €)	1.62	1.52
Equity including minority interest	9,025.8	8,113.5
Net financial debt	(15,370.8)	(16,303.3)
Net financial debt excluding project finance	(14,410.8)	(15,723.3)
Cash flow from operations	**4,871.8**	**4,513.5**
Net investments in operating assets	(897.3)	(683.1)
Investments in concession assets and PPP contracts	(1,217.9)	(1,280.9)
Net financial investments(****)	(277.9)	(1,731.2)

(*) Restated in accordance with the change of accounting policy described in Note A.1.3 "Change of accounting policy: IFRIC 12, Service Concession Arrangements"
(**) See change of accounting policy described in Note A.1.3 "Change of accounting policy: IFRIC 12, Service Concession Arrangements"
(***) Percentage calculated using revenue excluding the construction by third parties of new infrastructure under concession
(****) Including cash of companies acquired or sold

Consolidated income statement

(in € millions)	Notes	2008	2007(*)
Revenue	**1-2-3**	**33,930.3**	**30,874.3**
of which:			
Revenue excluding construction by third parties of new infrastructure under concession		*33,457.8*	*30,337.9*
Revenue realised by concession operators for the construction of new infrastructure by third parties(**)		*472.5*	*536.4*
Revenue from ancillary activities	5	216.1	238.9
Operating expenses	5	(30,768.7)	(27,995.7)
Operating profit from ordinary activities	**2-3-5**	**3,377.8**	**3,117.5**
Share-based payment expense (IFRS 2)	5-19	(103.5)	(117.6)
Goodwill impairment expense	10-13	(22.2)	(6.0)
Profit / (loss) of associates	15	23.8	16.7
Operating profit	**2-3-5**	**3,275.9**	**3,010.7**
Cost of gross financial debt		(1,043.2)	(1,006.5)
Financial income from cash management investments		179.8	195.5
Cost of net financial debt	**6**	**(863.3)**	**(811.0)**
Other financial income	6	256.0	199.5
Other financial expenses	6	(199.0)	(80.1)
Income tax expense	7	(770.5)	(741.2)
Net profit from continuing operations		**1,699.1**	**1,577.9**
Net profit after tax from discontinued operations (halted or sold)			
Net profit for the period		**1,699.1**	**1,577.9**
Net profit attributable to minority interests		107.7	122.9
Net profit attributable to equity holders of the parent		**1,591.4**	**1,455.0**
Earnings per share from continuing operations			
Earnings per share (in €)	8	3.39	3.13
Diluted earnings per share (in €)	8	3.30	3.01
Earnings per share attributable to equity holders of the parent			
Earnings per share (in €)	8	3.39	3.13
Diluted earnings per share (in €)	8	3.30	3.01

(*) Restated in accordance with the change of accounting policy described in Note A.1.3 "Change of accounting policy: IFRIC 12, Service Concession Arrangements"
(**) See change of accounting policy described in Note A.1.3 "Change of accounting policy: IFRIC 12, Service Concession Arrangements"

Consolidated balance sheet

Assets

(in € millions)	Notes	2008	2007(*)
Non-current assets			
Concession intangible assets	9	24,059.2	23,868.7
Goodwill	10	3,578.9	3,382.5
Other intangible assets	11	177.3	141.6
Property, plant and equipment	12	4,582.9	4,189.5
Investment property	14	42.8	52.6
Investments in associates	15	165.9	190.1
Other non-current financial assets	16	622.4	619.8
Deferred tax assets	7	143.8	112.3
Total non-current assets		**33,373.2**	**32,557.1**
Current assets			
Inventories and work in progress	21	786.4	647.5
Trade and other operating receivables	21	11,561.5	11,101.3
Other current assets	21	325.6	288.4
Current tax assets	7	91.5	54.8
Other current financial assets	16-22	246.9	233.9
Cash management financial assets	22	338.6	665.0
Cash and cash equivalents	22	5,068.5	4,223.8
Total current assets (before assets held for sale)		**18,419.0**	**17,214.8**
Assets related to discontinued activities and other assets held for sale			5.4
Total current assets		**18,419.0**	**17,220.1**
Total assets		**51,792.2**	**49,777.2**

(*) Restated in accordance with the change of accounting policy described in Note A.1.3 "Change of accounting policy: IFRIC 12, Service Concession Arrangements"

Equity and liabilities

(in € millions)	Notes	2008	2007(*)
Equity			
Share capital		1,240.4	1,214.9
Share premium		5,162.7	4,806.8
Treasury shares	18.2	(1,247.5)	(1,102.2)
Other equity instruments		490.6	490.6
Consolidated reserves		1,436.1	644.1
Currency translation reserves		(113.6)	(20.4)
Net profit for the period attributable to equity holders of the parent		1,591.4	1,455.0
Net income recognised directly in equity		(139.7)	46.9
Equity attributable to equity holders of the parent	**18**	**8,420.5**	**7,535.8**
Minority interest		605.3	577.7
Total equity	**18**	**9,025.8**	**8,113.5**
Non-current liabilities			
Non-current provisions	20	905.3	996.4
Bonds	22	3,958.7	5,159.8
Other loans and borrowings	22	13,813.6	13,480.7
Other non-current liabilities		114.2	85.6
Deferred tax liabilities	7	2,478.5	2,413.7
Total non-current liabilities		**21,270.4**	**22,136.2**
Current liabilities			
Current provisions	21	2,672.4	2,429.4
Trade payables	21	6,803.8	6,553.4
Other current payables	21	8,574.0	7,594.9
Current tax payables	7	123.7	156.0
Current borrowings	22	3,322.0	2,792.6
Total current liabilities (before liabilities held for sale)		**21,495.9**	**19,526.2**
Liabilities related to discontinued activities and other liabilities held for sale			1.3
Total current liabilities		**21,495.9**	**19,527.6**
Total equity and liabilities		**51,792.2**	**49,777.2**

(*) Restated in accordance with the change of accounting policy described in Note A.1.3 "Change of accounting policy: IFRIC 12, Service Concession Arrangements"

Consolidated cash flow statement

(in € millions)	Notes	2008	2007(*)
Net profit for the period (including minority interest)		**1,699.1**	**1,577.9**
Depreciation and amortisation		1,730.1	1,590.3
Net increase / (decrease) in provisions		(83.5)	58.9
Share-based payments (IFRS 2) and other restatements		57.0	15.0
Gain / (loss) on disposals		(102.0)	(87.8)
Change in fair value of financial instruments		111.8	(26.8)
Share of profit / (loss) of associates, dividends received from unconsolidated entities and profit / (loss) of operations classified as held for sale		(38.7)	(30.6)
Capitalised borrowing costs		(135.9)	(135.6)
Cost of net financial debt recognised		863.3	811.0
Current and deferred tax expense recognised		770.5	741.2
Cash flows (used in) / from operations before tax and financing costs	**2-3**	**4,871.8**	**4,513.5**
Changes in working capital requirement and current provisions	2-3-21	733.0	686.9
Income taxes paid		(582.4)	(782.6)
Net interest paid		(881.4)	(836.1)
Net cash flows (used in) / from operating activities	**I**	**4,140.9**	**3,581.7**
Purchases of property, plant and equipment, and intangible assets		*(992.8)*	*(815.7)*
Proceeds from sales of property, plant and equipment, and intangible assets		*95.4*	*132.7*
Net investments in operating assets		**(897.3)**	**(683.1)**
Purchases of concession fixed assets (net of grants received)		*(1,166.6)*	*(1,269.5)*
New PPP contracts (financial receivables)		*(51.3)*	*(11.5)*
Investments in concession assets and PPP contracts		**(1,217.9)**	**(1,280.9)**
Purchases of shares in subsidiaries and associates (consolidated and unconsolidated)		*(479.8)*	*(2,095.0)*
Proceeds from sales of shares in subsidiaries and associates (consolidated and unconsolidated)		*95.5*	*71.9*
Net effect of changes in consolidation scope		*106.4*	*292.0*
Net financial investments		**(277.9)**	**(1,731.2)**
Dividends received from associates and unconsolidated entities		30.5	27.2
Other		40.3	2.2
Net cash flows (used in) / from investing activities	**II**	**(2,322.4)**	**(3,665.7)**
Changes in share capital		381.3	369.7
Changes in treasury shares		(200.3)	(939.5)
Minority interest in share capital increases of subsidiaries		5.9	2.3
Dividends paid			
– to shareholders of VINCI SA	*18*	*(765.1)*	*(664.5)*
– to minority interests		*(63.6)*	*(48.4)*
Proceeds from new borrowings		679.1	3,611.8
Repayment of borrowings and changes in other current financial debt		(1,272.7)	(2,366.9)
Change in cash management assets		397.1	(758.2)
Net cash flows (used in) / from financing activities	**III**	**(838.2)**	**(793.7)**
Change in net cash	**I+II+III**	**980.3**	**(877.7)**
Net cash and cash equivalents at beginning of period		**3,594.0**	**4,487.7**
Other changes		(60.9)	(15.9)
Net cash and cash equivalents at end of period	**22**	**4,513.4**	**3,594.0**
Increase / (decrease) of cash management financial assets		(397.1)	758.2
(Proceeds from) / repayment of loans		593.6	(1,244.9)
Other changes		(183.4)	(126.5)
Change in net debt		**932.5**	**(1,506.8)**
Net debt at beginning of period		**(16,303.3)**	**(14,796.4)**
Net debt at end of period	**22**	**(15,370.8)**	**(16,303.3)**

(*) Restated in accordance with the change of accounting policy described in Note A.1.3 "Change of accounting policy: IFRIC 12, Service Concession Arrangements"

Statement of changes in consolidated equity

(in € millions)	Share capital	Share premium	Treasury shares	Other equity instruments	Consolidated reserves	Currency translation reserves	Net profit for the period	Net income recognised directly in equity	Total	Minority interest	Total
	Capital and reserves attributable to equity holders of the parent										
Balance at 1 January 2007 restated(*)	**1,176.6**	**4,475.5**	**(178.4)**	**490.6**	**473.7**	**20.5**	**1,270.4**	**9.5**	**7,738.4**	**753.3**	**8,491.7**
Increase in share capital	47.9	444.7							492.6	2.3	494.9
Decrease in share capital	(9.5)	(113.4)							(122.9)		(122.9)
Changes in treasury shares			(923.9)		(15.6)				(939.5)		(939.5)
Allocation of net income and dividend payments					605.8		(1,270.4)		(664.5)	(48.4)	(712.9)
Net profit for the period *(a)*							1,455.0		1,455.0	122.9	1,577.9
Financial instruments: changes in fair value *(b)*								38.2	38.2	0.4	38.7
including:											
Available-for-sale financial assets								*3.6*	*3.6*		*3.6*
Cash flow hedges								*34.6*	*34.6*	*0.4*	*35.1*
Currency translation differences						(46.4)			(46.4)	(2.1)	(48.5)
Changes in equity of associates recognised directly in equity									0.0		0.0
Share-based payments (IFRS 2)					82.4				82.4		82.4
Effect of acquisitions on non-controlling interests after acquisition of control					(558.5)	0.1		0.4	(558.0)	(284.2)	(842.2)
Changes in consolidation scope					17.6	3.9		(0.2)	21.3	34.7	56.1
Other					38.6	1.5		(0.9)	39.2	(1.3)	37.8
Balance at 31 December 2007 restated(*)	**1,214.9**	**4,806.8**	**(1,102.2)**	**490.6**	**644.1**	**(20.4)**	**1,455.0**	**46.9**	**7,535.8**	**577.7**	**8,113.5**
of which total income and expense recognised in respect of 2007 (a) + (b)							*1,455.0*	*38.2*	*1,493.2*	*123.3*	*1,616.6*
Increase in share capital	25.5	355.9							381.4	5.9	387.3
Decrease in share capital									0.0		0.0
Changes in treasury shares			(145.2)		(55.1)				(200.3)		(200.3)
Allocation of net income and dividend payments					689.9		(1,455.0)		(765.1)	(63.6)	(828.7)
Net profit for the period *(a)*							1,591.4		1,591.4	107.7	1,699.1
Financial instruments: changes in fair value (b)								(148.1)	(148.1)	(7.7)	(155.8)
including:											
Available-for-sale financial								*9.5*	*9.5*		*9.5*
Cash flow hedges								*(157.6)*	*(157.6)*	*(7.7)*	*(165.3)*
Currency translation differences						(94.1)		0.2	(93.9)	(5.8)	(99.7)
Changes in equity of associates recognised directly in equity								(38.8)	(38.8)		(38.8)
Share-based payments (IFRS 2)					78.8				78.8	0.0	78.8
Effect of acquisitions on non-controlling interests after acquisition of control					(50.6)				(50.6)	(9.9)	(60.5)
Changes in consolidation scope					0.4	(0.4)		(0.0)	0.0	(0.2)	(0.2)
Other					128.6	1.2		0.1	129.9	1.3	131.2
Balance at 31 December 2008	**1,240.4**	**5,162.7**	**(1,247.5)**	**490.6**	**1,436.1**	**(113.7)**	**1,591.4**	**(139.7)**	**8,420.5**	**605.3**	**9,025.8**
of which total income and expense recognised in respect of 2008 (a) + (b)							*1,591.4*	*(148.1)*	*1,443.3*	*100.0*	*1,543.3*

(*) Restated in accordance with the change of accounting policy described in Note A.1.3 "Change of accounting policy: IFRIC 12, Service Concession Arrangements"

Notes to the consolidated financial statements

A. Accounting policies and measurement methods

1. General principles

In application of Regulation (EC) No 1606/2002 of 19 July 2002, VINCI's consolidated financial statements for the year ended 31 December 2008 have been prepared under the International Financial Reporting Standards (IFRS) as endorsed by the European Union at 31 December 2008.(*)

The accounting policies applied by the Group at 31 December 2008 are the same as those used in preparing its consolidated financial statements at 31 December 2007, except for:
- the Standards and Interpretations adopted by the European Union, applicable as from 1 January 2008 (see Note A.1.1. "*New Standards and Interpretations applicable from 1 January 2008*");
- the change of accounting policy relating to the early application of the IAS 20 Amendment included in the IFRS Annual Improvement Process (see Note A.1.2 "*Change of accounting policy: accounting for loans at below-market rate of interest*");
- the change of accounting policy relating to the early application of Interpretation IFRIC 12 (see Note A.1.3 *"Change of accounting policy: IFRIC 12 Service Concession Arrangements"*).

The information relating to 2006, presented in the 2007 registration document D.08-0147 filed with the AMF on 25 March 2008 is deemed to be included herein.

The consolidated financial statements were finalised by the Board of Directors on 3 March 2009 and will be submitted to the Shareholders' General Meeting for approval on 14 May 2009.

1.1 New Standards and Interpretations applicable from 1 January 2008

1.1.1 IFRIC 11 Group and Treasury Share Transactions

This Interpretation states how share-based payments (IFRS 2) in Group subsidiaries should be accounted for whenever these payments are made by means of equity instruments of the parent.
VINCI's accounting policies already complied with this Interpretation.

1.1.2 IFRIC 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

This Interpretation sets out the conditions – i.e. refunds or reductions in future contributions – enabling the entity in question to recognise a receivable in the event of a financial asset or pension fund becoming in surplus. Moreover, the existence of a minimum funding requirement may restrict the amount of the receivable recognised or require the recognition of a supplementary liability.
The application of this Interpretation has had no material impact on the Group's consolidated financial statements at 31 December 2008.

1.1.3 IAS 39 & IFRS 7 Reclassification of Financial Assets – Amendment published on 27 November 2008

The Amendments to IAS 39 and IFRS 7 allow entities, in rare circumstances, to reclassify certain financial instruments originally held for trading to other asset categories. The current financial crisis is considered as a rare circumstance of a nature such as to justify the use of this option by entities.
This Amendment has not been applied to the consolidated financial statements at 31 December 2008.

1.2 Change of accounting policy: accounting for loans at below-market rate of interest

The Amendments issued under the IFRS Annual Improvements Process were adopted by the European Union during the first quarter of 2009. VINCI has elected to apply the Amendment to IAS 20 early. This Amendment specifies the accounting treatment of loans granted at below-market rates of interest by some public sector bodies (such as the loans made by the European Investment Bank in connection with the financing of concession assets). The economic benefit arising from application of an interest rate that is significantly below market rates is henceforth considered as a government grant, recognised as a reduction of the related investments made. This results in a corresponding reduction of the loans in question, of which the interest expense will be recognised on the basis of market rates of interest.

In accordance with the transitional arrangements provided for in this Amendment, this change of accounting policy has been applied prospectively to loans at below-market rates of interest taken out during 2008.

(*) Available on the website: http://ec.europa.eu/internal_market/accounting/ias_en.htm#adopted-commission

Main impacts recognised at 31 December 2008:

	31/12/2008	
(in € millions)	**Grants**	**Loans**
Impact of change of accounting policy	57.2	(56.3)

The impacts on the income statement are not material.

1.3 Change of accounting policy: IFRIC 12 *Service Concession Arrangements*

Interpretation IFRIC 12, published in November 2006, was adopted by the Accounting Regulatory Committee (ARC) on 6 November 2008 and should be ratified by the European Commission during the first quarter of 2009. VINCI has elected to apply its principles as from the 2008 balance sheet date as it considers that this Interpretation enables better financial information to be given.

1.3.1 Accounting treatment of concession agreements under IFRIC 12

The application scope of IFRIC 12 covers public service concession contracts in which the concession grantor is considered to exercise control over the assets operated. The concession grantor is considered to control the asset if:
- the grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and what and how the operator will be paid; and
- the grantor controls the residual interest in the infrastructure at the end of the arrangement.

Under the terms of this Interpretation, the operator has a twofold activity:
- a construction activity in respect of its obligations to design, build and finance an asset that it makes available to the grantor: revenue is recognised on a stage of completion basis in accordance with IAS 11;
- an operating and maintenance activity in respect of the assets under the concession: revenue is recognised in accordance with IAS 18.

In return for its activities, the operator receives consideration from either:
- users: the intangible asset model applies. The operator has a right to receive tolls (or other payments) from users in consideration for the financing and construction of the infrastructure. The intangible asset model also applies whenever the concession grantor remunerates the concession operator on the basis of the extent of use of the infrastructure by users, but with no guarantees as to the amounts that will be paid to the operator (under a simple *pass through* or *shadow toll* agreement).
Under this model, the operator's rights are recognised in the balance sheet under *Concession intangible assets*. This operating right corresponds to the fair value of the asset under concession plus the borrowing costs capitalised during the construction phase. It is amortised over the term of the arrangement in a manner that reflects the pattern in which the asset's economic benefits are consumed by the entity, starting from the entry into service of the asset.
This treatment applies to most of the infrastructure concessions that are today operated by VINCI, in particular the motorway networks of ASF, Escota and Cofiroute, the A19, the A4 Hörselberg in Germany, the Rion-Antirion bridge in Greece, the Athens-Patras-Corinth motorways in Greece and most of the parking facilities managed under concessions by VINCI Park.
or
- the grantor: the financial asset model applies. The operator has an unconditional contractual right to receive payments from the grantor, irrespective of the amount of use made of the infrastructure.
Under this model, the operator recognises a financial asset, attracting interest, in its balance sheet, in consideration for the services it provides (designing, building, operation or maintenance). These financial assets are recognised in the balance sheet under *Loans and receivables,* for the amount of the fair value of the infrastructure on first recognition and subsequently at amortised cost. It is settled by means of the grantor's payments received. The financial income calculated on the basis of the effective interest rate, equivalent to the project's internal rate of return, is recognised under operating income.
This model applies to the Newport bypass contract in the UK, the Liefkenshoek Tunnel and Coentunnel contracts granted in 2008 (in Belgium and the Netherlands respectively), to some VINCI Park contracts, and to all VINCI's Public-Private Partnerships in France and PFI (Private Finance Initiative) contracts in the United Kingdom.

Under the mixed model, whenever only part of the investment is covered by an unconditional right to receive payments from the grantor, it is recognised as a financial receivable up to the amount guaranteed by the grantor. The unguaranteed balance, of which the amount is dependent on the extent of use of the infrastructure, is recognised as an intangible asset. On the basis of an analysis of VINCI's existing contracts, this model applies to some VINCI Park contracts.

Concession operating assets that are not controlled by the grantor even though they are necessary for the operation of the concession – such as buildings intended for use in the operation, equipment for toll collection, signage, data transmission, and video-surveillance, and vehicles and equipment – are recognised under property, plant and equipment (see Note E.12 "*Property, plant and equipment*)" and are depreciated over their useful life.

The accounting consequences of the application of IFRIC 12 for the Group's consolidated financial statements are given below (see Note A.1.3.2 "*Consequences of the first application of IFRIC 12 for the Group's consolidated financial statements"* and Note A.1.3.3 *"Main impacts of the change of accounting policy following application of IFRIC 12)."*

1.3.2 Consequences of the first application of IFRIC 12 for the Group's consolidated financial statements

Consequences for revenue

Revenue is recognised on a stage of completion basis in respect of infrastructure construction services provided by the concession operating companies on behalf of grantors and contracted to Group or non-Group companies, with recognition of a corresponding intangible asset or financial asset, depending on the model applied.

Consequences of application of the Intangible Asset Model

The main changes in the Group's consolidated financial statements relate to:
- the change in the rules and measurement methods for provisions to maintain infrastructure assets under concession in a good state of repair, which mainly relates to the motorway concession operating companies;
- the reclassification of concession operating assets, previously included in concession intangible assets, under property, plant and equipment whenever these assets used in operating the infrastructure are not controlled by the grantor, and the recalculation of the corresponding depreciation.

Consequences of application of the Financial Asset Model

The main changes in the Group's consolidated financial statements relate to:
- the reclassification of the relevant assets from intangible assets to financial assets. These financial assets give rise to recognition, as from the start of construction work, of financial income calculated on the basis of the effective interest rate, equivalent to the project's internal rate of return, recognised under operating income;
- recognition of the cost of financing the infrastructure under expenses;
- recognition under revenue of revenue for operating and maintenance services as they are provided.

1.3.3 Main impacts of the change of accounting policy following application of IFRIC 12

In accordance with IAS 8, this change of accounting policy has been applied retrospectively as from 1 January 2007 and the opening balance of equity and the comparative data presented have been restated.

Income statement

(in € millions)	31/12/2007 published	Impact IFRIC 12	Notes	31/12/2007 restated
Revenue	**30,427.8**	**446.6**	(1)	**30,874.3**
Revenue from ancillary activities	234.3	4.6		238.9
Operating expenses	(27,549.3)	(446.4)	(2)	(27,995.7)
Operating profit from ordinary activities	**3,112.8**	**4.7**		**3,117.5**
Operating profit	**3,006.1**	**4.5**		**3,010.7**
Cost of net financial debt	**(811.0)**	**0.0**		**(811.0)**
Other financial income and expenses	131.7	(12.3)	(3)	119.4
Income tax	(743.8)	2.7		(741.2)
Net profit or loss from continuing operations	**1,583.0**	**(5.1)**		**1,577.9**
Post-tax profit or loss of discontinued activities				
Net profit for the year	**1,583.0**	**(5.1)**		**1,577.9**
Minority interest	122.0	0.9		122.9
Net profit attributable to equity holders of the parent	**1,461.0**	**(6.0)**		**1,455.0**
Earnings per share from continuing operations				
Earnings per share (in euros)	3.14	(0.01)		3.13
Diluted earnings per share (in euros)	3.02	(0.01)		3.01
Earnings per share				
Earnings per share (in euros)	3.14	(0.01)		3.13
Diluted earnings per share (in euros)	3.02	(0.01)		3.01

(1) The impact of IFRIC 12 on revenue corresponds mainly to revenue for work contracted by concession operating companies to non-Group companies for the design and construction of new infrastructure for €536.4 million and a reduction of €89 million resulting from the application of the financial asset model to the Public-Private Partnership contracts in France and to the PFI (Private Finance Initiative) contracts in the United Kingdom and the elimination of intra-group transactions.

(2) The impact of IFRIC 12 on operating expenses comprises the construction costs incurred in building the assets under concession and relates to ASF for €204 million, Cofiroute for €137 million and Escota for €108 million.

(3) The impact of IFRIC 12 on other financial income and expenses corresponds to the discounting to present value of the provisions for maintaining concession assets in a good state of repair.

Balance sheet

(in € millions)	31/12/2007 Published	31/12/2007 Impact IFRIC 12	Notes	31/12/2007 Restated	01/01/2007 Published	01/01/2007 Impact IFRIC 12	01/01/2007 Restated
Assets							
Concession intangible assets	25,060.6	(1,191.9)	(1)	23,868.7	24,698.5	(1,138.8)	23,559.7
Goodwill	3,382.5			3,382.5	2,636.5		2,636.5
Other intangible assets	141.6			141.6	128.3		128.3
Property, plant and equipment	2,824.5	1,365.0	(2)	4,189.5	2,322.6	1,303.6	3,626.3
Investment property	52.6			52.6	47.3		47.3
Investments in associates	191.9	(1.8)		190.1	102.8	(1.5)	101.2
Other non-current financial assets	562.3	57.5	(3)	619.8	348.2	63.6	411.8
Deferred tax assets	110.1	2.2		112.3	218.8		218.8
Total non-current assets	**32,326.0**	**231.1**		**32,557.1**	**30,503.0**	**226.9**	**30,729.9**
Inventories and work in progress	647.5			647.5	567.1		567.1
Trade and other operating receivables	11,101.3			11,101.3	9,503.1		9,503.1
Other current assets	288.4			288.4	241.0		241.0
Current tax assets	54.8			54.8	37.5		37.5
Other current financial assets	232.2	1.6	(3)	233.9	158.1	1.4	159.5
Cash management financial assets	665.0			665.0	1,223.2		1,223.2
Cash and cash equivalents	4,223.8			4,223.8	5,154.8		5,154.8
Current assets	**17,213.2**	**1.6**		**17,214.8**	**16,884.8**	**1.4**	**16,886.2**
Assets related to discontinued activities and other assets held for sale	5.4			5.4			
Total assets	**49,544.5**	**232.7**		**49,777.2**	**47,387.8**	**228.3**	**47,616.1**
Equity and liabilities							
Share capital	1,214.9			1,214.9	1,176.6		1,176.6
Share premium	4,806.8			4,806.8	4,475.5		4,475.5
Treasury shares	(1,102.2)			(1,102.2)	(178.4)		(178.4)
Other equity instruments	490.6			490.6	490.6		490.6
Consolidated reserves	2,214.7	(89.1)		2,125.6	1,857.4	(83.4)	1,774.0
Minority interest	571.8	5.9		577.7	748.4	4.9	753.3
Total equity	**8,196.7**	**(83.2)**		**8,113.5**	**8,570.1**	**(78.4)**	**8,491.7**
Non-current provisions	1,067.2	(70.8)		996.4	1,015.0	(70.2)	944.7
Bonds	5,159.8			5,159.8	3,591.3		3,591.3
Other loans and borrowings	13,480.7			13,480.7	14,043.7		14,043.7
Other non-current liabilities	85.6			85.6	49.1		49.1
Deferred tax liabilities	2,453.4	(39.6)		2,413.7	2,612.7	(39.2)	2,573.5
Total non-current liabilities	**22,246.7**	**(110.5)**		**22,136.2**	**21,311.8**	**(109.5)**	**21,202.3**
Current provisions	2,003.0	426.4	(4)	2,429.4	1,655.9	416.2	2,072.1
Trade payables	6,553.4			6,553.4	5,554.1		5,554.1
Other current payables	7,594.9			7,594.9	6,428.7		6,428.7
Current tax payables	156.0			156.0	138.7		138.7
Current borrowings	2,792.6			2,792.6	3,728.6		3,728.6
Current liabilities	**19,099.9**	**426.4**		**19,526.2**	**17,505.9**	**416.2**	**17,922.1**
Liabilities related to discontinued activities and other liabilities held for sale	1.3	0.0		1.3			0.0
Total equity and liabilities	**49,544.5**	**232.7**		**49,777.2**	**47,387.8**	**228.3**	**47,616.1**

(1) The impact of IFRIC 12 on concession intangible assets (see note (2)) at 31 December 2007 relates to ASF for –€522 million, to Cofiroute for –€308 million, to Escota for –€128 million and to VINCI Park for –€127 million.

(2) The impact of IFRIC 12 on property, plant and equipment relates to the reclassification of concession operating assets that are not controlled by the grantor but that are used in providing the public service.

(3) The impact of IFRIC 12 on other financial assets (current and non-current) represents the financial receivables recognised under the financial asset model for €59.1 million at 31 December 2007.

(4) The IFRIC 12 restatements of current provisions relate to the provisions for the obligation to maintain assets under concession in a good state of repair, resulting from obligations for renewal and maintenance of infrastructures.

Cash flow statement

(in € millions)		31/12/2007 Published	Impact IFRIC 12	31/12/2007 Restated
Net profit for the period (including minority interest)		**1,583.0**	**(5.1)**	**1,577.9**
Depreciation and amortisation		1,594.9	(4.5)	1,590.3
Net increase/(decrease) in provisions		48.1	10.8	58.9
Share-based payments (IFRS 2) and other restatements		15.0		15.0
Gain/(loss) on disposals		(87.8)		(87.8)
Change in fair value of financial instruments		(26.8)		(26.8)
Share of profit/(loss) of associates, dividends received from unconsolidated entities and profit/(loss) of operations classified as held for sale		(30.8)	0.2	(30.6)
Capitalised borrowing costs		(135.6)		(135.6)
Cost of net financial debt recognised		811.0		811.0
Current and deferred tax expense recognised		743.8	(2.7)	741.2
Cash flows (used in)/from operations before tax and financing costs		**4,514.7**	**(1.2)**	**4,513.5**
Net cash flows (used in) / from operating activities	I	3,583.5	(1.8)	3,581.7
Net cash flows (used in) / from investing activities	II	(3,667.5)	1.7	(3,665.7)
Net cash flows (used in) / from financing activities	III	(793.7)		(793.7)
Change in net cash	**I + II + III**	**(877.7)**	**(0.0)**	**(877.7)**
Net cash and cash equivalents at beginning of period		**4,487.7**	**0.0**	**4,487.7**
Net cash and cash equivalents at end of period		**3,594.0**	**0.0**	**3,594.0**
Change in net debt		**(1,506.8)**	**0.0**	**(1,506.8)**
Net debt at beginning of period		**(14,796.4)**	**0.0**	**(14,796.4)**
Net debt at end of period		**(16,303.3)**	**0.0**	**(16,303.3)**

2. Consolidation methods

2.1 Consolidation scope

Companies of which the Group holds, whether directly or indirectly, the majority of voting rights enabling control to be exercised, are fully consolidated. Companies that are less than 50 % owned but in which VINCI exercises *de facto* control – i.e. has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities – are consolidated using this same method. This relates mainly to CFE, a Belgium construction group quoted on the Brussels stock market, of which VINCI owns 46.84% and over which it has *de facto* control in view in particular of the widely-held nature of the Company's shareholder register.

Proportionate consolidation is used for jointly controlled entities. This relates in particular to joint venture agreements *(sociétés en participation)* in the construction division, various companies in the concessions division, and Consortium Stade de France, of which VINCI owns 66.67% and where there is a shareholders' agreement with Bouygues, which owns 33.33%. This agreement organises the joint control by this Company's two sole shareholders.

VINCI's consolidated financial statements include the financial statements of all companies with revenue of more than €2 million, and of subsidiaries whose revenue is below this figure but whose impact on the Group's financial statements is material.

Companies over which the Group exercises significant influence are accounted for using the equity method.

Number of companies by reporting method

	31/12/2008			31/12/2007		
(number of companies)	Total	France	Foreign	Total	France	Foreign
Full consolidation	**1,676**	1,069	607	**1,610**	1,025	585
Proportionate consolidation	**433**	202	231	**404**	187	217
Equity method	**87**	42	45	**76**	35	41
Total	**2,196**	**1,313**	**883**	**2,090**	**1,247**	**843**

The main acquisitions in the year were Taylor Woodrow Construction (13 companies) acquired by VINCI plc, and Vossloh Infrastructure Services (4 companies) acquired by Eurovia, which are described in Note B "*Business combinations*".
The other changes in consolidation scope result mainly from the acquisition by VINCI Park of Ideal Parking, Master Park and Sunset Parking in North America, the acquisition of 22 companies in the energy division, 32 companies in the construction division, 17 companies in the roads division and 21 companies by VINCI Immobilier (Hermes Group).
The main disposal during the period was that by VINCI Construction Filiales Internationales of its Hungarian subsidiary Hídépitö.

2.2 Intragroup transactions

Reciprocal operations and transactions relating to assets and liabilities, income and expenses between consolidated or equity-accounted companies are eliminated in the consolidated financial statements. This is done:
- for the full amount if the transaction is between two subsidiaries;
- applying the percentage of proportionate consolidation of an entity if the transaction is between a fully consolidated entity and a proportionately consolidated entity;
- applying the percentage owned of an equity-accounted entity in the case of profits or losses realised between a fully consolidated entity and an equity-accounted entity.

2.3 Translation of the financial statements of foreign subsidiaries and establishments

In most cases, the functional currency of entities and establishments is their local currency. The financial statements of foreign companies of which the functional currency is different from that used in preparing the Group's consolidated financial statements are translated at the closing rate for balance sheet items and at the average rate for the period for income statement items. Any resulting translation differences are recognised under translation differences in consolidated reserves. Goodwill relating to foreign entities is considered as comprising part of the assets and liabilities acquired and is therefore translated at the exchange rate in force at the balance sheet date.

2.4 Foreign currency transactions

Transactions in foreign currency are translated into euros at the exchange rate at the transaction date. At the balance sheet date, financial assets and monetary liabilities expressed in foreign currencies are translated at the closing rate. Resulting exchange gains and losses are recognised under foreign exchange gains and losses and are shown under other financial income and other financial expenses in the income statement.
Foreign exchange gains and losses arising on loans denominated in foreign currency or on foreign currency derivatives used as long-term finance of investments in foreign subsidiaries that is neither expected nor likely to be repaid in the foreseeable future, or as hedges of investments in foreign subsidiaries are recorded under currency translation differences in equity.

2.5 Business combinations

The Group applies the so-called purchase method for business combinations made as from 1 January 2004. In application of this method, the Group recognises the identifiable assets, liabilities and contingent liabilities at their fair value at the dates when control was acquired. The cost of a business combination is the fair value, at the date of exchange, of the assets given, liabilities incurred, and/or equity instruments issued by the acquirer in exchange for control of the acquiree, plus any costs directly attributable to the acquisition. When an agreement provides for an adjustment to the purchase price contingent on future events, the Group includes the amount of that adjustment in the purchase cost of the target entity at the acquisition date if the adjustment is probable and can be measured reliably.
The cost of acquisition is allocated by recognising the identifiable assets, liabilities and contingent liabilities of the acquiree at their fair value at that date, except for assets or asset groups classified as held for sale under IFRS 5, which are recognised at their fair value less costs to sell. The positive difference between the cost of acquisition, as defined above, and VINCI's interest in the fair value of the identifiable assets, liabilities and contingent liabilities is recognised as goodwill.
The Group has twelve months from the date of acquisition to finalise the accounting for business combinations.

2.6 Transactions between shareholders, acquisitions and disposals of non-controlling interests after acquisition of control

Acquisitions or disposals of non-controlling interests, with no change of control, are considered as equity transactions with the Group's shareholders. Under this approach, the difference between the consideration paid to increase the percentage shareholding in the entities that are already controlled and the supplementary share of the equity thus acquired is recorded under consolidated equity. Similarly, a decrease in the Group's percentage holding in an entity that continues to be controlled is booked in the accounts through equity, with no impact on profit or loss.

2.7 Discontinued operations (halted or sold), operations and assets classified as held for sale

Discontinued operations

Whenever discontinued operations (halted or sold), or operations and assets classified as held for sale are:
- a business line or a geographical area of business that is material for the Group and that forms part of a single disposal plan; or
- a subsidiary acquired exclusively with a view to resale;

they are shown on a separate line of the consolidated balance sheet at the balance sheet date of the period under consideration.
Assets connected with discontinued operations are measured at the lower of their carrying amount and their estimated sales price less costs to sell. Income statement and cash flow items relating to these discontinued operations are shown on a separate line for all the periods presented.

Assets classified as held for sale

Non-current assets of which the sale has been decided during the period are shown on a separate line of the balance sheet whenever the sale is expected to be completed within one year. Such assets are measured at the lower of their carrying amount and their estimated sales price less costs to sell.
Contrary to discontinued operations, the related income statement and cash flow items are not shown on a separate line.

3. Measurement rules and methods

3.1 Use of estimates

The preparation of financial statements under the IFRSs requires estimates to be used and assumptions to be made that affect the amounts shown in these financial statements.
These estimates assume the operation is a going concern and are made on the basis of the information available at the time. Estimates may be revised if the circumstances on which they were based alter or if new information becomes available. Actual results may be different from these estimates.

2008 was marked by an economic and financial crisis of which the scale and duration beyond 31 December 2008 cannot be accurately forecast. The consolidated financial statements for the year have been prepared with reference to this immediate environment, in particular as regards the estimates given below.

3.1.1 Measurement of construction contract profit or loss using the stage of completion method

The Group uses the stage of completion method to recognise revenue and profit or loss on construction contracts, applying the general revenue recognition rules on the basis of the percentage of completion.
The percentage of completion and the revenue to recognise are determined on the basis of a large number of estimates based on monitoring of the work performed and using the benefit of experience to take account of unforeseen circumstances. In consequence, adjustments may be made to initial estimates throughout the contract and may have material effects on future results.

3.1.2 Values used in impairment tests

The assumptions and estimates made to determine the recoverable amount of goodwill, intangible assets and property, plant and equipment, relate in particular to the assessment of market prospects needed to estimate the cash flows, and discount rates adopted. Any change in these assumptions could have a material effect on the recoverable amount and could entail a change in the impairment losses to recognise. The main assumptions used by the Group are described in Note E.13 "*Impairment tests on goodwill and other non-financial assets*".

3.1.3 Measurement of share-based payment expenses under IFRS 2

The Group recognises a share-based payment expense relating to the granting to its employees of share options (offers to subscribe to or purchase shares), performance share plans and of shares under the Group Savings Scheme. This expense is measured on the basis of actuarial calculations using estimated behavioural assumptions based on observation of past behaviour.
The main actuarial assumptions (expected volatility, expected return on the share, etc.) adopted by the Group are described for each plan in Note E.19 "*Share-based payments*".

3.1.4 Measurement of retirement benefit obligations

The Group is involved in defined contribution and defined benefit retirement plans. Its obligations in connection with these plans are measured actuarially based on assumptions such as the discount rate, the return on the investments dedicated to these plans, future increases in wages and salaries, employee turnover, mortality rates and the rate of increase of health expenses.
These assumptions are generally updated annually. Details of the assumptions used and how they are determined are given in Note E.20.1 "*Provisions for retirement and other employee benefit obligations*". The Group considers that the actuarial assumptions used are appropriate and justified in the current conditions. Obligations may, however, change in the event of changes in assumptions.

3.1.5 Measurement of provisions

The factors that materially influence the amount of provisions relate to:
- the estimates made on a statistical basis from expenses incurred in previous years, for after-sales service provisions;
- the forecasts of expenditures on major maintenance over several years used as a basis for the provisions for the obligation to maintain infrastructure under concession in a good state of repair. These forecasts are estimated taking account of indexation clauses included in construction and civil engineering contracts (mainly the TP01, TP02 and TP09 indices).
- the estimates of forecast profit or loss on construction contracts, which serve as a basis for the determination of losses on completion (see Note A.3.4 "*Construction contracts*")

3.1.6 Measurement of financial instruments at fair value

Whenever financial instruments are not listed on a market, the Group uses, in assessing their fair value, measurement models based on assumptions that give preference to the use of observable inputs.

3.2 Revenue

The consolidated revenue of the contracting divisions (energy, roads and construction) is recognised in accordance with IAS 11 and represents the total of the work, goods and services produced by the consolidated subsidiaries as their main activity.
It includes the Group's revenue for construction work on infrastructure under concession with a corresponding entry in VINCI's balance sheet under concession intangible assets or financial assets depending on the contract. The method for recognising revenue in respect of construction contracts is explained in Note A.3.4 "*Construction contracts*" below.

Consolidated revenue of the Concessions Division is recognised in accordance with IAS 18 and IAS 11 and comprises;
- tolls for the use of motorway infrastructures operated under concessions, revenue booked by car parks and airport service concessions, and ancillary income such as fees for the use of commercial installations, rental of telecommunication infrastructure and advertising space; and
- revenue recognised in connection with the construction of new concession infrastructures, on a stage of completion basis in accordance with IAS 11 (see Note A.1.3.2 "*Consequences of the first application of IFRIC 12 in the Group's consolidated financial statements*").

In the property sector, revenue arising on lots sold is recognised as the property development proceeds, using the incurred cost method (cost of land, of work, etc.).

3.3 Revenue from ancillary activities

Revenue from ancillary activities comprises rental income, sales of equipment, materials and merchandise, study work and fees other than those generated by concession operators.

3.4 Construction contracts

The Group recognises construction contract income and expenses using the stage of completion method defined by IAS 11. For the construction division, the stage of completion is usually determined on a physical basis. For the other divisions (roads and energy) the stage of completion is determined on the basis of the percentage of total costs incurred to date.

If the estimate of the final outcome of a contract indicates a loss, a provision is made for the loss on completion regardless of the stage of completion, based on the best estimates of income, including, if need be, any rights to additional revenue or claims if these are probable and can be reliably estimated. Provisions for losses on completion are shown under liabilities.

Part payments received under construction contracts before the corresponding work has been carried out are recognised under liabilities under advances and payments on account received.

3.5 Share-based payments

The measurement and recognition methods for share subscription and purchase plans, the *Plans d'Epargne Groupe* – Group Savings Schemes – and performance share plans, are defined by IFRS 2 *Share-based Payment*. The granting of share options, performance shares and offers to subscribe to the group savings scheme represent a benefit granted to their beneficiaries and therefore constitute supplementary remuneration borne by VINCI. Because such transactions do not give rise to monetary transactions, the benefits granted in this way are recognised as expenses in the period in which the rights are acquired, with a corresponding increase in equity. Benefits are measured on the basis of the fair value at the grant date of the equity instruments granted. The Monte Carlo binomial model is considered to be the most reliable and long-lasting for measuring this fair value because it allows a larger number of scenarios to be modelled, by including in particular the valuation of assumptions about beneficiaries' behaviour on the basis of observation of historical data.

3.5.1 Share subscription or purchase option plans

Options to subscribe to or purchase shares have been granted to Group employees and Company officers in previous years. The fair value of these options was determined at the grant date using the Monte Carlo valuation model. The number of options is adjusted on the basis of the probability that the vesting conditions for the exercise of the option will not be satisfied.

3.5.2 Performance share plans

Performance shares subject to vesting conditions have been granted to Group employees and Company officers in previous years. As these are plans under which the final vesting of performance shares is dependent on the realisation of conditions relating to market performance and financial criteria, the fair value of VINCI performance shares has been estimated, at grant date, using a Monte Carlo simulation model, in order to incorporate the impact of the market performance condition and according to the likelihood of the financial criteria being met as recommended by IFRS 2.
The number of performance shares measured at fair value in the calculation of the IFRS 2 expense is adjusted at each balance sheet date for the impact of the change in the likelihood of the financial criteria being met.

3.5.3 Group Savings Scheme

Under the Group Savings Scheme, three times a year, VINCI issues new shares in France reserved for its employees with a subscription price that includes a discount of 10% against the average stock market price of the VINCI share during the last 20 business days preceding the authorisation by the Board of Directors. This discount is considered as a benefit granted to the employees; its fair value is determined using the Monte Carlo valuation model at the date on which the subscription price is announced to the employees. As certain restrictions apply to the shares acquired by the employees under these plans regarding their sale or transfer, the fair value of the benefit to the employee takes account of the fact that the shares acquired cannot be freely disposed of for five years, other than in certain specific cases.

In 2007, VINCI carried out a leveraged employee shareholding transaction, called *Castor Avantage*, for the employees of its French subsidiaries. The expense related to this plan was measured at grant date of plan units in accordance with IFRS 2, on the basis of the benefit granted by VINCI to its employees.

The Group recognises the benefits granted in this way to its employees as an expense over the vesting period, with a corresponding increase of consolidated equity.

Benefits granted under share option plans, performance share plans and the Group Savings Scheme are implemented as decided by VINCI's Board of Directors after approval by the Shareholders General Meeting, and are not, in general, systematically renewed. As their measurement is not directly linked to the business lines' operations, VINCI has considered it appropriate not to include the corresponding expense in the operating profit from ordinary activities, which is an indicator of divisions' performance, but to report it on a separate line, labelled *Share-based payment expense (IFRS 2)*, in operating profit.

3.6 Cost of net financial debt

The cost of net financial debt includes:
- the cost of gross financial debt, which includes the interest expense calculated at the effective interest rate, gains and losses on interest-rate derivatives allocated to gross financial debt, whether they are designated as hedges for accounting purposes or not;
- the line item *financial income from cash management investments,* which comprises the return on investment of cash and cash equivalents.

Investments of cash and cash equivalents are measured at fair value through profit or loss.

3.7 Other financial income and expenses

Other financial income and expenses mainly comprises foreign exchange gains and losses, the effects of discounting to present value, dividends received from unconsolidated entities, capitalised borrowing costs and changes in the value of derivatives not allocated to interest rate risk management.

Borrowing costs borne during the construction of concession assets are included in the cost of those assets. They are determined as follows:
- to the extent that funds are borrowed specifically for the purpose of constructing an asset, the borrowing costs eligible for capitalisation on that asset are the actual borrowing costs incurred during the period less any investment income arising from the temporary investment of those borrowings;
- when borrowing is not intended to finance a specific project, the interest eligible for capitalisation on an asset is determined by applying a capitalisation rate to the expenditure on that asset. This capitalisation rate is equal to the weighted average of the costs of borrowing funds for construction work, other than those specifically intended for the construction of given assets.

This does not relate to the construction of infrastructure under concession accounted for using the financial asset model (see Note A.3.19.2 *"Loans and receivables at amortised cost"*).

3.8 Income tax

Income tax is computed in accordance with the tax legislation in force in the countries where the income is taxable.

In accordance with IAS 12, deferred tax is recognised on the temporary differences between the carrying amount and the tax base of assets and liabilities. It is calculated using the latest tax rates enacted or substantially enacted at the date of closing the accounts. The effects of a change in the tax rate from one period to another are recognised in the income statement in the period in which the change occurs.

Deferred tax relating to items recognised directly under equity, in particular share-based payment expenses (under IFRS 2), is also recognised under equity.

Whenever subsidiaries have distributable reserves, a deferred tax liability is recognised in respect of the probable distributions that will be made in the foreseeable future. Moreover, shareholdings in associates and joint ventures give rise to recognition of a deferred tax liability in respect of all the differences between the carrying amount and the tax base of the shares.

Net deferred tax is determined on the basis of the tax position of each entity or group of entities included in the tax group under consideration and is shown under assets or liabilities for its net amount per taxable entity.

Deferred tax is reviewed at each balance sheet date to take account in particular of the impact of changes in tax law and the prospects for recovery. Deferred tax assets are only recognised if their recovery is probable.

Deferred tax assets and liabilities are not discounted.

3.9 Earnings per share

Basic earnings per share is the net profit for the period after minority interest, divided by the weighted average number of shares outstanding during the period less treasury shares.
In calculating diluted earnings per share, the average number of shares outstanding is adjusted for the dilutive effect of equity instruments issued by the Company, in particular share subscription or purchase options and performance shares.

3.10 Concession intangible assets

Concession intangible assets correspond to the concession operator's right to operate the asset under concession in consideration for the investment expenditures incurred for the design and construction of the asset. This operator's right corresponds to the fair value of the construction of the asset under concession plus the borrowing costs capitalised during the construction phase. It is amortised over the term of the arrangement in a manner that reflects the pattern in which the asset's economic benefits are consumed by the entity, starting from the date of commencement of use of the operating right (see Note A.1.3 "*Change of accounting policy: IFRIC 12 Service Concession Arrangements*").

3.11 Goodwill

Goodwill is the excess of the cost of a business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities at the date(s) of acquisition, recognised on first consolidation.
Goodwill relating to fully and proportionately consolidated entities is reported under the consolidated balance sheet under *Goodwill*. Goodwill relating to associates is included in the line item *Investments in associates*.
Goodwill is not amortised but is tested for impairment at least annually and whenever there is an indication that it may be impaired. Whenever goodwill is impaired, the difference between its carrying amount and its recoverable amount is recognised in operating profit or loss in the period and is not reversible.
Negative goodwill is recognised directly in profit or loss in the year of acquisition.

3.12 Other intangible assets

Other intangible assets mainly comprise operating rights, quarrying rights of finite duration and computer software. Purchased intangible assets are measured at cost less amortisation and cumulative impairment losses. Quarrying rights are amortised as materials are extracted (volumes extracted during the period are compared with the estimated total volume to be extracted from the quarry over its useful life), in order to reflect the decline in value due to depletion. Other intangible assets are amortised on a straight-line basis over their useful life.

3.13 Grants related to assets

Grants related to assets are presented in the balance sheet as a reduction of the amount of the asset for which they were received.

3.14 Property, plant and equipment

Items of property, plant and equipment are recorded at their acquisition or production cost less cumulative depreciation and any impairment losses. They are not revalued. They also include concession operating assets that are not controlled by the grantor but that are necessary for operation of the concession such as buildings intended for use in the operation, equipment for toll collection, signage, data transmission, and video-surveillance, and vehicles and equipment (see Note A.1.3 "*Change of accounting policy: IFRIC 12 Service Concession Arrangements*").

Depreciation is generally calculated on a straight-line basis over the period of use of the asset. Accelerated depreciation may however be used when it appears more appropriate to the conditions under which the asset is used. For certain complex assets comprising various components, in particular buildings and constructions, each component of the asset is depreciated over its own period of use. In the particular case of quarries, they are depreciated as materials are extracted (volumes extracted during the period are compared with the estimated total volume to be extracted from the quarry over its useful life), in order to reflect the decline in value due to consumption of the economic benefits.

The main periods of use of the various categories of items of property, plant and equipment are as follows:

Constructions :	
– structure	between 20 and 50 years
– general technical installations	between 5 and 20 years
Site equipment and technical installations	between 3 and 12 years
Vehicles	between 3 and 5 years
Fixtures and fittings	between 8 and 10 years
Office furniture and equipment	between 3 and 10 years

Depreciation commences as from the date when the asset is ready to enter service.

3.15 Finance leases

Assets acquired under finance leases are recognised as non-current assets, whenever the effect of the lease is to transfer to the Group substantially all the risks and rewards incidental to ownership of these assets, with recognition of a corresponding financial liability. Assets held under finance leases are depreciated over their period of use.

3.16 Investment property

Investment property is property held to earn rentals or for capital appreciation. Such property is shown on a separate line in the balance sheet. Investment property is recorded at its acquisition cost less cumulative depreciation and any impairment losses, in the same way as items of property, plant and equipment.

3.17 Impairment of non-financial non-current assets

Under certain circumstances, impairment tests must be performed on intangible and tangible fixed assets. For intangible assets with an indefinite useful life and goodwill, a test is performed at least annually and whenever there is an indication of a loss of value. For other fixed assets, a test is performed only when there is an indication of a loss of value.
Assets to be tested for impairment are grouped within cash-generating units that correspond to homogeneous groups of assets that generate identifiable cash inflows from their use. Whenever the recoverable value of a cash-generating unit is less than its carrying amount, an impairment loss is recognised in operating profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit. The discount rate is determined for each cash-generating unit, taking account of its geographical location and the risk profile of its business.

3.18 Investments in associates

Equity-accounted investments in associates are initially recognised at cost of acquisition, including any goodwill arising. Their carrying amount is then increased or decreased to recognise the Group's share of the associate's profits or losses after the date of acquisition. Whenever losses are greater than the value of the Group's net investment in the associate, these losses are not recognised unless the Group has entered into a commitment to recapitalise the associate or made payments on its behalf.
If there is an indication that an investment may be impaired, its recoverable value is tested as described in Note A.3.17 "*Impairment of non-financial non-current assets*".
In order to present business lines' operational performance in the best way possible, the profit or loss of associates is reported on a specific line, between the lines *operating profit from ordinary activities* and *operating profit*.

3.19 Other non-current financial assets

Other non-current financial assets comprise available-for-sale securities, the part at more than one year of loans and receivables measured at their amortised cost, the part at more than one year of financial receivables under Public Private Partnership contracts (PPP) and the fair value of non-current derivative financial instruments (assets) (see Note A.3.28.2 "*Fair value of derivative instruments (assets and liabilities)*").

3.19.1 Available-for-sale securities

Available-for-sale securities comprises the Group's shareholdings in unconsolidated entities.

At the balance sheet date, available-for-sale securities are measured at their fair value. The fair value of shares in listed companies is determined on the basis of the stock market price at that balance sheet date.

If the fair value of unlisted securities cannot be determined reliably, they continue to be measured at their original cost, i.e. their cost of acquisition plus transaction costs.

Changes in fair value are recognised directly in equity.

Whenever there is an objective indication that this asset is impaired, the corresponding loss is recognised in profit or loss and may not be reversed. A long-lasting or material decline in fair value below the asset's cost is an objective indication of its impairment.

The factors considered by the Group in assessing the long-lasting or material nature of a decline in fair value are generally the following:
- the impairment is long-lasting whenever the moving average over nine months of the closing stock market price is less than 20% of the cost of the financial asset;
- the impairment is material whenever, at the balance sheet date, there has been a 30% fall in the spot price compared with the cost of the financial asset.

3.19.2 Loans and receivables at amortised cost

Loans and receivables at amortised cost mainly comprises receivables connected with shareholdings, current account advances to associates or unconsolidated entities, guarantee deposits, collateralised loans and receivables and other loans and financial receivables. It also includes the financial receivables relating to the concessions and Public Private Partnership contracts whenever the operator has an unconditional right to receive remuneration from the grantor (generally in the form of "scheduled construction payments") (see Note A.1.3.2 *"Consequences of the first application of IFRIC 12 for the Group's consolidated financial statements"*).

When first recognised, these loans and receivables are recognised at their fair value plus the directly attributable transaction costs. At each balance sheet date, these assets are measured at their amortised cost using the effective interest method. In the particular case of receivables coming under the scope of IFRIC 12, the effective interest rate used corresponds to the project's internal rate of return.

If there is an objective indication of impairment of these loans and receivables, an impairment loss is recognised at the balance sheet date. The impairment loss, corresponding to the difference between the carrying amount and the recoverable amount (i.e. the present value of the expected cash flows discounted using the original effective interest rate), is recognised in profit or loss. This loss may be reversed if the recoverable value increases subsequently and if this favourable change can objectively be linked to an event arising after recognition of the impairment loss.

3.20 Inventories and work in progress

Inventories and work in progress are recognised at their cost of acquisition or of production by the entity. At each balance sheet date, they are measured at the lower of cost and net realisable value.

3.21 Trade and other operating receivables

Trade and other operating receivables are current financial assets and are initially measured at their fair value, which is generally their nominal value, unless the effect of discounting is material. At each balance sheet date, receivables are measured at their amortised cost less any impairment losses taking account of any likelihood of non-recovery.

3.22 Other current financial assets

Other current financial assets comprises the fair value of derivative financial instruments (assets) and the part at less than one year of loans and receivables reported under other non-current financial assets.

3.23 Cash management financial assets

Cash management financial assets comprises investments in monetary and bond securities, and units in UCITS, made with a short-term management objective, that do not satisfy the IAS 7 criteria for recognition as cash (see Note A.3.24 "*Cash and cash equivalents*"). As the Group adopts fair value as being the best reflection of the performance of these assets, they are measured and recognised at their fair value, and changes in fair value are recognised through profit or loss.
Purchases and sales of cash management financial assets are recognised at their transaction date.
Their fair value is determined using commonly used valuation models or, for non-listed cash management assets, at the present value of future cash flows. In assessing the fair value of listed instruments, the Group uses the market price at the balance sheet date or the cash-in-value of UCITS.

3.24 Cash and cash equivalents

This item comprises current accounts at banks and cash equivalents corresponding to short-term, liquid investments subject to negligible risks of fluctuations of value. Cash equivalents comprise in particular monetary UCITS and certificates of deposit with maturities not exceeding three months at the origin. Bank overdrafts are not included in cash and are reported under current financial liabilities.
The Group has adopted the fair value method to assess the return on its financial instruments. Changes in fair value are recognised directly in profit or loss.

3.25 Treasury shares and other equity instruments

Treasury shares held by the Group are booked as a deduction from equity at their cost of acquisition. Any gains or losses connected with the purchase, sale, issue or cancellation of treasury shares are recognised directly in equity without affecting the income statement.

In accordance with IAS 32, equity includes perpetual subordinated bonds that meet the definition of an equity instrument.

3.26 Non-current provisions

Non-current provisions comprise provisions for retirement benefit obligations and other non-current provisions.

3.26.1 Provisions for retirement benefit obligations

Provisions are taken in the balance sheet for obligations connected with defined benefit retirement plans, for both current and former employees (people with deferred rights or who have retired). These provisions are determined using the projected unit credit method on the basis of actuarial assessments made at each annual balance sheet date. The actuarial assumptions used to determine the obligations vary depending on the economic conditions of the country where the plan is operated. Each plan's obligations are recognised separately.

For defined benefit plans financed under external management arrangements (i.e. pension funds or insurance policies), the surplus or shortfall of the fair value of the assets compared with the present value of the obligations is recognised as an asset or liability in the balance sheet, after deduction of cumulative actuarial gains and losses and any past service cost not yet recognised in profit or loss. However, the surplus assets are only recognised in the balance sheet if they satisfy the conditions defined in IFRIC 14 (see note A.1.1.2 "*IFRIC 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*").
Past service cost corresponds to the benefits granted either when an entity adopts a new defined benefit plan or when it changes the level of benefit of an existing plan. Whenever new rights to benefit are acquired as from the adoption of the new plan or the change of an existing plan, the past service cost is recognised immediately in profit or loss. Conversely, whenever adoption of a new plan or a change in a plan gives rise to the acquisition of rights after its implementation date, past service costs are recognised as an expense on a straight-line basis over the average period remaining until the corresponding rights are fully vested.

Actuarial gains and losses result from changes in actuarial assumptions and from experience adjustments (the effects of differences between the actuarial assumptions adopted and what has actually occurred).
Cumulative unrecognised actuarial gains and losses that exceed 10% of the higher of the present value of the defined benefit obligation and the fair value of the plan assets are recognised in profit or loss on a straight-line basis over the average expected remaining working lives of the employees in that plan.

For defined benefit plans, the expense recognised under operating profit or loss comprises the current service cost, the amortisation of past service cost, the amortisation of any actuarial gains and losses and the effects of any reduction or winding up of the plan. The interest cost (cost of discounting) and the expected yield on plan assets are recognised under other financial income and expenses.

Commitments relating to lump-sum payments on retirement for manual construction workers, which are met by contributions to an outside multi-employer insurance scheme (CNPO), are considered as being under defined contribution plans and are recognised as an expense as and when contributions are payable.

That part of provisions for retirement benefit obligations that matures within less than one year is shown under current liabilities.

3.26.2 Other non-current provisions

These comprise provisions for other employee benefits, measured in accordance with IAS 19, and those provisions that are not directly linked to the operating cycle, measured in accordance with IAS 37. These are recognised whenever, at the balance sheet date, the Group has a legal or constructive present obligation towards third parties arising from a past event, whenever it is probable that an outflow of resources embodying economic benefits will be required to settle this obligation and whenever a reliable estimate can be made of the amount of the obligation. These provisions are measured at their present value, corresponding to the best estimate of the outflow of resources required to settle the obligation.

The part at less than one year of other employee benefits is reported under *other current liabilities*. The part at less than one year of provisions not directly linked to the operating cycle is reported under *current provisions.*

3.27 Current provisions

Current provisions are provisions directly linked to each business line's own operating cycle, whatever the expected time of settlement of the obligation. They are recognised in accordance with IAS 37 (see above). They also include the part at less than one year of provisions not directly linked to the operating cycle.

Provisions are taken for contractual obligations to maintain infrastructure under concession in a good state of repair, principally by the motorway concession operating companies to cover the expense of major road repairs (surface courses, restructuring of slow lanes, etc), bridges, tunnels and hydraulic infrastructure. Provisions are calculated on the basis of maintenance expense plans spanning several years, which are updated annually. These expenses are reassessed on the basis of appropriate indices (mainly the TP01, TP02 and TP09 indices). Provisions are also taken whenever recognised signs of defects are encountered on identified infrastructures.

Provisions for after-sales service cover Group entities' commitments under statutory warranties relating to completed projects, in particular ten-year warranties on building projects in France. They are estimated statistically on the basis of expenses incurred in previous years or individually on the basis of specifically identified events.

Provisions for losses on completion of contracts and construction project liabilities are made mainly when end-of-contract projections, based on the most likely estimated outcome, indicate a loss, and when work needs to be carried out in respect of completed projects under completion warranties.

Provisions for disputes connected with operations mainly relate to disputes with customers, sub-contractors, joint contractors or suppliers. Restructuring provisions include the cost of plans and measures for which there is a commitment whenever these have been announced before the year end.

Provisions for other current liabilities mainly comprise provisions for late-delivery penalties, for individual dismissals and for other risks related to operations.

3.28 Bonds and other financial debt (current and non-current)

3.28.1 Bond loans, other loans and borrowings

These are recognised at amortised cost using the effective interest method. The effective interest rate is determined after taking account of redemption premiums and issuance expenses. Under this method, the interest expense is measured actuarially and reported under the cost of gross financial debt.
The benefit of a government loan at a significantly below-market rate of interest, which is in particular the case for project finance granted by public-sector organisations, is treated as a government grant and recognised as a reduction of the debt and the related investments, in accordance with IAS 20.

Financial instruments that comprise both a debt component and an equity component, such as bonds convertible into shares, are recognised in accordance with IAS 32. The carrying amount of the hybrid instrument is apportioned between its debt component and its equity component, the equity component being defined as the difference between the fair value of the hybrid instrument and the fair value of the debt component. The debt component corresponds to the fair value of a debt with similar characteristics but without an equity component. The value attributed to the separately recognised equity component is not altered during the term of the instrument.
The debt component is measured using the amortised cost method over its estimated term. Issuance costs are allocated proportionately between the debt and equity components.
The part at less than one year of borrowings is included in current borrowings.

3.28.2 Fair value of derivative financial instruments (assets and liabilities)

The Group uses derivative financial instruments to hedge its exposure to market risks (mainly interest rates and foreign currency exchange rates). Most interest rate and foreign currency exchange rate derivatives used by VINCI are designated as hedging instruments. Hedge accounting is applicable in particular if the conditions provided for in IAS 39 are satisfied:
- at the time of setting up the hedge, there is a formal designation and documentation of the hedging relationship;
- the effectiveness of the hedging relationship must be demonstrated from the outset and at each balance sheet date, prospectively and retrospectively.

The fair value of derivative financial instruments designated as hedges of which the maturity is greater than one year is reported in the balance sheet under *Other non-current financial assets* or *Other loans and borrowings (non-current)*. The fair value of other derivative instruments not designated as hedges and the part at less than one year of instruments designated as non-current hedges are reported under *Other current financial assets* or *Current financial liabilities*.

Financial instruments designated as hedging instruments

Derivative financial instruments designated as hedging instruments are systematically recognised in the balance sheet at fair value. Nevertheless, their recognition varies depending on whether they are designated as:
- a fair value hedge of an asset or a liability or of an unrecognised firm commitment;
- a cash flow hedge; or
- a hedge of a net investment in a foreign entity.

Fair value hedge
A fair value hedge enables the exposure to the risk of a change in the fair value of a financial asset, a financial liability or unrecognised firm commitment to be hedged.

Changes in the fair value of the hedging instrument are recognised in profit or loss for the period. The change in value of the hedged item attributable to the hedged risk is recognised symmetrically in profit or loss for the period (and adjusted to the carrying amount of the hedged item). Except for the ineffective part of the hedge, these two revaluations offset each other within the same line items in the income statement.

Cash flow hedges
A cash flow hedge allows exposure to variability in future cash flows associated with an existing asset or liability, or a highly probable forecast transaction, to be hedged.

Changes in the fair value of the derivative financial instrument are recognised in equity for the effective part and in profit or loss for the period for the ineffective part. Cumulative gains or losses in equity are taken to profit or loss under the same line item as the hedged item – i.e. under operating income and expenses for cash flows from operations and under financial income and expense otherwise – whenever the hedged cash flow affects profit or loss.

If the hedging relationship is interrupted because it is no longer considered effective, the cumulative gains or losses in respect of the derivative instrument are retained in equity and recognised symmetrically with the cash flow hedged. If the future cash flow is no longer expected, the gains and losses previously recognised in equity are taken to profit or loss.

Hedge of a net investment in a foreign entity
A hedge of a net investment denominated in a foreign currency hedges the exchange rate risk relating to the net investment in a consolidated foreign subsidiary. In a similar way as for cash flow hedges, the effective portion of the changes in the value of the hedging instrument is recorded in equity under currency translation reserves and the portion considered as ineffective is recognised in profit or loss. The change in the value of the hedging instrument recognised in translation differences is reversed through profit or loss when the foreign entity in which the initial investment was made is disposed of.

Derivative financial instruments not designated as hedging instruments
Derivative financial instruments that are not designated as hedging instruments are reported in the balance sheet at fair value and changes in their fair value are recognised in profit or loss.

3.28.3 Put options granted to minority shareholders
Put options (options to sell) granted to the minority shareholders of certain Group subsidiaries are recognised under financial liabilities for the present value of the exercise price of the option and as a corresponding reduction of consolidated equity (minority interest and equity attributable to equity holders of the parent for the surplus, if any).

3.29 Off-balance sheet commitments

The Group's off-balance sheet commitments are monitored through specific annual and six-monthly reports. Off-balance sheet commitments are reported in the appropriate Notes, as dictated by the activity to which they relate.

4. Reminder of the elections made on first application of the IFRSs

In the context of the transition to the IFRS in 2005, and in accordance with IFRS 1 *First-time Adoption of International Financial Reporting Standards,* VINCI made the following elections:

Retirement benefit obligations: the actuarial gains and losses existing at 1 January 2004, not recognised under French GAAP, were recorded under provisions for retirement benefit obligations with a corresponding reduction of equity. Actuarial gains and losses arising after 1 January 2004 are recognised prospectively.

Translation gains and losses in relation to a foreign entity: the Group has elected to reclassify cumulative translation gains and losses at 1 January 2004 under consolidated reserves. This reclassification has no impact on the total amount of equity. The new IFRS amount of translation gains and differences was therefore taken to zero at 1 January 2004. If the subsidiaries involved are subsequently disposed of, the disposal gain or loss will not include the reversal of translation gains and losses prior to 1 January 2004 but will however include those recognised after that date.

Business combinations: VINCI has elected not to restate, as provided by IFRS 3, business combinations prior to 1 January 2004.

Property, plant and equipment and intangible assets: VINCI has elected not to measure certain items of property, plant and equipment and intangible assets at the transition date at their fair value.

Share-based payments: VINCI has elected to apply IFRS 2 in respect of share option plans granted since 7 November 2002 for which rights had not yet vested at 1 January 2005.

5. Standards and Interpretations not applied early

The Group has not applied the Standards and Interpretations early that are not mandatory at 1 January 2008, except for those described in Note A.1.2. "*Change of accounting policy: accounting for loans at below-market rate of interest*" and Note A.1.3 *"Change of accounting policy: IFRIC 12 Service Concession Arrangements"*:
- IAS 1 Revised *Presentation of Financial Statements*
- Amendment to IAS 1 Revised / IAS 32 *Puttable Financial Instruments and Obligations Arising on Liquidation*
- Amendments to IAS 23 *Borrowing Costs*
- IFRS 2 Amendment *Vesting Conditions and Cancellations*
- IAS 27 Revised *Consolidated and Separate Financial Statements*
- IFRS 3 Revised *Business Combinations*
- IAS 28 *Investments in Associates*
- IAS 31 *Interests in Joint Ventures*
- IFRS 8 *Operating segments*
- IFRIC 13 *Customer Loyalty Programmes*
- IFRIC 15 *Agreements for the Construction of Real Estate*
- IFRIC 16 *Hedges of a Net Investment in a Foreign Operation*
- IFRIC 17 *Distributions of Non-cash Assets to Owners*
- IAS 39 Amendment: *Recognition and Measurement of Eligible Hedged Items*
- Amendments under the *IFRS Annual Improvements Project*

The potential impacts on the Group's consolidated financial statements of these Standards and Interpretations are being determined.

B. Business combinations

1. Acquisition of Taylor Woodrow Construction

VINCI plc, a UK subsidiary of VINCI Construction, agreed in September 2008 to acquire all the shares in Taylor Woodrow Construction. Taylor Woodrow Construction booked revenue of £688 million (€864 million) for the twelve months of 2008 and is a major operator in the United Kingdom in railway and airport civil engineering, energy infrastructure and PPPs.

VINCI has fully consolidated the company in its consolidated financial statements since 9 September 2008.

Determination of the identifiable assets and liabilities acquired at the date of acquisition of control

(in € millions)	Historical values	Fair-value adjustments	Fair values
Non-current assets			
Property, plant and equipment and intangible assets	11.7	26.2	37.9
Non-current financial assets	3.7	0.2	4.0
Deferred tax assets	0.2	3.9	4.1
Total non-current assets	**15.7**	**30.3**	**46.0**
Current assets	**209.0**	**(1.0)**	**208.0**
including cash, for	*112.1*		*112.1*
Non-current liabilities			
Non-current financial debt and derivatives			
Other non-current liabilities		2.0	2.0
Deferred tax liabilities			
Total non-current liabilities	**0.0**	**2.0**	**2.0**
Current liabilities			
Current financial debt and derivatives			
Other current payables	251.2	2.7	253.9
Total current liabilities	**251.2**	**2.7**	**253.9**
Total net assets	**(26.5)**	**24.5**	**(2.0)**
Purchase consideration (100% of the shares)	**93.2**		**93.2**

The fair value adjustments at the date of acquiring control mainly relate to recognition of the brand for €26.2 million and contingent liabilities. The goodwill arising on acquisition of control of Taylor Woodrow Construction amounted to £76.4 million (€95.2 million at the date of acquisition of control). It has been valued by comparing the acquisition price with the corresponding share of the assets and liabilities owned, remeasured at fair value. This goodwill corresponds to the supplementary future economic benefits that VINCI considers it will receive as a result of this acquisition. Allocation of the purchase consideration is not definitive.

Taylor Woodrow Construction's 2008 post-acquisition revenue and operating profit were £207 million (€260 million) and £1.4 million (€1.8 million) respectively.

2. Acquisition of Vossloh Infrastructure Services

On 30 June 2008 Eurovia, a subsidiary of VINCI, agreed to acquire with effect from 19 September 2008 the railway works division of Vossloh Infrastructure Services from Vossloh GmbH for €152.7 million. This division, renamed Eurovia Travail Ferroviaires (ETF), is one of the European leaders in building, renovating and maintaining national railway networks and industrial sidings, in installing and maintaining catenaries, and building and maintaining light rail and metro lines.

Determination of the identifiable assets and liabilities acquired at the date of acquisition of control

(in € millions)	Historical values	Fair-value adjustments	Fair values
Non-current assets			
Property, plant and equipment and intangible assets	36.2	40.5	76.7
Non-current financial assets	0.2		0.2
Deferred tax assets	0.7		0.7
Total non-current assets	**37.1**	**40.5**	**77.6**
Current assets	**150.4**	**0.5**	**150.9**
Non-current liabilities			
Non-current financial debt and derivatives	34.1		34.1
Other non-current liabilities	4.3	3.0	7.3
Deferred tax liabilities	1.2	12.7	13.9
Total non-current liabilities	**39.6**	**15.7**	**55.3**
Current liabilities			
Current financial debt and derivatives			
Other current payables	125.6		125.6
Total current liabilities	**125.6**		**125.6**
Total net assets	**22.4**	**25.3**	**47.7**
Purchase consideration (100% of the shares)	**153.0**		**153.0**

Measurement of goodwill on acquisition, on the basis of the fair value of the company's assets, liabilities and contingent liabilities at the date of acquisition of control, resulted in recognition of initial goodwill of €105.3 million. These fair value adjustments mainly comprise the re-measurement of railway equipment, land and buildings for €40.5 million before tax. Allocation of the purchase consideration is not definitive.

C. Segment information

Based on the Group's internal organisation, segment information is presented by business line and geographical segment.

The main activities of each business line are:

Concessions:

– **Construction:** construction under concession agreements of motorways and major infrastructures such as bridges and tunnels, car parks, airports and public infrastructure equipment.
– **Operation:** management under concessions, tenancy agreements or service provision agreements of motorways and major infrastructures such as bridges and tunnels, car parks, airports and public infrastructure equipment.

Contracting:

– **Energy:** electrical works and engineering, information and communication technology, heating ventilation and air conditioning engineering, insulation.
– **Roads:** building and maintenance of roads and motorways, production of road-building materials, urban infrastructure, environmental work, demolition and recycling.
– **Construction:** design and construction of buildings and infrastructure in the civil engineering sector, hydraulic works, multi-technical maintenance, foundations, soil treatment and dredging.

The segment financial information has been prepared using the same accounting rules as for the full financial statements.
Transactions between the various business lines are carried out at market conditions.

1. Revenue

1.1 Breakdown of revenue by business line

(in € millions)	31/12/2008	31/12/2007(*)	Change 2008/2007
Concessions	**5,794.0**	**5,693.0**	**1.8%**
Revenue from tolls and other services	4,781.4	4,573.7	4.5%
Construction of new infrastructure under concessions	1,012.6 (**)	1,119.3(**)	(9.5%)
Contracting	**28,519.8**	**25,660.0**	**11.1%**
Energy	4,614.3	4,300.7	7.3%
Roads	8,183.1	7,706.0	6.2%
Construction	15,722.4	13,653.2	15.2%
Eliminations and miscellaneous	**(383.4)(**)**	**(478.6)(**)**	**(19.9%)**
Total	**33,930.3**	**30,874.3**	**9.9%**

(*) Restated in accordance with the change of accounting policy described in Note A.1.3 "Change of accounting policy: IFRIC 12 Service Concession Arrangements".
(**) Including intra-group revenue in the contracting divisions from work for concession operating companies (€540.2 million at 31 December 2008, and €582.9 million at 31 December 2007).

1.2 Breakdown of revenue by geographical market

(in € millions)	31/12/2008	%	31/12/2007(*)	%
France	**21,358.5**	**62.9%**	**20,131.7**	**65.2%**
United Kingdom	2,279.1	6.7%	2,044.8	6.6%
Germany	1,762.6	5.2%	1,641.1	5.3%
Central and Eastern Europe(**)	2,468.4	7.3%	2,308.9	7.5%
Belgium	1,001.4	3.0%	826.3	2.7%
Spain	458.5	1.4%	361.6	1.2%
Other European countries	1,036.9	3.1%	888.6	2.9%
Europe(***)	**30,365.4**	**89.6%**	**28,203.1**	**91.3%**
including the European Union, for	29,857.2	88.0%	27,819.9	90.1%
North America	824.2	2.4%	720.5	2.3%
Africa	1,203.8	3.5%	858.8	2.8%
Rest of world	1,536.9	4.5%	1,091.9	3.5%
Total	**33,930.3**	**100.0%**	**30,874.3**	**100.0%**

(*) Restated in accordance with the change of accounting policy described in Note A.1.3 "Change of accounting policy: IFRIC 12 Service Concession Arrangements".
(**) Albania, Belarus, Bosnia-Herzegovina, Bulgaria, Croatia, Czech Republic, Hungary, Latvia, Lithuania, Macedonia, Moldova, Poland, Romania, Russia, Serbia-Montenegro, Slovakia, Slovenia and Ukraine.
(***) Including the eurozone for €25,249 million at 31 December 2008 and €23,540 million at 31 December 2007.

Revenue arising in foreign countries amounted to €12,571.8 million in 2008, 17% more than in 2007 and represented 37.6% of the total, excluding the construction of new infrastructure assets (compared with 35.4% in 2007).

1.3 Breakdown of revenue by location of operations

(in € millions)	31/12/2008	%	31/12/2007(*)	%
France	**21,461.8**	**63.3%**	**20,898.1**	**67.7%**
United Kingdom	2,264.2	6.7%	1,936.4	6.3%
Germany	1,855.2	5.5%	1,722.2	5.6%
Central and Eastern Europe(**)	2,323.0	6.8%	1,964.7	6.4%
Belgium	1,898.2	5.6%	1,667.5	5.4%
Spain	466.0	1.4%	317.2	1.0%
Other European countries	727.9	2.1%	574.9	1.9%
Europe(***)	**30,996.3**	**91.4%**	**29,081.1**	**94.2%**
including the European Union, for	30,524.7	90.0%	28,876.3	93.5%
North America	824.5	2.4%	685.3	2.2%
Africa	1,037.1	3.1%	646.9	2.1%
Rest of world	1,072.4	3.2%	461.0	1.5%
Total	**33,930.3**	**100.0%**	**30,874.3**	**100.0%**

(*) Restated in accordance with the change of accounting policy described in Note A.1.3 "Change of accounting policy: IFRIC 12 Service Concession Arrangements".
(**) Albania, Belarus, Bosnia-Herzegovina, Bulgaria, Croatia, Czech Republic, Hungary, Latvia, Lithuania, Macedonia, Moldova, Poland, Romania, Russia, Serbia-Montenegro, Slovakia, Slovenia and Ukraine.
(***) Including the eurozone for €26,048 million at 31 December 2008 and €24,929 million at 31 December 2007.

2. Other segment information by business line

The data below is for each business line separately and is stated before elimination, at their own level, of transactions with other business lines.

2008

(in € millions)	Concessions	Contracting				Holding companies & other activities	Eliminations	Total
		Energy	Roads	Construction	Total			
31 December 2008								
Income statement								
Revenue	**5,794.0**	**4,614.3**	**8,183.1**	**15,722.4**	**28,519.8**	**558.5**	**(941.9)**	**33,930.3**
including revenue realised by concession operators for the construction of new infrastructure by third parties, for	*1,012.6*						*(540.2)(*)*	*472.5*
Operating profit from ordinary activities	1,966.4	244.8	345.7	772.9	1,363.3	48.1		3,377.8
% of revenue(**)	*41.1%*	*5.3%*	*4.2%*	*4.9%*	*4.8%*	*8.6%*		*10.1%*
Operating profit	1,966.5	220.6	307.5	736.0	1,264.1	45.3		3,275.9
Net profit or loss from continuing operations	815.8	150.2	211.1	571.4	932.7	(49.3)		1,699.1
Net profit attributable to equity holders of the parent	**756.1**	**148.1**	**208.8**	**526.9**	**883.8**	**(48.6)**		**1,591.4**
Cash flow statement								
Cash flows (used in) / from operations before tax and financing costs	**2,935.5**	**248.8**	**500.6**	**1,059.4**	**1,808.8**	**127.4**		**4,871.8**
including net depreciation and amortisation, for	*1,101.0*	*59.0*	*218.0*	*345.7*	*622.8*	*6.3*		*1,730.1*
including net provisions, for	*(94.7)*	*(12.6)*	*24.8*	*38.6*	*50.8*	*(39.6)*		*(83.5)*
Net cash flows (used in) / from operating activities	**1,763.9**	**328.1**	**382.8**	**1,485.8**	**2,196.7**	**180.4**		**4,140.9**
Net cash flows (used in) / from investing activities	**(1,226.6)**	**(86.0)**	**(450.2)**	**(558.1)**	**(1,094.3)**	**(1.6)**		**(2,322.4)**
including net investments in operating assets, concession assets and PPP contracts, for	*(1,217.9)*	*(70.8)*	*(292.5)*	*(539.7)*	*(903.0)*	*5.6*		*(2,115.3)*
including net financial investments, for	*(25.7)*	*(19.4)*	*(188.9)*	*(29.4)*	*(237.6)*	*(14.6)*		*(277.9)*
Net cash flows (used in) / from financing activities	**(14.2)**	**(227.4)**	**53.1**	**(856.6)**	**(1,030.9)**	**206.9**		**(838.2)**
Change in net cash and cash equivalents	**523.1**	**14.7**	**(14.3)**	**71.1**	**71.6**	**385.7**		**980.3**
Balance sheet								
Segment assets	**28,773.6**	**2,373.6**	**4,029.8**	**9,652.5**	**16,055.9**	**450.8**		**45,280.4**
Segment liabilities	**1,818.2**	**2,435.6**	**3,245.4**	**10,302.0**	**15,982.9**	**249.1**		**18,050.2**
Net financial surplus (debt)	**(17,453.6)**	**638.0**	**337.7**	**2,019.0**	**2,994.7**	**(911.9)**		**(15,370.8)**
Employees at 31 December 2008	**16,770**	**33,004**	**42,081**	**71,639**	**146,724**	**563**		**164,057**

(*) Intra-group revenue of the contracting divisions from work for the Group's concession operating companies.
(**) % calculated using revenue excluding construction by third parties of new infrastructure under concession.

2007(*)

		Contracting				Holding companies & other activities		
(in € millions)	Concessions	Energy	Roads	Construction	Total		Eliminations	Total
31 December 2007								
Income statement								
Revenue	**5,693.0**	**4,300.7**	**7,706.0**	**13,653.2**	**25,660.0**	**558.3**	**(1,036.9)**	**30,874.3**
including revenue realised by concession operators for the construction of new infrastructure by third parties, for	*1,119.3*						*(582.9)(**)*	*536.4*
Operating profit from ordinary activities	1,751.2	229.5	391.7	668.3	1,289.5	76.8		3,117.5
% of revenue(***)	*38.3%*	*5.3%*	*5.1%*	*4.9%*	*5.0%*	*13.8%*		*10.3%*
Operating profit	1,739.6	198.4	375.2	632.0	1,205.6	65.5		3,010.7
Net profit or loss from continuing operations	746.0	144.6	275.0	475.5	895.1	(63.2)		1,577.9
Net profit attributable to equity holders of the parent	**673.8**	**142.0**	**263.1**	**438.3**	**843.4**	**(62.2)**		**1,455.0**
Cash flow statement								
Cash flows (used in) / from operations before tax and financing costs	**2,832.3**	**250.2**	**513.6**	**895.4**	**1,659.2**	**22.0**		**4,513.5**
including net depreciation and amortisation, for	*1,049.9*	*54.4*	*193.9*	*285.5*	*533.8*	*6.7*		*1,590.3*
including net provisions, for	*63.6*	*13.4*	*(0.2)*	*6.6*	*19.8*	*(24.5)*		*58.9*
Net cash flows (used in) / from operating activities	**1,555.9**	**252.6**	**429.8**	**1,328.9**	**2,011.3**	**14.5**		**3,581.7**
Net cash flows (used in) / from investing activities	**(2,149.9)**	**(178.2)**	**(258.9)**	**(852.5)**	**(1,289.5)**	**(226.3)**		**(3,665.7)**
including net investments in operating assets, concession assets and PPP contracts, for	*(1,312.9)*	*(50.0)*	*(208.5)*	*(423.0)*	*(681.5)*	*30.4*		*(1,964.0)*
including net financial investments, for	*(836.8)*	*(130.8)*	*(64.1)*	*(470.5)*	*(665.4)*	*(229.0)*		*(1,731.2)*
Net cash flows (used in) / from financing activities	**148.9**	**(56.2)**	**(144.1)**	**77.5**	**(122.8)**	**(819.8)**		**(793.7)**
Change in net cash and cash equivalents	**(445.1)**	**18.3**	**26.8**	**553.9**	**599.0**	**(1,031.7)**		**(877.7)**
Balance sheet								
Segment assets	**28,471.3**	**2,288.0**	**3,838.2**	**8,872.9**	**14,999.2**	**391.8**		**43,862.3**
Segment liabilities	**1,631.4**	**2,227.1**	**3,287.7**	**9,097.4**	**14,612.1**	**334.2**		**16,577.7**
Net financial surplus (debt)	**(16,966.6)**	**515.0**	**599.6**	**1,478.2**	**2,592.8**	**(1,929.5)**		**(16,303.3)**
Employees at 31 December 2007	**15,872**	**31,852**	**39,804**	**70,455**	**142,111**	**645**		**158,628**

(*) Restated in accordance with the change of accounting policy described in Note A.1.3 "Change of accounting policy: IFRIC 12 Service Concession Arrangements".
(**) Intra-group revenue of the contracting divisions from work for the Group's concession operating companies.
(***) % calculated using revenue excluding construction by third parties of new infrastructure under concession.

Reconciliation between segment information and financial statements

(in € millions)	31/12/2008	31/12/2007(*)
Segment assets		
Concession intangible assets	24,059.2	23,868.7
Goodwill	3,578.9	3,382.5
Other intangible assets	177.3	141.6
Property, plant and equipment and investment property	4,625.6	4,242.1
Investments in associates	165.9	190.1
Inventories and work in progress	786.4	647.5
Trade and other operating receivables	11,561.5	11,101.3
Other current assets	325.6	288.4
Segment assets	**45,280.4**	**43,862.3**
Segment liabilities		
Current provisions	2,672.4	2,429.4
Trade payables	6,803.8	6,553.4
Other current payables	8,574.0	7,594.9
Segment liabilities	**18,050.2**	**16,577.7**

(*) Restated in accordance with the change of accounting policy described in Note A.1.3 "Change of accounting policy: IFRIC 12 Service Concession Arrangements".

3. Breakdown of the Concessions business line

2008

(in € millions)	Cofiroute(*)	ASF Group	VINCI Park	Other concessions	Holding companies	Total
31 December 2008						
Income statement						
Revenue from tolls and other services	1,077.4	2,894.6	619.1	190.3		4,781.4
Construction of new infrastructure assets under concession (**)	272.4	344.5	33.3	362.4		1,012.6
Total revenue	**1,349.8**	**3,239.1**	**652.4**	**552.7**		**5,794.0**
Operating profit from ordinary activities	584.1	1,222.9	126.1	47.2	(14.0)	1,966.4
% of revenue (***)	*54.2%*	*42.2%*	*20.4%*	*24.8%*		*41.1%*
Operating profit	582.7	1,218.0	126.1	57.5	(17.8)	1,966.5
Net profit or loss from continuing operations	322.7	479.9	68.0	25.8	(80.7)	815.8
Net profit attributable to equity holders of the parent	**268.9**	**478.1**	**67.8**	**22.2**	**(80.9)**	**756.1**
Cash flow statement						
Cash flows (used in) / from operations before tax and financing costs	**771.7**	**1,901.7**	**199.5**	**78.7**	**(16.0)**	**2,935.5**
including net depreciation and amortisation, for	*188.1*	*815.7*	*72.5*	*23.2*	*1.6*	*1,101.0*
including net provisions, for	*6.8*	*(113.9)*	*3.3*	*7.3*	*1.8*	*(94.7)*
Net cash flows (used in) / from operating activities	**543.4**	**1,162.7**	**141.1**	**20.1**	**(103.4)**	**1,763.9**
Net cash flows (used in) / from investing activities	**(349.1)**	**(435.3)**	**(81.6)**	**(357.0)**	**(3.5)**	**(1,226.6)**
including net investments in operating assets, concession assets and PPP contracts, for	*(349.1)*	*(434.9)*	*(80.3)*	*(353.4)*	*(0.1)*	*(1,217.9)*
including net financial investments, for		*0.5*	*(1.6)*	*(10.6)*	*(13.9)*	*(25.7)*
Net cash flows (used in) / from financing activities	**(266.5)**	**(679.2)**	**(61.5)**	**282.0**	**711.0**	**(14.2)**
Change in net cash and cash equivalents	**(72.3)**	**48.2**	**(2.0)**	**(54.9)**	**604.1**	**523.1**
Balance sheet						
Segment assets	**5,769.5**	**20,116.5**	**1,501.9**	**1,334.3**	**51.5**	**28,773.6**
Segment liabilities	**377.8**	**956.7**	**255.8**	**210.9**	**16.9**	**1,818.2**
Net financial surplus (debt)	**(3,259.1)**	**(10,451.1)**	**(852.7)**	**(960.0)**	**(1,930.7)**	**(17,453.6)**
Employees at 31 December 2008	**2,021**	**6,778**	**6,557**	**1,289**	**125**	**16,770**

(*) On a 100% basis.
(**) Including €540.2 million of intra-group revenue of the contracting divisions from work for the concession operating companies.
(***) % determined solely on concession operating companies' revenue from tolls and other services.

2007(*)

(in € millions)	Cofiroute(**)	ASF Group	VINCI Park	Other concessions	Holding companies	Total
31 December 2007						
Income statement						
Revenue from tolls and other services	1,038.5	2,811.4	559.2	164.5		4,573.7
Construction of new infrastructure assets under concession(***)	431.0	337.0	23.1	328.3		1,119.3
Total revenue	**1,469.5**	**3,148.4**	**582.3**	**492.8**		**5,693.0**
Operating profit from ordinary activities	575.9	993.7	129.7	58.7	(6.8)	1,751.2
% of revenue(****)	*55.5%*	*35.3%*	*23.2%*	*35.7%*		*38.3%*
Operating profit	576.7	984.0	129.7	63.5	(14.2)	1,739.6
Net profit or loss from continuing operations	350.9	343.6	63.1	35.3	(46.9)	746.0
Net profit attributable to equity holders of the parent	**284.9**	**342.3**	**62.9**	**30.5**	**(46.9)**	**673.8**
Cash flow statement						
Cash flows (used in) / from operations before tax and financing costs	**735.6**	**1,839.5**	**193.2**	**80.4**	**(16.5)**	**2,832.3**
including net depreciation and amortisation, for	*149.3*	*810.4*	*67.3*	*21.3*	*1.6*	*1,049.9*
including net provisions, for	*9.9*	*52.9*	*4.2*	*0.6*	*(4.1)*	*63.6*
Net cash flows (used in) / from operating activities	**496.6**	**1,050.8**	**124.4**	**45.5**	**(161.4)**	**1,555.9**
Net cash flows (used in) / from investing activities	**(559.8)**	**(411.0)**	**(86.5)**	**(276.2)**	**(816.4)**	**(2,149.9)**
including net investments in operating assets, concession assets and PPP contracts, for	*(560.0)*	*(411.0)*	*(60.8)*	*(281.0)*	*(0.1)*	*(1,312.9)*
including net financial investments, for			*(24.9)*	*(2.8)*	*(809.0)*	*(836.8)*
Net cash flows (used in) / from financing activities	**162.1**	**(1,189.9)**	**(34.4)**	**185.6**	**1,025.4**	**148.9**
Change in net cash and cash equivalents	**98.9**	**(550.1)**	**3.5**	**(45.1)**	**47.6**	**(445.1)**
Balance sheet						
Segment assets	**5,522.2**	**20,417.1**	**1,490.1**	**992.3**	**49.6**	**28,471.3**
Segment liabilities	**313.8**	**890.5**	**256.4**	**160.9**	**9.8**	**1,631.4**
Net financial surplus (debt)	**(3,263.8)**	**(10,667.2)**	**(856.6)**	**(580.4)**	**(1,598.6)**	**(16,966.6)**
Employees at 31 December 2007	**1,998**	**7,267**	**5,404**	**1,199**	**4**	**15,872**

(*) Restated in accordance with the change of accounting policy described in Note A.1.3 "Change of accounting policy: IFRIC 12 Service Concession Arrangements".
(**) On a 100% basis.
(**) Including €582.9 million of intra-group revenue of the contracting divisions from work for the concession operating companies.
(***) % determined solely on revenue from tolls and other services.

4. Segment information by geographical segment

(in € millions)	France	Germany	United Kingdom	Central and Eastern Europe(*)	Belgium	Spain	Other European countries	Europe	North America	Rest of world	Total
31 December 2008											
Segment assets	37,668.3	743.9	868.2	897.2	862.2	428.5	1,210.7	42,678.9	466.9	2,134.6	**45,280.4**
Net investments in operating assets, concession assets and PPP contracts	(1,574.1)	(75.4)	(29.5)	(50.6)	(59.6)	(20.4)	(53.2)	(1,862.8)	(40.2)	(212.2)	**(2,115.3)**
Employees at 31 December 2008	92,717	8,673	8,756	14,729	6,413	2,835	4,891	139,014	6,133	18,910	**164,057**
31 December 2007											
Segment assets	36,847.0	655.5	911.0	954.9	941.2	430.0	1,282.6	42,022.2	389.6	1,450.5	**43,862.3**
Net investments in operating assets, concession assets and PPP contracts	(1,581.3)	(51.8)	(13.8)	(38.8)	(53.2)	(4.2)	(50.6)	(1,793.5)	(46.3)	(124.2)	**(1,964.0)**
Employees at 31 December 2007	90,116	8,795	8,868	11,653	5,748	3,356	7,557	136,093	4,821	17,714	**158,628**

(*) Albania, Belarus, Bosnia-Herzegovina, Bulgaria, Croatia, Czech Republic, Hungary, Latvia, Lithuania, Macedonia, Moldova, Poland, Romania, Russia, Serbia-Montenegro, Slovakia, Slovenia and Ukraine..

D. Notes to the income statement

5. Operating profit

(in € millions)	31/12/2008	31/12/2007(*)
Revenue	**33,930.3**	**30,874.3**
including:		
Revenue – excluding construction by third parties of new infrastructure under concession	*33,457.8*	*30,337.9*
Revenue realised by concession operators for the construction of new infrastructure by third parties (**)	*472.5*	*536.4*
Revenue from ancillary activities	**216.1**	**238.9**
Purchases consumed	(8,257.8)	(7,214.9)
External services	(4,028.8)	(3,556.7)
Temporary employees	(977.5)	(968.2)
Subcontracting	(7,136.6)	(6,680.1)
Construction costs of concession operating companies	(472.2)	(536.4)
Taxes and levies	(844.9)	(820.9)
Employment costs	(7,202.4)	(6,449.1)
Other operating income and expenses	58.3	96.6
Depreciation and amortisation(***)	(1,730.1)	(1,582.8)
Net provision charges(****)	(176.6)	(283.2)
Operating expenses	**(30,768.7)**	**(27,995.7)**
Operating profit from ordinary activities	**3,377.8**	**3,117.5**
Share-based payment expense (IFRS 2)	(103.5)	(117.6)
Goodwill impairment expense	(22.2)	(6.0)
Profit / (loss) of associates	23.8	16.7
Operating profit	**3,275.9**	**3,010.7**

(*) Restated in accordance with the change of accounting policy described in Note A.1.3 "Change of accounting policy: IFRIC 12 Service Concession Arrangements".
(**) See change of accounting policy described in Note A.1.3 "Change of accounting policy: IFRIC 12 Service Concession Arrangements".
(***) Including reversals of depreciation and amortisation relating to investment grants.
(****) Comprises expenses and reversals of non-current provisions (see note E.20.2 "Other non-current provisions") and of current provisions (see note E.21.3 "Breakdown of current provisions")

Operating profit from ordinary activities measures the operating performance of the Group's subsidiaries before the effects of share-based payments (IFRS 2), goodwill impairment losses and profit or loss of associates.
It was €3,377.8 million at 31 December 2008 (10.1% of revenue excluding revenue from construction of new infrastructure) compared with €3,117.5 million at 31 December 2007 on a comparable basis (10.3% of revenue excluding revenue from construction of new infrastructure), up 8.3%. This change includes the positive effects of non-recurrent items for €85 million, principally the impact of the negotiations about medical expense insurance at ASF and Escota for €120 million (see Note E.20.2 *"Other non-current provisions"*).

Operating profit, after taking account of share-based payment expenses, goodwill impairment losses and the profit or loss of associates, amounted to €3,275.9 million at 31 December 2008 (9.8% of revenue excluding revenue from construction of new infrastructure) compared with €3,010.7 million at 31 December 2007 (9.9% of revenue excluding revenue from construction of new infrastructure), an increase of 8.8%. This change includes the positive effects of non-recurrent items for €85 million, principally the impact of the negotiations about medical expense insurance at ASF and Escota for €120 million (see Note E.20.2 "Other non-current provisions").

5.1 Other operating income and expenses

(in € millions)	31/12/2008	31/12/2007
Net gains or losses on disposal of property, plant and equipment and intangible assets	51.6	57.0
Share in operating profit or loss of joint ventures	9.8	31.1
Other	(3.1)	8.5
Total	**58.3**	**96.6**

5.2 Depreciation and amortisation

Net depreciation and amortisation breaks down as follows:

(in € millions)	31/12/2008	31/12/2007(*)
Concession intangible assets	(933.4)	(862.9)
Intangible assets	(35.6)	(31.4)
Property, plant and equipment	(757.7)	(684.6)
Investment property	(3.4)	(3.8)
Depreciation and amortisation	**(1,730.1)**	**(1,582.8)**

(*) Restated in accordance with the change of accounting policy described in Note A.1.3 "Change of accounting policy: IFRIC 12 Service Concession Arrangements".

5.3 Share-based payments

The expense relating to benefits granted to employees has been assessed at €103.5 million in respect of 2008 (compared with €117.6 million at 31 December 2007), of which €64.4 million was in respect of performance share plans (compared with €32.1 million at 31 December 2007) (see Note E.19 "*Share-based payments*").

6. Financial income and expenses

(in € millions)	31/12/2008	31/12/2007(*)
Cost of gross financial debt	(1,043.2)	(1,006.5)
Financial income from cash management investments	179.8	195.5
Cost of net financial debt	**(863.3)**	**(811.0)**
Other financial income	256.0	199.5
Other financial expenses	(199.0)	(80.1)
Other financial income and expenses	**57.0**	**119.4**

(*) Restated in accordance with the change of accounting policy described in Note A.1.3 "Change of accounting policy: IFRIC 12 Service Concession Arrangements".

The cost of net financial debt amounted to €863.3 million at 31 December 2008 compared with €811 million at 31 December 2007.

Other financial income and expense amounted to net income of €57 million at 31 December 2008, compared with €119.4 million at 31 December 2007.

Other financial income includes in particular capitalised borrowing costs on concession infrastructure assets under construction for €132.3 million at 31 December 2008 (including €91.9 million for Cofiroute, €18.3 million for Arcour, and €18.6 million for ASF), compared with €132.7 million at 31 December 2007, and gains on disposal of shares for €72.8 million (including €25.9 million on the sale of shares in Grana y Montero, €14 million on the sale of shares in Hídépitö and €12 million on the sale of shares in VINCI Park Hong Kong).

Other financial expenses include in particular impairment losses on available-for-sale assets of €99.2 million (including an impairment loss of €98.3 million on shares in ADP, recognised in the income statement) and the effects of discounting to present value for €41 million.

The breakdown of financial income and expenses by accounting category and financial assets and liabilities is as follows:

	31/12/2008		
(in € millions)	Cost of net financial debt	Other financial income and expenses	Equity
Liabilities at amortised cost	(1,016.1)		
Assets and liabilities at fair value through profit or loss (fair value option)	180.4		
Derivatives designated as hedges: assets and liabilities	(6.6)		(291.2)
Derivatives at fair value through profit or loss (trading): assets and liabilities	(21.1)		
Loans and receivables		(5.4)	
Available-for-sale financial assets		(21.8)(*)	9.5
Foreign exchange gains and losses		(9.7)	
Effect of discounting to present value		(42.0)	
Borrowing costs capitalised or in inventory		135.9	
Total financial income and expenses	**(863.3)**	**57.0**	**(281.7)**
of which			
Concessions	*(744.0)*	*127.4*	*(280.1)*
Other business lines	*63.0*	*23.4*	*(5.0)*
Holding companies	*(182.3)*	*(93.8)*	*3.4*

(*) Including impairment loss on shares in ADP (see above) and gains on disposal of shareholdings.

	31/12/2007(*)		
(in € millions)	Cost of net financial debt	Other financial income and expenses	Equity
Liabilities at amortised cost	(1,000.3)		
Assets and liabilities at fair value through profit or loss (fair value option)	195.5		
Derivatives designated as hedges: assets and liabilities	6.2		51.6
Derivatives at fair value through profit or loss (trading): assets and liabilities	(12.4)	(16.3)	
Loans and receivables		1.5	
Available-for-sale financial assets		45.9	3.6
Foreign exchange gains and losses		0.5	
Effect of discounting to present value		(47.9)	
Capitalised borrowing costs		135.6	
Total financial income and expenses	**(811.0)**	**119.4**	**55.2**
of which			
Concessions	*(681.1)*	*116.9*	*71.7*
Other business lines	*70.1*	*21.8*	*0.2*
Holding companies	*(200.0)*	*(19.3)*	*(16.7)*

(*) Restated in accordance with the change of accounting policy described in Note A.1.3 "Change of accounting policy: IFRIC 12 Service Concession Arrangements".

The effect of discounting to present value relates mainly to provisions for retirement benefit obligations for €34.8 million at 31 December 2008 (€33.9 million at 31 December 2007) and to provisions for the obligation to maintain concession assets in a good state of repair, for €8.6 million at 31 December 2008 (€11.9 million at 31 December 2007).

Gains and losses on derivative financial instruments allocated to financial debt (and designated as hedges) breaks down as follows:

(in € millions)	31/12/2008	31/12/2007
Net interest on derivatives designated as fair value hedges	(7.4)	6.3
Change in value of derivatives designated as fair value hedges	119.1	(25.5)
Change in value of the adjustment to fair value hedged financial debt	(121.9)	24.7
Reserve reversed through profit or loss in respect of cash flow hedges	7.5	0.6
Ineffectiveness of cash flow hedges	(3.9)	0.1
Gains and losses on derivative instruments allocated to net financial debt	**(6.6)**	**6.2**
of which		
Concessions	*3.4*	*8.4*
Other business lines	*0.6*	*(0.2)*
Holding companies	*(10.6)*	*(1.9)*

7. Income tax

The income tax expense amounted to €770.5 million at 31 December 2008, against €741.2 million at 31 December 2007.

7.1 Analysis of net tax expense

(in € millions)	31/12/2008	31/12/2007(*)
Current tax	(647.4)	(795.7)
Deferred tax	(123.1)	54.5
including temporary differences, for	*(126.6)*	*57.0*
including tax losses and tax credits, for	*3.5*	*(2.5)*
Total	**(770.5)**	**(741.2)**

(*) Restated in accordance with the change of accounting policy described in Note A.1.3 "Change of accounting policy: IFRIC 12 Service Concession Arrangements"

The tax expense for the year comprises:
- the tax expense recognised by the French subsidiaries for €656.1 million (compared with €622.2 million in 2007), including €178.8 million in Cofiroute (against €175.7 million in 2007) and €322.9 million in VINCI SA, the lead company in the tax consolidation group that comprises 855 French subsidiaries (against €505.1 million in 2007).
- the tax expense recognised by foreign subsidiaries for €114.4 million (against €119.0 million in 2007).

7.2 Effective tax rate

The effective tax rate was 31.5% in 2008 compared with 32.2% in 2007.

This rate is lower than the theoretical tax rate of 34.43% (the standard tax rate in force in France), mainly because of taxation at lower rates of some foreign subsidiaries. The difference between the tax calculated using the standard tax rate in force in France and the amount of tax effectively recognised in the year can be analysed as follows:

(in € millions)	31/12/2008	31/12/2007(*)
Profit before tax, profit or loss of associates and discontinued operations (halted, sold)	2,445.8	2,302.3
Theoretical tax rate in France	34.43%	34.43%
Theoretical tax expense expected	**(842.1)**	**(792.7)**
Goodwill impairment expense	(7.5)	(2.7)
Impact of taxes due on income taxed at lower rate in France	4.6	3.3
Impact of tax loss carryforwards and other unrecognised or previously capped temporary differences	(2.2)	10.5
Difference in tax rates on foreign profit or loss	62.6	37.3
Permanent differences and miscellaneous	14.1	3.3
Tax expense recognised	**(770.5)**	**(741.2)**
Effective tax rate	31.50%	32.19%
Effective tax rate excluding impact of share-based payments, goodwill impairment losses and profit or loss of associates	29.96%	30.55%

(*) Restated in accordance with the change of accounting policy described in Note A.1.3 "Change of accounting policy: IFRIC 12 Service Concession Arrangements".

A previously unrecognised deferred tax asset of €20.8 million, relating to carryforward tax losses and previous tax credits, has been recognised during the year as a gain.

The permanent differences shown in the effective tax reconciliation include the effects related to the fact that some of the components of the share-based payment expense are non tax-deductible. Such non-deductible items amounted to –€3.9 million at 31 December 2008 (–€8.9 million at 31 December 2007).

7.3 Breakdown of deferred tax assets and liabilities

(in € millions)	31/12/2008	Changes: Profit or loss	Changes: Equity	Changes: Other	31/12/2007(*)
Deferred tax assets					
Carryforward tax losses and tax credits	240.6	8.6		6.9	225.1
Retirement benefit obligations	177.7	(20.1)		8.4	189.4
Temporary differences on provisions	293.1	(152.3)		36.9	408.5
Fair value adjustment on financial instruments	89.2	2.9	81.9	(19.5)	23.9
Finance leases	28.4	3.7		5.1	19.6
Other	282.7	(14.3)	0.6	4.9	291.5
Netting of deferred tax assets and liabilities by tax jurisdiction	(669.1)			77.3	(746.4)
Total	**442.6**	**(171.6)**	**82.5**	**120.0**	**411.7**
Deferred tax liabilities					
Remeasurement of assets(**)	(2,855.8)	65.2		(56.7)	(2,864.4)
Finance leases	(41.3)	(6.3)		(7.3)	(27.7)
Fair value adjustment on financial instruments	(12.2)	0.8	3.0	23.6	(39.6)
Other	(238.3)	(9.1)	0.1	(0.8)	(228.5)
Netting of deferred tax assets and liabilities by tax jurisdiction	669.1			(77.3)	746.4
Total	**(2,478.5)**	**50.7**	**3.1**	**(118.5)**	**(2,413.7)**
Net deferred tax asset or liability before impairment losses	**(2,035.9)**	**(120.9)**	**85.5**	**1.5**	**(2,002.0)**
Capping	(298.8)	(2.2)		2.8	(299.4)
Net deferred tax	**(2,334.7)**	**(123.1)**	**85.5**	**4.3**	**(2,301.4)**

(*) Restated in accordance with the change of accounting policy described in Note A.1.3 "Change of accounting policy: IFRIC 12 Service Concession Arrangements".
(**) Including a fair value adjustment on the assets and liabilities of ASF on first consolidation: of –€2,112.0 million at the balance sheet date of which the impact on profit or loss for the year is +€92.4 million.

7.4 Unrecognised deferred taxes

At 31 December 2008, deferred tax assets that are unrecognised on the grounds that their recovery is not probable amounted to €298.8 million. Of this, €73.8 million relates to the German subsidiaries, in respect of their carryforward tax losses. As the German subsidiaries are again profitable, VINCI has, on the basis of the forecasted 2009 results, recognised a deferred tax asset of €9 million.

8. Earnings per share

Earnings per share is calculated on the basis of the weighted average number of shares outstanding during the year, less the weighted average number of treasury shares.

Diluted earnings per share is calculated on the basis of the weighted average number of shares that would have been outstanding had all potentially dilutive instruments (in particular share subscription or purchase options and performance shares) been converted into shares. Earnings are also adjusted as necessary for changes in income and expenses resulting from the conversion into shares of all potentially dilutive instruments.

The dilution resulting from the exercise of share subscription and purchase options and from performance shares is determined using the method defined in IAS 33.

Earnings per share

The tables below show the reconciliation between earnings per share and diluted earnings per share:

31/12/2008	Net profit *(in € millions)*	Average number of shares	Earnings per share *(in euros)*
Total shares		**491,488,410**	
Treasury shares		(21,375,884)	
Basic earnings per share	**1,591.4**	**470,112,526**	**3.39**
Share subscription options		7,597,814	
Share purchase options		832,478	
Group savings scheme		69,399	
Performance shares		3,488,384	
Diluted earnings per share	**1,591.4**	**482,100,601**	**3.30**

31/12/2007	Net profit *(in € millions)*	Average number of shares	Earnings per share *(in euros)*
Total shares		**480,826,874**	
Treasury shares		(16,027,097)	
Basic earnings per share	**1,455.0(*)**	**464,799,777**	**3.13(*)**
Share subscription options		14,321,736	
Share purchase options		2,235,903	
Group savings scheme		387,291	
Performance shares		2,129,015	
Diluted earnings per share(*)	**1,455.0(*)**	**483,873,722**	**3.01(*)**

(*) Restated in accordance with the change of accounting policy described in Note A.1.3 "Change of accounting policy: IFRIC 12 Service Concession Arrangements".

Diluted earnings per share, calculated above, does not take account of the use of hedging financial instruments by VINCI to hedge the dilutive effect of share subscription or purchase plans, or performance shares. (See Note E.18.2 "*Treasury shares*").

E. Notes to the balance sheet

9. Concession intangible assets

9.1 Main features of concession contracts

The features of the main concessions contracts accounted for using the intangible asset model and operated by consolidated subsidiaries are as follows:

	Control and regulation of prices by concession grantor	Remuneration paid by	Grant or guarantee from concession grantor	Residual value	Concession end date or average duration	Consolidation method	Accounting model
Motorways							
Cofiroute							
Intercity toll motorway network in France (1,100 km)	Pricing law as defined in the concession contract. Price increases subject to agreement by grantor.	Users	Nil	Infrastructure returned to grantor for no consideration at the end of the contract, unless purchased by the grantor on the basis of the economic value.	End of contract in 2030	Full consolidation	Intangible asset
A86 France (two toll tunnels under construction)	Pricing law as defined in the concession contract. Price increases subject to agreement by grantor.	Users	Nil	Infrastructure returned to grantor for no consideration at the end of the contract, unless purchased by the grantor on the basis of the economic value.	End of contract: 70 years after complete entry into service of asset	Full consolidation	Intangible asset
ASF Group							
ASF - France (2,714 km of toll motorways, including 81 km under construction)	Pricing law as defined in the concession contract. Price increases subject to agreement by grantor.	Users	Nil	Infrastructure returned to grantor for no consideration at the end of the contract, unless purchased by the grantor on the basis of the economic value.	End of contract in 2032	Full consolidation	Intangible asset
Escota - France (459 km of toll motorways)	Pricing law as defined in the concession contract. Price increases subject to agreement by grantor.	Users	Nil	Infrastructure returned to grantor for no consideration at the end of the contract, unless purchased by the grantor on the basis of the economic value.	End of contract in 2026	Full consolidation	Intangible asset
Other concessions							
Arcour (A19) France 101 km toll motorway, under construction	Pricing law as defined in the concession contract. Price increases subject to agreement by grantor.	Users	Investment grant	Infrastructure returned to grantor at end of concession for no consideration.	End of contract in 2070	Full consolidation	Intangible asset
A-Modell "A4 Horselberg" 45 km motorway, under construction	Inflation-linked price increases based on the 2007 tolls level (excluding increases decided by the grantor).	Heavy vehicle road users, through the grantor	Nil	Infrastructure returned to grantor at end of concession for no consideration.	End of contract in 2037	Proportionate consolidation	Intangible asset

	Control and regulation of prices by concession grantor	Remuneration paid by	Grant or guarantee from concession grantor	Residual value	Concession end date or average duration	Consolidation method	Accounting method
Parking							
VINCI Park Approximately 368,305 parking spaces under concession; France, other European countries	Indexed price ceilings set in contracts.	Users / Grantor's guarantee	If applicable, grants for equipment or operating grants and/ or revenue guarantees, paid by grantor	Nil	25 years (average remaining period of concession contracts)	Full consolidation	Intangible asset and/or financial asset
Bridges							
Gefyra Toll bridge in the Gulf of Corinth, between Rion and Antirion (Greece)	Pricing law as defined in the concession contract. Price increases linked to price index and subject to agreement by grantor.	Users	Grant for construction paid by grantor	Infrastructure returned to grantor at the end of the contract for no consideration.	End of contract in 2039	Full consolidation	Intangible asset
Tunnel							
Tunnel Prado Sud Toll tunnel, 1,500m	Pricing law as defined in the concession contract. Price increases subject to agreement by grantor.	Users	Grant limited to network diversion work	Infrastructure returned to grantor at the end of the contract for no consideration.	End of contract in 2054	Proportionate consolidation	Intangible asset
Airports							
SCA (Cambodia) Phnom Penh, Siem Reap and Sihanoukville airports	Pricing law as defined in the concession contract. Price increases subject to agreement by grantor.	Users	Share in grantor's profits	Infrastructure returned to grantor at the end of the contract for no consideration.	End of contract in 2040	Proportionate consolidation	Intangible asset
Stadiums							
Consortium Stade de France	No	Organiser of event and/or final customer	Investment grant + compensation for absence of resident club + profit-sharing agreement with grantor	Infrastructure returned to grantor at the end of the contract for no consideration.	End of contract in 2025	Proportionate consolidation	Intangible asset
Stade du Mans	Price schedule approved by the grantor.	Ticket sales + resident club payments + miscellaneous revenue	Investment grant and operating grant	Infrastructure returned to grantor at the end of the contract for no consideration.	End of contract in 2043	Full consolidation	Intangible assets / financial asset

9.2 Commitments made under concession contracts – intangible asset model

Contractual investment and renewal obligations

Under their concession contracts, Group subsidiaries have undertaken to carry out investments in the infrastructure that they will operate as concession operators. The corresponding assets break down as follows:

(in € millions)	31/12/2008	31/12/2007
ASF	3,473	2,990
including Lyons to Balbigny, for	*1,149*	*900*
Cofiroute	770	809
including intercity network, for	*294*	*444*
including A86, for	*226*	*366*
Arcour	98	385
Other	324	147
Total	**4,665**	**4,330**

These amounts do not include maintenance expenditure on infrastructure operated under concessions.

The investments by ASF, Escota, Cofiroute and Arcour are financed by drawings on their available credit facilities, by taking out new loans from the European Investment Bank (EIB) and by issuing bonds on the market.

Collateral security connected with the financing of concessions

Some concession operating companies have given collateral securities to guarantee the financing of their investments in concession infrastructure. These break down as follows:

(in € millions)	Start date	End date	Amount
VINCI Park	2006	2026	498(*)
Gefyra (Rion-Antirion bridge - Greece)	2001	2029	347
Arcour	2008	2045	532
VIA Solutions (A4 Horselberg)	2007	2035	48
Morgan VINCI Ltd (Newport bypass - United Kingdom)	2002	2040	32
Other concession operating companies			50

(*) Shares in subsidiaries pledged to guarantee a loan of €500 million taken out at the end of June 2006.

Furthermore, ASF Holding, which owns 23% of ASF, has pledged its shareholding to guarantee a seven-year loan of €1.2 billion taken out with a syndicate of banks in 2006.

This finance is without recourse against VINCI SA.

9.3 Breakdown of concession intangible assets by type of infrastructure

(in € millions)	Motorways(*)	Car parks	Other infrastructure	Total VINCI Concessions	Other Concessions(**)	Total
Gross						
1/1/2007(***)	**23,306.6**	**1,159.1**	**648.6**	**25,114.3**	**15.3**	**25,129.6**
Acquisitions as part of business combinations		5.2		5.2		5.2
Other acquisitions in the year	893.0	23.8	328.8	1,245.6		1,245.6
Disposals and retirements during the year	(2.6)	(18.3)		(20.9)		(20.9)
Currency translation differences		(3.6)	(8.1)	(11.7)		(11.7)
Other movements	6.4	(1.8)		4.6	(10.2)	(5.6)
	24,203.4	**1,164.3**	**969.3**	**26,337.0**	**5.1**	**26,342.2**
Grants received	(25.7)		(22.1)	(47.8)		(47.8)
31/12/2007(***)	**24,177.7**	**1,164.3**	**947.2**	**26,289.2**	**5.1**	**26,294.4**
Acquisitions in the year	727.4	34.2	377.7	1,139.3	2.1	1,141.4
Disposals and retirements during the year	(2.1)	(1.7)		(3.8)		(3.8)
Currency translation differences		(5.8)	4.8	(1.0)		(1.0)
Other movements	(51.5)	(12.7)	135.3	71.1	3.6	74.8
	24,851.5	**1,178.2**	**1,465.0**	**27,494.8**	**10.9**	**27,505.7**
Grants received	(2.8)		(31.2)	(34.0)		(34.0)
31/12/2008	**24,848.7**	**1,178.2**	**1,433.8**	**27,460.8**	**10.9**	**27,471.7**
Amortisation and impairment losses						
1/1/2007(***)	**(1,012.1)**	**(459.5)**	**(92.1)**	**(1,563.7)**	**(6.2)**	**(1,569.9)**
Amortisation for the year	(830.8)	(37.4)	(16.3)	(884.5)		(884.5)
Impairment losses		(0.6)		(0.6)		(0.6)
Reversals of impairment losses		0.2		0.2		0.2
Disposals and retirements during the year	1.9	14.1		16.0		16.0
Currency translation differences		1.1	2.2	3.3		3.3
Other movements	3.7	2.5		6.2	3.6	9.8
31/12/2007(***)	**(1,837.3)**	**(479.5)**	**(106.2)**	**(2,423.0)**	**(2.6)**	**(2,425.6)**
Amortisation for the year	(882.3)	(36.7)	(21.9)	(941.0)	(0.2)	(941.1)
Impairment losses		(1.3)	(3.5)	(4.8)		(4.8)
Reversals of impairment losses		0.4	1.3	1.7		1.7
Disposals and retirements during the year	1.1	1.6		2.7		2.7
Currency translation differences		2.9	(1.4)	1.5		1.5
Other movements	2.0	(0.1)	(46.4)	(44.4)	(2.4)	(46.8)
31/12/2008	**(2,716.5)**	**(512.6)**	**(178.2)**	**(3,407.3)**	**(5.2)**	**(3,412.5)**
Net						
1/1/2007(***)	**22,294.4**	**699.6**	**556.5**	**23,550.6**	**9.1**	**23,559.7**
31/12/2007(***)	**22,340.4**	**684.8**	**841.0**	**23,866.2**	**2.5**	**23,868.7**
31/12/2008	**22,132.2**	**665.6**	**1,255.6**	**24,053.5**	**5.7**	**24,059.2**

(*) Including the A86.
(**) Mainly communication network concession contracts managed by VINCI Construction.
(***) Restated in accordance with the change of accounting policy described in Note A.1.3 "Change of accounting policy: IFRIC 12 Service Concession Arrangements".

The investments made in new concession projects during the year amounted to €1,009.1 million compared with €1,129 million in 2007. They included the investments by Cofiroute for €272.4 million (compared with €431 million in 2007), and by the ASF Group for €344.5 million (compared with €352.8 million in 2007).

Borrowing costs included in the cost of concession assets in 2008 before their entry into service amounted to €132.3 million (of which €91.9 million related to Cofiroute, €18.6 million to the ASF Group and €18.3 million to Arcour).

Concession fixed assets in progress amounted to €3,028.5 million at 31 December 2008, of which €1,634.2 million related to Cofiroute (including €1,603 million for the A86), €535.2 million to the ASF Group and €711.1 million to Arcour.

10. Goodwill

Changes in the year were as follows:

(in € millions)	31/12/2008	31/12/2007
Net at the beginning of the year	**3,382.5**	**2,636.5**
Goodwill recognised during the year	288.7	770.6
Impairment losses	(22.2)	(6.0)
Currency translation differences	(73.7)	(18.5)
Entities no longer consolidated	(2.7)	(6.5)
Other movements	6.3	6.4
Net at the end of the year	**3,578.9**	**3,382.5**

The main items of goodwill at 31 December 2008 were as follows:

	31/12/2008			31/12/2007
(in € millions)	**Gross**	**Impairment losses**	**Net**	**Net**
ASF Group	1,934.7		1,934.7	1,934.7
VINCI Park (formerly Sogeparc and Finec)	343.3		343.3	343.3
Entrepose Contracting	200.9		200.9	201.5
Solétanche Bachy	179.0		179.0	169.7
Nuvia (formerly Nukem)	119.2		119.2	155.4
ETF	105.3		105.3	
Taylor Woodrow Construction	80.2		80.2	
Etavis	75.9		75.9	76.0
Other goodwill items individually less than €50 million(*)	603.3	(62.9)	540.4	501.9
Total	**3,641.8**	**(62.9)**	**3,578.9**	**3,382.5**

(*) Net value for individual entities, in each of the two years.

The impairment tests performed in the year resulted in recognition of an impairment loss in respect of the goodwill in Euromark for €20 million.

11. Other intangible assets

(in € millions)	Software	Patents, licences and other	Total
Gross			
1/1/2007	**186.4**	**157.3**	**343.8**
Acquisitions as part of business combinations	9.3	35.0	44.3
Other acquisitions in the year	15.0	16.9	31.9
Disposals and retirements during the year	(11.2)	(1.8)	(13.0)
Currency translation differences	(0.3)	(0.7)	(1.0)
Other movements	16.1	(20.0)	(3.9)
31/12/2007	**215.3**	**186.8**	**402.1**
Acquisitions as part of business combinations	0.5	40.0	40.5
Other acquisitions in the year	17.1	23.7	40.9
Disposals and retirements during the year	(8.1)	(8.0)	(16.1)
Currency translation differences	(1.1)	(10.4)	(11.5)
Other movements	6.2	(13.2)	(6.9)
31/12/2008	**230.0**	**218.9**	**449.0**
Amortisation and impairment losses			
1/1/2007	**(143.8)**	**(71.6)**	**(215.4)**
Cumulative amortisation recognised as part of business combinations	(7.4)	(13.8)	(21.1)
Amortisation for the year	(22.5)	(8.9)	(31.4)
Impairment losses		(0.1)	(0.1)
Reversals of impairment losses		0.2	0.2
Disposals and retirements during the year	6.0	2.4	8.3
Currency translation differences	0.2	0.2	0.4
Other movements	(2.0)	0.6	(1.4)
31/12/2007	**(169.5)**	**(91.0)**	**(260.5)**
Cumulative amortisation recognised as part of business combinations	(0.5)	(0.2)	(0.7)
Amortisation for the year	(24.5)	(11.0)	(35.6)
Impairment losses	(0.1)	(0.1)	(0.2)
Reversals of impairment losses	0.0	0.1	0.1
Disposals and retirements during the year	6.9	7.9	14.8
Currency translation differences	0.7	0.7	1.4
Other movements	3.9	5.2	9.0
31/12/2008	**(183.0)**	**(88.6)**	**(271.6)**
Net			
1/1/2007	**42.5**	**85.8**	**128.3**
31/12/2007	**45.8**	**95.8**	**141.6**
31/12/2008	**47.0**	**130.3**	**177.3**

12. Property, plant and equipment

(in € millions)	Concession operating fixed assets	Land	Buildings	Plant, equipment and fixtures	Total
Gross					
1/1/2007(*)	**2,649.1**	**405.1**	**884.0**	**4,337.0**	**8,275.1**
Acquisitions as part of business combinations	0.1	18.9	91.0	650.0	760.0
Other acquisitions in the year	212.7	22.2	157.3	665.3	1,057.5
Disposals and retirements during the year	(58.8)	(14.4)	(45.9)	(344.0)	(463.2)
Currency translation differences		0.3	(2.0)	(32.5)	(34.2)
Other movements	(4.0)	(9.0)	(88.3)	1.0	(100.4)
31/12/2007(*)	**2,799.0**	**422.9**	**996.2**	**5,276.8**	**9,495.0**
Acquisitions as part of business combinations		18.4	45.5	185.1	249.0
Other acquisitions in the year	235.7	27.3	202.6	723.2	1,188.9
Disposals and retirements during the year	(67.2)	(7.3)	(24.9)	(356.4)	(455.8)
Currency translation differences	0.3	(7.0)	(8.7)	(79.8)	(95.1)
Other movements	(81.6)	4.5	(109.6)	57.8	(128.8)
31/12/2008	**2,886.3**	**459.0**	**1,101.1**	**5,806.6**	**10,253.1**
Depreciation and impairment losses					
1/1/2007(*)	**(1,345.4)**	**(77.0)**	**(348.2)**	**(2,878.1)**	**(4,648.9)**
Cumulative depreciation recognised as part of business combinations	(0.1)	(1.0)	(26.2)	(422.9)	(450.2)
Other depreciation for the year	(140.4)	(8.8)	(38.7)	(483.8)	(671.8)
Impairment losses	(0.2)	(2.3)	(0.9)	(4.8)	(8.2)
Reversals of impairment losses	4.9	1.7	1.2	3.2	11.0
Disposals and retirements during the year	47.7	3.9	21.8	311.7	385.1
Currency translation differences		(0.5)	0.3	17.8	17.6
Other movements	(0.5)	3.9	1.0	55.5	59.9
31/12/2007(*)	**(1,434.1)**	**(80.2)**	**(389.8)**	**(3,401.4)**	**(5,305.5)**
Cumulative depreciation recognised as part of business combinations		(0.1)	(7.5)	(116.7)	(124.4)
Other depreciation for the year	(136.5)	(9.5)	(43.8)	(568.5)	(758.3)
Impairment losses	(0.3)	(3.0)	(0.8)	(7.2)	(11.3)
Reversals of impairment losses	0.5	0.3	0.7	2.1	3.4
Disposals and retirements during the year	64.1	2.4	14.4	331.2	412.1
Currency translation differences	(0.1)	1.3	2.9	42.0	46.1
Other movements	46.6	(3.0)	3.0	21.1	67.7
31/12/2008	**(1,459.8)**	**(91.9)**	**(421.0)**	**(3,697.4)**	**(5,670.2)**
Net					
1/1/2007(*)	**1,303.6**	**328.0**	**535.7**	**1,458.9**	**3,626.3**
31/12/2007(*)	**1,365.0**	**342.7**	**606.4**	**1,875.4**	**4,189.5**
31/12/2008	**1,426.5**	**367.1**	**680.1**	**2,109.2**	**4,582.9**

(*) Restated in accordance with the change of accounting policy described in Note A.1.3 "Change of accounting policy: IFRIC 12 Service Concession Arrangements".

This item includes assets under construction not yet in service for €567.2 million at 31 December 2008 (compared with €438.6 million at 31 December 2007).

At 31 December 2008, assets acquired under finance leases amounted to €213.6 million compared with €142.1 million at 31 December 2007. They are mainly related to property used in operations. The payments relating to these assets are shown in Note E.22.1 "Detail of long-term financial debt".

13. Impairment tests on goodwill and other non-financial assets

In accordance with IAS 36 *Impairment of Assets*, goodwill and other non-financial assets have been tested for goodwill at 31 December 2008.

The value in use of cash-generating units is determined on the basis of activity (concession, construction, energy and roads) and country, by discounting the forecasted operating cash flows before tax (operating profit plus depreciation and amortisation plus non-current provisions less operating investments less change in operating WCR), at the rates below.

In the case of concessions, forecasted cash flows are determined across the length of contracts by applying a variable discount rate, determined for each period depending on the debt to equity ratio.

For the other cash-generating units, forecasted cash flows are generally determined on the basis of the latest three-year plans available. For periods beyond the three-year period, cash flows are extrapolated until the fifth year, generally using a growth rate based on management's assessment of the outlook for the entity under consideration.
Beyond the fifth year, the terminal value is determined by capitalising cash flows to infinity.

13.1 Impairment tests on goodwill

Goodwill was tested for impairment using the following assumptions:

	Carrying amount of goodwill at 31 December 2008	Parameters of the model applied to cash flow forecasts				Impairment losses recognised in the year	
				Pre-tax discount rate			
(in € millions)		Growth rate (Years Y+1 to Y+5)	Growth rate (terminal value)	31/12/2008	31/12/2007	2008	2007
ASF Group	1,934.7	(*)	(*)	9.49%	9.48%	-	-
VINCI Park	343.3	(*)	(*)	9.08%	8.91%	-	-
Entrepose Contracting	200.9	1.2% to 5.6%	2.0%	10.13%	9.48%	-	-
Solétanche Bachy	179.0	1.2% to 3.4%	1.5%	10.13%	9.48%	-	-
Other goodwill	921.0	0 to 3%	0 to 3%	7.80% to 19.46%	6.8% to 17.7%	(22.2)	(6.0)
Total	**3,578.9**					**(22.2)**	**(6.0)**

(*) Cash flow projections are determined over the length of concessions contracts using an average revenue growth rate of 2.2% for ASF and of 3% for VINCI Park.

The tests performed at 31 December 2008 led to the recognition of impairment losses of €22.2 million compared with €6 million at 31 December 2007.

Sensitivity of the value in use of cash-generating units to the assumptions made

For main goodwill items, the sensitivity of the enterprise value to the assumptions made is shown in the following table:

Sensitivity to interest rates

(in € millions)	ASF		VINCI Park		Entrepose Contracting		Solétanche Bachy	
	0.50%	– 0.50%	0.50%	– 0.50%	0.50%	– 0.50%	0.50%	– 0.50%
Discount rate for cash flows	(1,101.0)	1,188.0	(161.5)	196.1	(14.5)	16.4	(30.0)	33.0
Growth rate to infinity for cash flows	(*)	(*)	(*)	(*)	12.6	(11.1)	25.0	(23.0)

(*) Forecasts of cash flows are determined over the periods of the concession contracts.

At 31 December 2008, an increase (or decrease) of 50 basis points in the assumptions retained would not lead to material impairment (or revaluation) in the Group's consolidated financial statements, as the value in use of the cash-generating units in question is well above their carrying amount.

Sensitivity to cash flows

(in € millions)	ASF		VINCI Park		Entrepose Contracting		Solétanche Bachy	
	5.00%	- 5.00%	5.00%	- 5.00%	5.00%	- 5.00%	5.00%	- 5.00%
Change in forecast pre-tax operating cash flows	975.0	(975.0)	118.0	(118.0)	12.7	(12.7)	26.0	(26.0)

At 31 December 2008, a 5% increase (or decrease) of the forecasted cash flows assumed would not lead to material impairment (or revaluation) in the Group's consolidated financial statements, as the value in use of the cash-generating units in question is well above their carrying amount.

13.2 Impairment of other non-financial assets

At 31 December 2008, the Group has not recognised any impairment losses on other non-financial assets.

14. Investment property

(in € millions)	31/12/2008	31/12/2007
Investment property	42.8	52.6

During the year, investment property generated rental income of €3.3 million and €2.2 million of direct operating expenses.

At 31 December 2008, the estimated fair value of investment property was €65.6 million and the carrying amount was €42.8 million.

15. Investments in associates

15.1 Movements during the year

(in € millions)	31/12/2008	31/12/2007(*)
Value of shares at start of the year	**190.1**	**101.2**
Share capital increases of associates	9.9	7.5
Group share of profit / (loss) for the year	23.8	16.7
including Concessions, for	*11.7*	*3.7*
Dividends paid	(15.6)	(13.3)
Changes in consolidation scope and translation differences	(5.1)	77.1
Net change in fair value of financial instruments	(38.8)	
Reclassifications	1.7	0.9
Value of shares at end of year	**165.9**	**190.1**
including Concessions, for	*37.8*	*57.3*

(*) Restated in accordance with the change of accounting policy described in Note A.1.3 "Change of accounting policy: IFRIC 12 Service Concession Arrangements".

The changes in the year include in particular the post-tax changes in the fair value of financial instruments designated as interest rate hedges for –€38.8 million (including –€23.5 million in respect of Olympia Odos and –€8.9 million in respect of Aegean Motorways).

15.2 Financial information on investments in associates

Investments in associates mainly relate to concession operating companies in which the Group exercises significant influence.

At 31 December 2008, the main financial data relating to investments in concession operating companies recognised under investment in associates was as follows (on a 100% basis):

(in € millions)	Severn River Crossing	Trans Jamaican Highway	SMTPC	Lusoponte	SCDI	Olympia Odos	Olympia Odos Litourgia	Rhôn Express	Aegean Motorways(*)	Coentunnel
% held	35.00%	34.00%	33.29%	30.85%	18.80%	36.00%	36.00%	32.40%	13.75%	27.60%
Financial data (on a 100% basis)										
Revenue	97.8	25.6	33.7	64.6	19.1	84.9	11.0	25.5	177.5	35.5
Attributable to Group	*34.2*	*8.7*	*11.2*	*19.9*	*3.6*	*30.6*	*3.9*	*8.3*	*24.4*	*9.8*
Operating expenses	(97.8)	(10.6)	(15.6)	(16.3)	(10.9)	(69.0)	(10.8)	(25.5)	(159.5)	(34.4)
Operating profit	0.0	15.4	18.1	48.3	8.2	15.9	0.2	0.0	18.0	0.1
Net profit / *(loss)* for the year	0.0	1.7	9.4	11.9	(2.3)	10.8	0.1	(0.7)	12.5	(0.7)
Equity at 31 December 2008		3.3	46.6	17.5	(18.9)	(24.4)	1.0	(6.4)	(37.0)	(26.3)
Equity attributable to Group	**0.0**	**1.1**	**15.5**	**5.4**	**(3.6)**	**(8.8)**	**0.4**	**(2.1)**	**(5.1)**	**(7.3)**
including share of net consolidated profit / (loss) attributable to Group, for	*0.0*	*0.6*	*3.1*	*3.7*	*(0.4)*	*3.9*	*0.0*	*(0.2)*	*1.7*	*(0.2)*
Goodwill net		**6.7**	**15.1**	**10.7**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Value of investments in associates	**0.0**	**7.9**	**30.6**	**16.1**	**(3.6)**	**(8.8)**	**0.4**	**(2.1)**	**(5.1)**	**(4.7)**
Carrying amount of shares in parent company accounts	6.5	6.2	38.1	108.0	0.2	1.8	0.4	0.0	0.7	0.0
Original cost of shares		6.2	27.1	20.2	0.2	1.8	0.4	0.0	0.7	0.0
Fair value of shareholdings (stock market value at December 2008)			39.0							
Other balance sheet information										
Total assets / equity and liabilities	410.7	218.6	138.3	804.0	171.0	429.4	10.0	31.0	309.8	56.5
Net debt at 31 December 2008	(347.9)	198.4	(57.1)	(323.4)	(156.2)	(285.2)	1.6	(17.1)	(178.6)	(66.6)
Shareholder advances and interest-bearing loans (VINCI share)	5.9			2.9		0.0		0.1		

(*) Maliakos Kleidi (formerly Apion Kléos)

16. Other non-current financial assets

(in € millions)	31/12/2008	31/12/2007(*)
Available-for-sale financial assets	302.6	393.5
Loans and receivables at amortised cost	210.0	154.3
including financial assets under PPPs and concessions, for	*116.9*	*64.0*
Fair value of derivative financial instruments (non-current assets)(**)	109.8	72.0
Other non-current financial assets	**622.4**	**619.8**

(*) Restated in accordance with the change of accounting policy described in Note A.1.3 "Change of accounting policy: IFRIC 12 Service Concession Arrangements".
(**) See Note E.23 "Management of financial risks".

Available-for-sale financial assets amounted to €302.6 million at 31 December 2008, compared with €393.5 million at 31 December 2007. These comprise listed shareholdings for €182.9 million (including shares in ADP for €158.4 million) and unlisted shareholdings for €119.8 million, in subsidiaries that do not meet VINCI's minimum financial criteria for consolidation.

Loans and receivables at amortised cost amounted to €210 million at 31 December 2008 compared with €154.3 million at 31 December 2007. They include, in addition to receivables connected with investments in associates and guarantee deposits for €78.9 million, financial receivables connected with concession contracts and Public-Private Partnerships managed by Group subsidiaries for €116.9 million (see Note E.16.2 *"Financial receivables connected with concession and Public-Private Partnership contracts"*).

16.1 Available-for-sale assets, loans and receivables

Available-for-sale assets and loans and receivables at amortised cost break down as follows:

	Available-for-sale financial assets		Loans and receivables at amortised cost			
(in € millions)	Shares in subsidiaries and associates at fair value	Investments in unlisted subsidiaries and associates	Financial assets - PPPs and concessions	Collateralised loans and receivables	Other loans and receivables	Total
1/1/2007(*)	**16.9**	**174.9**	**63.6**	**5.3**	**83.0**	**343.7**
Acquisitions as part of business combinations	0.2	15.2			5.1	20.5
Other acquisitions in the year	227.3	61.0	6.5		20.8	315.6
Fair value adjustment recognised in equity	3.6				0.4	4.0
Impairment losses	(0.5)	(5.6)			(0.3)	(6.4)
Disposals and retirements during the year	(0.3)	(16.2)	(2.0)	(3.6)	(15.2)	(37.2)
Currency translation differences	(0.6)	(0.7)	(4.1)		(2.2)	(7.6)
Other movements	(3.3)	(78.4)	0.0	(1.6)	(1.4)	(84.7)
31/12/2007(*)	**243.2**	**150.2**	**64.0**	**0.1**	**90.2**	**547.8**
Acquisitions as part of business combinations		2.4	0.2		4.7	7.3
Other acquisitions in the year	15.3	16.1	53.7	0.1	16.9	102.0
Fair value adjustment recognised in equity	(5.1)	14.6				9.5
Impairment losses	(67.6)	(8.0)			(3.0)	(78.6)
Disposals and retirements during the year	(1.0)	(2.2)	(5.2)		(47.3)	(55.7)
Currency translation differences	(1.8)	(0.7)	(14.7)		(5.8)	(22.9)
Other movements	(0.1)	(52.8)	18.9	0.3	36.9	3.2
31/12/2008	**182.9**	**119.8**	**116.9**	**0.5**	**92.6**	**512.6**

(*) Restated in accordance with the change of accounting policy described in Note A.1.3 "Change of accounting policy: IFRIC 12 Service Concession Arrangements".

Changes in the year mainly relate to the change in the fair value of the shares in ADP (see Note 6 "*Financial income and expenses*") and the €53.7 million increase of PPP and concessions financial assets, including Sport Partenariat (INSEP) for €12.9 million and Doncaster School Solutions Ltd for €17.7 million.

Loans and receivables measured at amortised cost break down by maturity date as follows:

(in € millions)	31/12/2008	Between 1 and 5 years	After 5 years
Financial assets - PPPs and concessions	116.9	26.6	90.2
Loans and collateralised receivables	0.5		0.5
Other loans and receivables	92.6	53.8	38.8
Loans and receivables at amortised cost	**210.0**	**80.5**	**129.5**

The part at less than one year of other non-current financial assets is included under other current financial assets for €43 million.

The fair value of current derivative financial instruments (assets) forms an integral part of net financial debt (see Note E.22 "*Net financial debt*").

16.2 Financial assets connected with concession and Public-Private Partnership contracts

These receivables relate in particular to VINCI Energies' contracts for public lighting, a VINCI Construction France contract for the provision of renovation and related services for INSEP, the contract for the Newport bypass (Wales) and VINCI Concessions' contract for the Liefkenshoek Tunnel (Belgium).

The features of the main concessions and Public-Private Partnership contracts accounted for using the financial asset model and operated by consolidated subsidiaries are as follows:

	Control and regulation of prices by concession grantor	Remuneration paid by	Grant or guarantee from concession grantor	Residual value	Concession end date or average duration	Consolidation method	Accounting model
Motorways							
Morgan VINCI Ltd Motorway, bypassing Newport, UK (10 km)	Payment depends on availability 67%, traffic 28%, safety 3%, maintenance 2%.	Grantor	Nil	Infrastructure returned to grantor at end of concession for no consideration.	End of contract in 2042	Proportionate consolidation	Financial asset
Railways							
Liefkenshoek Tunnel Liefkenshoek, 16.2 km rail link in the port of Antwerp	Scheduled construction payments by the grantor.	Grantor	Investment grant	Infrastructure returned to grantor at end of concession for no consideration.	End of contract in 2050	Proportionate consolidation	Financial asset
Airport car parking							
Car rental firms' complex at Nice airport	Scheduled construction payments by the grantor + rent paid by car rental companies as set in concession contract.	Grantor and car rental companies	Investment grant and operating grant	Infrastructure returned to grantor at end of concession for no consideration.	End of contract in 2040	Full consolidation	Financial asset
Other							
Public lighting in Rouen	Scheduled contractual payments from grantor.	City of Rouen	Nil	Infrastructure returned to grantor at the end of the contract for no consideration.	End of contract in 2027	Full consolidation	Financial asset
INSEP Rehabilitation, operation, maintenance and hotel management	Scheduled contractual payments from grantor.	French Ministry for Health and Sport	Grant	Infrastructure returned to grantor at the end of the contract for no consideration.	End of contract in 2039	Proportionate consolidation	Financial asset

16.3 Commitments made under concession and PPP contracts – financial asset model

Contractual investment and renewal obligations

Under their concession and PPP contracts, Group subsidiaries have undertaken to carry out investments as follows:

(in € millions)	31/12/2008	31/12/2007
Liefkenshoek Tunnel	301	-
Nice rental car parking facility	32	-
Other	14	-
Total	**347**	**-**

In consideration for these investments, the subsidiaries receive a guarantee of payment from the concession grantor.

17. Construction contracts (contracting divisions)

17.1 Financial information on construction contracts

Costs incurred plus profits recognised less losses recognised, and intermediate invoicing are determined on a contract-by-contract basis. If this amount is positive it is shown on the line "Construction contracts in progress – assets". If negative, it is shown on the line "Construction contracts in progress – liabilities".

(in € millions)	31/12/2008	31/12/2007
Balance sheet data		
Advances and payments on account received	(704.9)	(641.1)
Construction contracts in progress - assets	1,012.8	917.2
Construction contracts in progress - liabilities	(1,997.8)	(1,709.3)
Construction contracts in progress, net	**(985.0)**	**(792.1)**
Total income and expenses to date recognised on contracts in progress		
Costs incurred plus profits recognised, less losses recognised to date	36,062.4	29,435.9
Less invoices issued	(37,047.4)	(30,228.0)
Construction contracts in progress, net	**(985.0)**	**(792.1)**

17.2 Commitments given and received in connection with construction contracts

The Group gives and receives guarantees (personal surety) in connection with its subsidiaries' construction contracts, which break down by type as follows:

	31/12/2008		31/12/2007	
(in € millions)	Given	Received	Given	Received
Performance guarantees	3,326.7	368.1	2,381.0	367.9
Performance bonds	807.7	62.8	926.9	70.3
Retentions	2,359.8	426.9	2,121.5	398.9
Deferred payments to subcontractors	1,344.1	138.3	1,101.3	122.0
Bid bonds	220.9	0.1	192.5	25.6
Deferred payments to suppliers	61.9	157.3	56.9	79.4
Total	**8,121.1**	**1,153.5**	**6,780.1**	**1,064.1**

The 19.8% increase in commitments given should be seen in the light of the substantial increase in the activity of the contracting divisions, in particular the construction division in 2008.

The guarantees given are mainly issued to guarantee construction work in progress. Whenever events such as late completion or disputes concerning the execution of a contract make it likely that a liability covered by a guarantee will materialise, a provision is taken in respect of that liability.

In general, any risk of loss in connection with performance under a commitment given by VINCI or its subsidiaries would result in a provision being recognised in the Group's financial statements, under the rules in force. VINCI therefore considers that the off-balance sheet commitments above are unlikely to have a material impact on Group assets.

It should be remembered that, opposite the commitments given, the Group has an order book of firm orders accepted by customers which undertake, under the contract terms, to pay for work on the basis of progress of work. In connection with their civil engineering and construction activity, Group companies benefit from guarantees given by financial institutions on instruction of their co-contractors or subcontractors or by their parent company.

Lastly, VINCI also grants warranties covering several years in its normal course of business. These warranties, when set up, lead to provisions estimated on a statistical basis having regard to past experience or on an individual basis in the case of any major problems identified. These commitments are therefore not included in the above table.

18. Equity

Capital management policy

In connection with its capital management policy, VINCI has carried out share buyback programmes of which the principal objective has been to offset the dilutive effect of issues of new shares resulting from:
– subscriptions by the Group's employees' Castor unit fund to new issues reserved for them; and
– the exercise of share subscription options by option holders.

The Group regularly purchases its own shares under its share buyback programme authorised by the Shareholders' General Meeting and approved by the French stock market regulator, the AMF. Most of the *"treasury shares"* (see Note E.18.2 "*Treasury shares*") have been retained and either allocated to covering share option and performance share plans or the financing of external growth transactions that may arise in the future, or are being cancelled. A new share buyback programme expiring on 14 November 2009 for 3 million shares was authorised by the Shareholders' General Meeting on 15 May 2008. No shares were bought back in 2008 under this programme other than purchases made under a liquidity contract.

The employees' savings scheme policy implemented through the formation of the Castor fund aims to make it easier for all employees to become VINCI shareholders. The Group estimates that 89,236 employees were VINCI shareholders at 31 December 2008, through the unit funds invested in VINCI shares. This is more than half the total workforce (87% in France). The employees form the largest group of shareholders in the Company, together holding 8.2% of its shares.

At 31 December 2008, neither the Group's consolidated equity nor the parent company's equity was subject to any external constraints in the form of financial covenants.

18.1 Shares

At 31 December 2008, the parent company's share capital was represented by 496,162,480 ordinary shares of €2.5 nominal value.

The changes in the number of shares during the year were as follows:

	31/12/2008	31/12/2007
Number of shares at the start of the year	**485,976,788**	**470,622,930**
Share capital increases (Group Savings Scheme, share options and stock dividends)	10,185,692	19,153,858
Cancellation of shares		(3,800,000)
Number of shares at the end of the year	**496,162,480**	**485,976,788**
Number of shares issued and fully paid	496,162,480	485,976,788
Number of shares issued and not fully paid		
Nominal value of one share (in euros)	2.5	2.5
Treasury shares held directly by VINCI	22,919,652	17,838,019
including shares allocated to cover share purchase option plans and allocation of free shares, for	*6,650,780*	*251,978*
Treasury shares held through a liquidity contract	-	300,000

The changes in capital during 2008 break down as follows:

	Increases (reductions) of share capital (in euros)	Share premiums arising on contributions or mergers (in euros)	Number of shares issued or cancelled	Number of shares representing the share capital	Share capital (in euros)
Situation at 1 January 2007				**470,622,930**	**1,176,557,325**
Capital reduction	(9,500,000)	(113,364,800)	(3,800,000) (*)	466,822,930 (*)	1,167,057,325
Group Savings Scheme	21,693,128	310,020,256	8,677,251 (*)	475,500,181 (*)	1,188,750,453
Exercise of share subscription options	26,191,518	134,657,853	10,476,607 (*)	485,976,788 (*)	1,214,941,970
Situation at 31 December 2007				**485,976,788**	**1,214,941,970**
Capital reduction	-	-	-	-	-
Group Savings Scheme	8,476,642	139,104,535	3,390,657	489,367,445	1,223,418,613
Exercise of share subscription options	5,887,258	31,048,024	2,354,903	491,722,348	1,229,305,870
Payment of dividends in shares	11,100,330	185,751,933	4,440,132	496,162,480	1,240,406,200
Situation at 31 December 2008				**496,162,480**	**1,240,406,200**

(*) Adjusted for the two-for-one share split on 17 May 2007.

In February 2006, VINCI issued undated subordinated bonds for €500 million.
Issued at a price of 98.831%, this issue offers a fixed coupon of 6.25%, payable annually until November 2015, which is only due if VINCI pays a dividend to its shareholders or buys back its own shares. After that date, the interest rate becomes floating and payable quarterly at the Euribor three-month rate plus 3.75%. VINCI may redeem the bonds at par in November 2015 and subsequently at each interest payment date.

These undated subordinated bonds have been accounted for as equity in the Group's consolidated financial statements.

18.2 Treasury shares

Changes in treasury shares, other than under a liquidity contract, were as follows:

	31/12/2008	31/12/2007
Number of shares at the start of the year	**17,838,019**	**4,171,178**
Purchases of shares	5,258,274	21,830,660
Disposal of shares on exercise of share purchase options	(176,641)	(874,538)
Cancellations of shares		(3,800,000)
External growth		(862,081)
Group Savings Scheme		(2,627,200)
Number of shares at the end of the year	**22,919,652**	**17,838,019**

During 2008, VINCI purchased 5,258,274 of its own shares for a total of €241.7 million, an average price of €45.96 per share. There were no share capital reductions during the year. In 2008, 176,641 shares were sold in connection with the exercise of share purchase options (for €8.9 million). Furthermore, under a liquidity contract managed by an approved intermediary, 3,606,787 VINCI shares were acquired on the market during 2008 for €151.9 million and were sold in the same period for €167.7 million. This contract was suspended on 23 December 2008.

At 31 December 2008, the total number of treasury shares held was 22,919,652 and these were recognised as a deduction from consolidated equity for €1,173.2 million.

VINCI also held 2,477,878 share call options at the balance sheet date in respect of cover of share subscription option plans, recognised as a deduction from equity for €74.2 million.

18.3 Distributable reserves

Changes in the distributable reserves of VINCI SA were as follows:

(in € millions)	31/12/2008	31/12/2007
Free of corporate income tax liabilities	12,392.3	12,873.7
Distributable reserves	**12,392.3**	**12,873.7**

The statutory reserve of VINCI S.A. stood at €121.5 million at 31 December 2008.

18.4 Items recognised directly in equity

The following tables give details of these movements by type of financial instrument:

(in € millions)	31/12/2008	31/12/2007
Available-for-sale financial assets		
Reserve at beginning of year	7.0	3.7
Changes in fair value in the year	(57.5)	3.6
Impairment losses recognised in profit or loss	67.4	
Changes in fair value recognised in profit or loss on disposal	(0.5)	
Change in consolidation scope and miscellaneous		(0.3)
Reserve at end of the year	**16.5**	**7.0**
Cash flow hedges		
Reserve at beginning of year	61.5	8.9
Changes in fair value relating to associates	(52.2)	
Other changes in fair value in the year	(272.1)	51.6
Fair value items recognised in profit or loss	32.9	0.6
Change in consolidation scope and miscellaneous	0.2	0.3
Reserve at end of the year	**(229.7)**	**61.5**
Total items recognised directly in equity		
Gross reserve	(213.2)	68.5
Associated tax effect	73.6	(21.6)
Reserve net of tax	**(139.7)**	**46.9**

The changes in fair value recognised in the income statement for the year mainly relate to the shares in ADP (see Note D.6 "*Financial income and expenses*").
The other changes in the year in fair value relating to cash flow hedges recorded in equity relate mainly to the hedging of future loan issues by concession operating companies (acquisition of deferred start interest rate swaps). These transactions are described in Note E.23.1.3 *"Description of cash flow hedges"*.

18.5 Dividends

The dividends paid in respect of 2008 and 2007 break down as follows:

	2008	2007
Dividend per share (in euros)		(*)
Interim dividend	0.52	0.47
Final dividend	1.10	1.05
Net total dividend	**1.62**	**1.52**
Amount of dividend (in € millions)		
Interim dividend	246.5	220.7
Final dividend	523.7	488.5
amount paid in VINCI shares	(**)	*196.6*
amount paid in cash	(**)	*291.9*
Net total dividend	**770.2**	**709.2**

(*) Restated following the two-for-one share split on 17 May 2007.
(**) Information not available at the time of writing.

VINCI paid the final dividend in respect of 2007 in June 2008 for €488 million, of which €197 million was paid in VINCI shares.
The interest coupon, of €31.3 million, on the undated subordinated loan issued in February 2006, has been recognised as a reduction of equity for its present value net of tax, and was paid in November 2008.

An interim dividend of €0.52 per share in respect of 2008 was paid on 18 December 2008 (for €246.5 million) compared with €0.47 paid in respect of 2007 (for €220.7 million).
The Shareholders' Ordinary General Meeting will be asked to approve the full amount of the dividend that will be paid in respect of 2008 (see Note G.29 "*Appropriation of 2008 earnings*").

18.6 Minority interest

At 31 December 2008, minority interest in Cofiroute amounted to €303.1 million (compared with €280.3 million at 31 December 2007) and represented 16.67% of the share capital; that in CFE amounted to €192.7 million (compared with €167.2 million at 31 December 2007) and represented 53.16% of the share capital; and that in Entrepose Contracting amounted to €10.9 million (compared with €7.4 million at 31 December 2007).

19. Share-based payment

19.1 Share subscription and purchase options

The information in the tables below takes account of the two-for-one share split of the VINCI share in 2007.

No new share option plans were set up in 2007 or 2008.
The number and weighted average exercise prices of share subscription or purchase options outstanding at 31 December 2008 were as follows:

	31/12/2008		31/12/2007	
	Options	Average price *(in euros)*	Options	Average price *(in euros)*
Options in circulation at start of the year	**25,812,121**	**24.09**	**37,266,684**	**21.32**
Options granted during the year				-
Options exercised	(2,531,544)		(11,351,145)	-
Options cancelled	(78,212)		(103,418)	-
Options in circulation at end of the year	**23,202,365**	**25.04**	**25,812,121**	**24.09**
of which exercisable options	*20,610,334*		*16,909,313*	

Options exercised in 2008 and remaining to be exercised at 31 December 2008

Share subscription and share purchase option plans	Exercise price *(in euros)*	Number of options exercised in 2008	Number of options remaining to be exercised at 31 December 2008
VINCI 1998	6.27	0	0
VINCI 1999 No. 1	9.30	16,388	31,144
VINCI 1999 No. 2	10.36	22,657	203,957
VINCI 2000 No. 1	12.25	10,500	117,284
VINCI 2000 No. 2	13.96	131,635	996,765
GTM 2000	8.73	202,469	0
VINCI 2001	13.96	0	24,333
VINCI 2002 No. 1	15.59	360,477	1,900,734
VINCI 2002 No. 2	12.96	275,951	1,676,603
VINCI 2003	15.04	667,913	1,727,676
VINCI 2004	20.18	636,517	4,066,973
VINCI 2005	24.20	30,396	3,252,745
VINCI 2006 No. 1	35.58	0	1,071,950
VINCI 2006 No. 2	40.32	0	3,352,071
Total subscription plans	**23.31(*)**	**2,354,903**	**18,422,235**
VINCI 1999 No. 2	10.69	45,006	406,090
VINCI 2000	11.77	131,635	990,723
VINCI 2001	13.96	0	24,333
VINCI 2002	15.59	0	6,913
VINCI 2006 No. 2	40.32	0	3,352,071
Total purchase plans	**31.71(*)**	**176,641**	**4,780,130**
Total	**25.04**	**2,531,544**	**23,202,365**

(*) Calculated on the basis of the number of options remaining to be exercised at 31 December 2008.

Information on the share option plans granted during the period 2004 to 2006

Plan	16/5/2006	9/1/2006	1/3/2005	7/9/2004
Price of the underlying share at grant date (in euros)	39.78	34.93	28.30	22.18
Exercise price (in euros)	40.32	35.58	24.20	20.18
Lifetime of the options (in years) from grant date	6	7	7	10
Number of options granted	3,383,606	2,684,960	5,187,318	6,476,572
Options cancelled	(16,168)	(1,429,258)	(1,216,910)	(789,494)
Number of options after cancellation	3,367,438	1,255,702	3,970,408	5,687,078

Information on the fair value of share option plans granted during the period 2004 to 2006

The fair values of the options have been calculated at their respective grant dates by an external actuary using a binomial valuation model of the "Monte Carlo" type.

The period of validity of the options included in the model is the contractual period of validity adjusted to take account of behavioural assumptions (employee turnover, early exercise) based on past observations.

The main assumptions used to determine the fair values of the options in question, in accordance with IFRS 2, were:

Plan	16/5/2006	9/1/2006	1/3/2005	7/9/2004
Volatility(*)	24.19%	23.60%	23.55%	25.23%
Expected return on share	6.50%	5.70%	6.30%	6.66%
Risk-free rate of return(**)	3.68%	2.99%	3.17%	4.06%
Dividend distribution rate hoped for(***)	2.75%	2.92%	3.52%	3.33%
Fair value of the option (in euros)	**7.74**	**5.66**	**5.93**	**4.90**

(*) Volatility estimated using a multi-criteria approach based on the mean reversion model applied to a four-year series of daily implied volatilities of the VINCI share.
(**) Rate at five years of French government bonds.
(***) Average return expected by financial analysts over the three years following the grant date adjusted by a theoretical annual growth rate beyond that period.

Under the option plans for which rights are still vesting, an expense of €9.7 million has been recognised for 2008 (plans dated March 2005, January and May 2006) compared with €26 million for 2007 (plans dated September 2004, March 2005, January and May 2006).

19.2 Performance shares

On 11 December 2007, VINCI's Board of Directors granted, with effect from 2 January 2008, 2,165,700 existing performance shares to some eligible employees and company officers, bringing the number of performance share plans in place in VINCI to two.

Information on the features of the 2007 and 2008 performance share plans

Plan	Plan granted 2/1/2008	Plan granted 2/1/2007
Number of beneficiaries	1,570	1,434
Vesting date of the shares granted	2/1/2010 or 2/1/2011	2/1/2009
Date of end of year of unavailability of shares granted	2/1/2012 or 02/01/2013	2/1/2011
Number of shares granted subject to performance conditions	**2,165,700**	**2,200,000**
Shares cancelled	(45,475)	(147,020)
Number of shares granted subject to performance conditions at end of year	**2,120,225**	**2,052,980**

These plans provide that the shares are only definitively allocated at the end of a vesting period of two years, which the Board can extend to three years. Furthermore, allocation of the performance shares is conditional on changes in a performance index, which is determined on the basis of changes in the VINCI share price compared with a basket of 12 comparable securities, and of changes in financial criteria connected with VINCI's consolidated results, as follows:

Performance criteria	Weight in the performance index
Variation in the VINCI share price compared with basket of 12 comparable securities	50.0%
Change in net earnings per share	12.5%
Change in cash flows from operations before tax and financing costs(*)	12.5%
Change in operating profit from ordinary activities(*)	12.5%
Change in ROCE(*)	12.5%

(*) Restated for minority interests

The performance index has to show an average annual increase during the reference period of 10% or more for all the performance shares granted to be definitively acquired by the beneficiaries.
If the change in the performance index is less than 10% annually on average, the number of performance shares finally granted is reduced in proportion.

Under the performance share plans, relating to 2,200,000 shares, granted on 2 January 2007 to certain eligible salaried employees and company officers, 2,052,980 shares remained vested as from 2 January 2009.

Fair value of the performance share plan

The fair value of the performance shares granted was estimated by an external actuary at the grant date using a binomial valuation model of the "Monte Carlo" type.
In accordance with IFRS 2, the model includes in the fair value the marginal impact of the stock market performance criteria. The impact of the performance due to the volatility of the financial performance criteria is determined on the basis of an expected value estimated by VINCI at the grant date.
In consequence, the number of performance shares measured at fair value in the calculation of the IFRS 2 expense is adjusted at each balance sheet day for the impact of the change since the grant date of the shares, in the likelihood of the financial criteria connected with consolidated earnings being met.
On the basis of the assumptions set out below, the fair value of these two plans amounts to €123.4 million of which €64.4 million was recognised as an expense in 2008 and €32.1 million in 2007.

The main assumptions used for this assessment are:

	2008 Plan	2007 Plan
Price of VINCI share on date plan was announced (in euros)	55.7	49.5
Fair value of performance share at grant date (in euros)	28.2	24.5
Fair value of share price at grant date (in %)	50.53%	49.61%
Original maturity (in years) - vesting period	2 or 3 years	2 or 3 ans
Volatility	26.51%	21.79%
Risk-free interest rate	4.07%	3.76%

19.3 Company savings funds

VINCI's Board of Directors defines the conditions for subscribing to the Group Savings Scheme in accordance with the authorisations granted to it by the Shareholders General Meeting.

For France, VINCI issues new shares reserved for employees three times a year at a subscription price that includes a discount of 10% against the stock market price. Subscribers benefit from an employer's contribution with an annual maximum of €3,500 per person, increased exceptionally to €3,800 in 2009. The benefits granted in this way to employees of the Group are recognised in profit or loss and are valued in accordance with IFRS 2 on the basis of the following assumptions:
- length of subscription period: four months;
- length of period during which funds are frozen: five years from the end of the subscription period.

	2008		
Tranche	**1st four-month period 2009**	**3rd four-month period 2008**	**2nd four-month period 2008**
Return on the VINCI share hoped for	8.80%	8.33%	7.26%
Dividend per share			
Dividend payable (interim) (in euros)	*0.52*		
Dividend payable (final) (in euros)	*1.10*	*1.05*	*1.05*
Subscription price *(in euros)*	24.08	43.10	41.03
Share price at date of Board of Directors' meeting *(in euros)*	29.65	50.27	47.30
Historic volatility of VINCI share	32.79%	23.84%	23.83%
Estimated number of shares subscribed to	2,464,811	258,518	223,470
Estimated number of shares issued (subscriptions plus employer's contribution)	3,672,568	374,852	357,552

	2007		
Tranche	**1st four-month period 2008**	**3rd four-month period 2007**	**2nd four-month period 2007**
Return on the VINCI share hoped for	7.50%	7.00%	7.00%
Dividend per share			
Dividend payable (interim) (in euros)	*0.47*		
Dividend payable (final) (in euros)		*0.90*	*0.90*
Subscription price *(in euros)*	45.10	53.41	48.33
Share price at date of Board of Directors' meeting *(in euros)*	53.58	60.10	57.55
Historic volatility of VINCI share	22.05%	21.77%	21.80%
Estimated number of shares subscribed to	1,148,786	277,082	636,130
Estimated number of shares issued (subscriptions plus employer's contribution)	1,665,740	387,916	922,390

The estimated number of shares subscribed to at the end of the subscription period is obtained by an analytical formula, based on linear regression methods, applied to historical observations of the plans between 2002 and 2008, taking account of the cost of restrictions on the availability of units in the savings fund.

The opportunity cost of the frozen shares subscribed to is estimated from the point of view of a third party holding a diversified portfolio and prepared to acquire the frozen shares in return for a discount corresponding to the return demanded by the purchaser on own funds allocated to hedge against market risk over the period in which the shares are frozen (five years). The market risk is assessed on an annual basis applying a value-at-risk approach.

For the Group as a whole, the aggregate expense recognised at 31 December 2008 in respect of employee savings schemes amounted to €29.4 million, compared with €59.1 million at 31 December 2007.

The expense recognised in 2007 included the impact of an Employee Share Purchase plan with a leverage effect, for €11.9 million.

This leveraged plan enabled subscribers to acquire, between 11 June 2007 and 6 July 2007, 15 times as many VINCI shares as their initial investment, which could not exceed €750 per person. Subscribers' personal investments also attracted a gross employer's contribution of 150%, with a maximum of €1,125 per subscriber.

20. Non-current provisions

(in € millions)	Note	31/12/2008	31/12/2007(*)
Provisions for retirement benefit obligations	20.1	583.3	578.4
Other non-current provisions	20.2	322.0	418.0
Total non-current provisions at more than one year		**905.3**	**996.4**

(*) Restated in accordance with the change of accounting policy described in Note A.1.3 "Change of accounting policy: IFRIC 12 Service Concession Arrangements".

20.1 Provisions for retirement benefit obligations

At 31 December 2008, provisions for retirement benefit obligations amounted to €621.7 million (including €583.3 million at more than one year) compared with €632.2 million at 31 December 2007 (including €578.4 million at more than one year). They comprise provisions for lump-sums on retirement and provisions for obligations for supplementary retirement benefits. The part at less than one year was €38.4 million at 31 December 2008 and €53.8 million at 31 December 2007, and is reported under other current payables.

VINCI's retirement benefit obligations under defined benefit plans fall into three categories:
• obligations borne directly by VINCI or its subsidiaries, covered by provisions recognised in the consolidated balance sheet:
– for the French subsidiaries, these are lump sums paid on voluntary retirement (in accordance with the social security regulations currently in force), and supplementary defined benefit retirement plans, such as those of Auxad (formerly Compagnie Générale d'Electricité) and RTG (formerly St Gobain) or other in-house plans of which the beneficiaries are today mainly retired, and an obligation in respect of VINCI's Chairman;
– for the German subsidiaries, there are three internal plans within the Group, including one so-called "direct promises" plan. The other two plans, the *Fürsorge* plan for former employees of G+H Montage and the Eurovia GmbH subsidiaries' plan, were closed in 2001 and 1999 respectively
• plans imposing obligations that are pre-financed through contracts with insurance companies. This mainly relates to obligations covered by the two contracts with Cardif of which certain Group executives are beneficiaries;
• obligations borne through external pension funds; for the most part these relate to the UK subsidiaries (VINCI plc, Freyssinet UK, Nuvia UK, Ringway, VINCI Energies UK, VINCI Park UK) and the CFE Group in Belgium.

The retirement benefit obligations covered by provisions recognised in the balance sheet mainly relate to France, Germany and Belgium. For these three countries, the provisions are calculated on the basis of the following assumptions:

Plan	31/12/2008	31/12/2007	31/12/2006	31/12/2005	31/12/2004
Discount rate	5.60%	5.25%	4.75%	4.50%	4.75%
Inflation rate	2%	1.9%	2%	2%	2%
Rate of salary increases	2% to 4%	2% to 4.2%	2% to 4.2%	2% to 3%	2% to 3%
Rate of pension increases	1.5% to 2.5%	1.5% to 2.5%	1.5% to 2.5%	1.5% to 2.5%	1.5% to 2.5%
Probable average remaining working life of employees	10 to 15 years	10 to 15 years	10 to 15 years	10 to 15 years	10 to 15 years

At 31 December 2008, the VINCI group adopted an average discount rate for the eurozone of 5.6%. This rate was determined on the basis of a curve representative of the yield on prime category bonds of various maturity dates.

For the other countries, actuarial assumptions are selected on the basis of current local conditions. They are adjusted to reflect interest rate and mortality trends.

For the United Kingdom, the provisions were calculated using the following assumptions:

Plan	31/12/2008	31/12/2007
Discount rate	6.10%	5.80%
Inflation rate	3.2%	3.2%
Rate of salary increases	3% to 4.20%	3% to 4.15%
Rate of pension increases	3.10% to 5%	3.05% to 5%
Probable average remaining working life of employees	2 to 15 years	5 to 17 years

For each plan, the expected return on plan assets is determined using the building block method, which breaks the expected return down mainly into three parts: money market investments, investments in bonds and investments in equities. The return on equities is determined by adding 3% to the long-term return on government bonds. The money and bond market components are determined from published market indexes.

Plan assets are valued at their fair value at 31 December 2008. The book value at 31 December 2008 is used for assets invested with insurance companies.

The breakdown was as follows:

	31/12/2008					
	United Kingdom	Switzerland	France	Belgium	Other countries	Weighted average
Breakdown of financial assets						
Shares	42%	24%	18%	1%	11%	33%
Property	3%	17%	5%	0%	0%	5%
Bonds	45%	48%	67%	99%	89%	53%
Monetary securities	4%	3%	10%	0%	0%	4%
Other	5%	8%	0%	0%	0%	5%
Total	100%	100%	100%	100%	100%	100%
Average rate of return assumed	**6.55%**	**4.50%**	**3.81%**	**3.96%**	**5.91%**	**5.67%**
Plan assets (in %)	**62%**	**17%**	**10%**	**9%**	**1%**	**100%**

	31/12/2007					
	United Kingdom	Switzerland	France	Belgium	Other countries	Weighted average
Breakdown of financial assets						
Shares	53%	32%	15%	2%	10%	44%
Property	2%	17%	3%	0%	1%	4%
Bonds	40%	48%	62%	98%	89%	46%
Monetary securities	5%	3%	19%	0%	0%	5%
Total	100%	100%	100%	100%	100%	100%
Average rate of return assumed	**6.72%**	**5.00%**	**4.61%**	**3.97%**	**5.41%**	**6.18%**
Plan assets (in %)	**74%**	**14%**	**5%**	**7%**	**1%**	**100%**

On the basis of these assumptions, the retirement benefit obligations, the part provided for, and the retirement benefit expenses recognised break down as follows:

Reconciliation of obligations and provisions in the balance sheet

	31/12/2008			31/12/2007		
(in € millions)	France	Foreign	Total	France	Foreign	Total
Present value of retirement benefit obligations	(404.9)	(805.9)	(1,210.8)	(392.2)	(897.4)	(1,289.5)
Fair value of plan assets	54.6	469.5	524.2	55.6	603.7	659.3
Surplus (or deficit)	**(350.3)**	**(336.4)**	**(686.6)**	**(336.6)**	**(293.7)**	**(630.3)**
Provisions recognised in balance sheet	**(317.5)**	**(304.2)**	**(621.7)**	**(299.3)**	**(332.9)**	**(632.2)**
Assets recognised in balance sheet	-	13.8	13.8	-	0.9	0.9
Items not recognised in balance sheet						
Actuarial gains and losses	(1.8)	45.3	43.6	6.3	(29.4)	(23.1)
Past service cost	34.6	0.8	35.3	30.9	0.0	30.9
Assets not recognised in balance sheet	-	(0.2)	(0.2)	-	(8.9)	(8.9)

Changes in the year

(in € millions)	31/12/2008	31/12/2007	31/12/2006	31/12/2005	31/12/2004
Present value of retirement benefit obligations					
Balance at the beginning of the year	**1,289.5**	**1,119.9**	**1,099.8**	**1,028.0**	**914.5**
including obligations covered by plan assets, for	***694.2***	***524.7***	***439.7***	***470.1***	***458.3***
Current service cost	39.1	35.1	31.8	42.4	35.0
Cost for the year of discounting	65.7	58.0	50.7	48.3	43.9
Benefits paid during the year	(74.8)	(61.8)	(68.4)	(48.4)	(35.7)
Actuarial gains and losses	(30.9)	(42.8)	5.6	24.5	15.2
Past service cost	7.3	(9.5)	4.2	6.8	46.0
Business combinations	3.4	255.8	42.8	-	-
Settlement of rights	(21.9)	(13.8)	(39.4)	(15.7)	-
Plan curtailments	18.4	1.3	(7.6)	(3.1)	7.0
Effect of exchange rate fluctuations	(95.7)	(41.1)	7.3	9.5	(1.8)
Changes in consolidation scope and miscellaneous	10.7	(11.5)	(7.0)	7.5	3.9
Balance at the end of the year	**1,210.8**	**1,289.5**	**1,119.9**	**1,099.8**	**1,028.0**
including obligations covered by plan assets, for	***639.1***	***694.2***	***524.7***	***439.7***	***470.1***
Plan assets					
Balance at the beginning of the year	**659.3**	**463.4**	**389.6**	**336.2**	**314.4**
Expected return on plan assets	37.3	33.0	24.9	21.3	19.8
Actuarial gains and losses	(96.8)	(10.4)	5.1	31.7	6.9
Contributions paid to funds	48.3	35.2	55.0	23.1	10.7
Benefits paid during the year	(25.7)	(25.2)	(17.4)	(14.6)	(12.4)
Business combinations	1.6	223.7	34.5	-	-
Settlement of rights	(21.9)	(13.8)	(39.4)	(15.7)	-
Plan curtailments	2.5	2.9	0.0	(3.1)	(2.4)
Effect of exchange rate fluctuations	(91.7)	(41.2)	6.8	7.2	(1.4)
Changes in consolidation scope and miscellaneous	11.3	(8.5)	4.3	3.5	0.5
Balance at the end of the year	**524.2**	**659.3**	**463.4**	**389.6**	**336.2**
Items not recognised in balance sheet					
Balance at the beginning of the year	**7.8**	**37.4**	**42.9**	**45.0**	**(9.3)**
New elements	65.9	(32.4)	0.4	(1.5)	58.1
Effect of changes in assumptions	*(20.5)*	*(46.6)*	*(7.2)*	-	-
Effect of experience gains and losses	*86.4*	*14.2*	*7.7*	-	-
Amortisation for the year	7.6	4.1	(7.1)	(2.4)	(2.4)
Exchange rate and other changes	(4.0)	0.0	1.2	1.8	(0.4)
Plan curtailments	1.6	(1.3)	(0.0)	0.0	(1.1)
Balance at the end of the year	**78.9**	**7.8**	**37.4**	**42.9**	**45.0**
including actuarial gains and losses, for	*43.6*	*(23.1)*	*(3.4)*	*(2.9)*	*3.0*
including past service cost, for	*35.3*	*30.9*	*40.8*	*45.8*	*42.0*
Actuarial gains and losses as percentage of obligations	*6.5%*	*0.6%*	*3.3%*	*3.9%*	*4.4%*

VINCI estimates the payments to be made in 2009 in respect of retirement benefit obligations at €52.3 million, comprising €28.2 million relating to benefits paid to retired employees and €24.1 million to contributions payable to fund managing bodies.

In France, the 2009 Social Security Finance Act made the rules applicable when employees retire at their employer's initiative more demanding. As the assumption adopted by the Group is that of employees retiring at their own initiative, its obligations are not affected by these new rules.

Article 11 of the *Accord National Interprofessionnel* signed on 11 January 2008 lays down a schedule of allowances paid on termination of an employment contract of indefinite duration "of which the amount may not, unless contractual arrangements are more favourable, be less than one-fifth of a month's pay per year of service, after completion of one year's service". VINCI considers that this new schedule is only applicable to allowances paid when employees leave at the employer's initiative and does not relate to employees retiring at their own initiative. This agreement has therefore not been taken into account in assessing lump sums paid on retirement.

Expenses recognised in respect of defined benefit plans

(in € millions)	2008	2007	2006	2005	2004
Rights acquired by employees during the year	(39.1)	(35.1)	(31.8)	(42.4)	(35.0)
Discounting of acquired rights to present value	(65.7)	(58.0)	(50.7)	(48.3)	(43.9)
Expected return on plan assets	37.3	33.0	24.9	21.3	(19.8)
Amortisation of actuarial gains and losses	9.5	6.5	(3.1)	0.2	-
Amortisation of past service cost – rights not vested	(1.9)	(2.4)	(4.0)	(2.6)	(2.4)
Past service cost – rights vested	(0.7)	(0.6)	(4.2)	-	-
Impact of discontinued operations (IFRS 5)	-	-	-	-	(0.3)
Other	(12.2)	(1.1)	6.9	2.3	(4.3)
Total	**(72.9)**	**(57.8)**	**(62.0)**	**(69.5)**	**(66.1)**

Sensitivity of the 2009 expense to the discount rate and the return on assets assumed is as follows:

(in € millions)	0.50%	- 0.50%
Discount rate	(6.1)	7.3
Rate of return on assets assumed	(0.5)	0.5

Expenses recognised in respect of defined contribution plans

In some countries, and more especially in France and Spain, the Group contributes to basic State pension schemes, for which the expense recognised is the amount of the contributions called by the State bodies. Basic State pension schemes are considered as being defined contribution plans. Depending on the country, the proportion of the contributions paid that relates to pensions may not be clearly identifiable.

The amount of retirement benefit contributions taken as an expense in the year in respect of defined contribution plans (excluding basic State schemes) was €329.7 million at 31 December 2008, compared with €309.4 million at 31 December 2007. This includes the contributions paid to the external multi-employer fund (CNPO) in respect of obligations in respect of lump sums paid on retirement to building workers.

20.2 Other non-current provisions

Changes in other non-current provisions reported in the balance sheet were as follows in 2008 and 2007:

(in € millions)	Opening	Provisions taken	Provisions used	Other reversals not used	Changes in consolidation scope and miscellaneous	Change in the part at less than one year of non-current provisions	Translation difference	Closing
1/1/2007(*)	**123.5**	**215.1**	**(175.8)**	**(23.6)**	**297.8**	**(56.3)**	**(0.6)**	**380.2**
Other employee benefits	200.0	68.8	(10.2)	(0.4)	8.0	(1.3)		264.9
Financial risks	37.3	6.8	(15.0)	(2.2)	0.1			27.0
Other liabilities	382.8	106.6	(143.3)	(32.1)	7.1		(0.3)	320.8
Discounting of non-current provisions	(9.5)	0.1	3.0					(6.4)
Reclassification of the part at less than one year of non-current provisions	(230.4)				0.6	41.2	0.2	(188.3)
31/12/2007(*)	**380.2**	**182.3**	**(165.5)**	**(34.7)**	**15.8**	**39.9**	**(0.0)**	**418.0**
Other employee benefits	264.9	42.5	(34.4)	(125.1)	(0.9)	(9.4)		137.6
Financial risks	27.0	13.4	(3.6)	(5.9)	3.3			34.2
Other liabilities	320.8	159.5	(118.4)	(38.4)	36.8		(0.7)	359.6
Discounting of non-current provisions	(6.4)	(0.4)	0.3					(6.5)
Reclassification of the part at less than one year of non-current provisions	(188.3)				2.2	(17.2)	0.3	(203.0)
31/12/2008	**418.0**	**215.0**	**(156.0)**	**(169.5)**	**41.5**	**(26.5)**	**(0.5)**	**322.0**

(*) Restated in accordance with the change of accounting policy described in Note A.1.3 "Change of accounting policy: IFRIC 12 Service Concession Arrangements".

Other employee benefits

Renegotiation of ASF and Escota employment agreements

The reduction in provisions for other employee benefits is mainly connected with the renegotiation by ASF and Escota of their employment agreements during the year:

– Escota has entered into a new agreement on post-employment medical expense insurance. This new agreement, signed on 29 February 2008, does not alter the obligations to retired employees. For employees in service, the arrangements for covering post-employment medical expenses are gradually replaced by a new complementary regime providing a lump sum payable on retirement, of which the capital amount is indexed to the ceiling used in calculating social security benefits. This new agreement has resulted in a net decrease of obligations to employees in service of €52.7 million, leading to a reversal of operating provisions for the same amount in the financial statements;

– ASF has entered into a new agreement on post-employment medical expense insurance. This new agreement, signed on 7 July 2008, in particular redefines the conditions for bearing the expense of employees' supplementary medical expense cover, and the new arrangements put in place regarding lump sums paid on retirement. This new agreement has resulted in a reduction in obligations towards employees in service of €68 million.

Long-service and jubilee bonuses and medical expense cover

The provisions have been calculated using the following actuarial assumptions:

	31/12/2008	31/12/2007	31/12/2006	31/12/2005	31/12/2004
Discount rate	5.60%	5.25%	4.75%	4.50%	4.75%
Inflation rate	2.0%	1.9%	2.0%	2.0%	2.0%
Rate of salary increases	3%	2% to 4.2%	2% to 4.2%	2% to 3%	2% to 3%
Rate of change of medical expenses	0.0% to 6.0%	6.0%	6.0%	-	-

At 31 December 2008, the provisions in respect of medical expense cover amounted to €44.5 million. They were calculated on the basis of a rate of growth in medical expenses of between 0% and 6%. A change of 1% in this rate would entail a change of €3.7 million in the obligation.

Provisions for other liabilities

The provisions for other liabilities, not directly linked with the operating cycle, include the provisions for disputes and arbitration, some of which are described in Note F "*Disputes and arbitration*". They amounted to €171.2 million at 31 December 2008 (part at more than one year) against €152.9 million at 31 December 2007.

21. Working capital requirement and current provisions

21.1 Change in working capital requirement

(in € millions)	31/12/2008	31/12/2007(*)	Changes 31/12/2008 - 31/12/2007: Connected with operations	Receivables / payables related to non-current assets	Other changes(**)
Inventories and work in progress (net)	786.4	647.5	146.2		(7.3)
Trade and other operating receivables	11,561.5	11,101.3	432.2	(10.4)	38.4
Other current assets	325.6	288.4	45.0		(7.9)
Inventories and operating receivables (I)	**12,673.4**	**12,037.3**	**623.4**	**(10.4)**	**23.2**
Trade payables	(6,803.8)	(6,553.4)	(255.5)		5.1
Other current payables	(8,574.0)	(7,594.9)	(855.3)	(11.6)	(112.2)
Trade and other operating payables (II)	**(15,377.8)**	**(14,148.3)**	**(1,110.8)**	**(11.6)**	**(107.1)**
Working capital requirement (before current provisions) (I+II)	**(2,704.3)**	**(2,111.0)**	**(487.5)**	**(22.0)**	**(83.9)**
Current provisions	**(2,672.4)**	**(2,429.4)**	**(245.5)**		**2.5**
including part at less than one year of non-current provisions, for	*(203.0)*	*(188.3)*	*(17.2)*		*2.5*
Working capital requirement (after current provisions)	**(5,376.8)**	**(4,540.4)**	**(733.0)**	**(22.0)**	**(81.4)**

(*) Restated in accordance with the change of accounting policy described in Note A.1.3 "Change of accounting policy: IFRIC 12 Service Concession Arrangements".
(**) Mainly changes in consolidation scope and translation differences.

The working capital requirement connected with operations comprises current assets and liabilities related to operations except for current tax assets and liabilities and other current assets and liabilities of a financial nature.

The component parts of the working capital requirement by maturity are:

(in € millions)	31/12/2008	Maturity Within 1 year	Between 1 and 5 years	After 5 years
Inventories and work in progress (net)	786.4	725.0	61.4	0.0
Trade and other operating receivables	11,561.5	11,177.2	380.8	3.4
Other current assets	325.6	311.0	12.6	1.9
Inventories and operating receivables (I)	**12,673.4**	**12,213.2**	**454.8**	**5.3**
Trade payables	(6,803.8)	(6,627.2)	(175.0)	(1.6)
Other current payables	(8,574.0)	(8,342.6)	(178.2)	(53.1)
Trade and other operating payables (II)	**(15,377.8)**	**(14,969.8)**	**(353.3)**	**(54.7)**
Working capital requirement (before current provisions) (I+II)	**(2,704.3)**	**(2,756.6)**	**101.6**	**(49.4)**

(in € millions)	31/12/2007	Maturity Within 1 year	Between 1 and 5 years	After 5 years
Inventories and work in progress (net)	647.5	582.5	59.5	5.6
Trade and other operating receivables	11,101.3	10,693.2	392.1	16.1
Other current assets	288.4	279.9	6.9	1.7
Inventories and operating receivables (I)	**12,037.3**	**11,555.5**	**458.4**	**23.3**
Trade payables	(6,553.4)	(6,329.7)	(218.2)	(5.5)
Other current payables	(7,594.9)	(7,247.3)	(253.3)	(94.4)
Trade and other operating payables (II)	**(14,148.3)**	**(13,576.9)**	**(471.5)**	**(99.9)**
Working capital requirement (before current provisions) (I+II)	**(2,111.0)**	**(2,021.4)**	**(13.1)**	**(76.5)**

21.2 Trade receivables

Trade receivables and allowances were as follows:

(in € millions)	31/12/2008	31/12/2007
Trade receivables	6,982.1	6,790.0
Allowances - trade receivables	(339.1)	(285.1)
Trade receivables, net	**6,643.0**	**6,504.9**

At 31 December 2008, trade receivables that are between six and 12 months past due amounted to €169.2 million (compared with €151.1 million at 31 December 2007). €32.6 million of allowances were taken in consequence (compared with €24.1 million at 31 December 2007). Trade receivables that are more than one year past due amounted to €227.2 million (compared with €218.7 million at 31 December 2007) and allowances of €105.7 million were taken in consequence (compared with €118.3 million at 31 December 2007).

21.3 Breakdown of current provisions

Changes in current provisions reported in the balance sheet were as follows in 2008 and 2007:

(in € millions)	Opening	Provisions taken	Provisions used	Other reversals not used	Changes in consolidation scope and miscellaneous	Change in the part at less than one year of non-current provisions	Translation difference	Closing
1/1/2007(*)	**1,861.6**	**637.4**	**(380.5)**	**(83.0)**	**(9.1)**	**44.8**	**0.8**	**2,072.1**
Obligation to maintain concession assets in a good state of repair	488.0	62.8	(51.4)				(0.7)	498.6
After-sales service	296.5	99.9	(59.6)	(16.3)	0.7		(0.7)	320.5
Losses on completion and construction project liabilities	391.8	429.1	(247.8)	(20.2)	59.1		(4.9)	607.0
Disputes	303.3	88.2	(66.5)	(42.6)	49.5		(1.0)	330.9
Restructuring	62.0	27.3	(28.2)	(7.9)	(0.4)			52.8
Other current liabilities	325.9	229.2	(102.0)	(23.2)	25.1		(0.8)	454.3
Discounting of current provisions	(25.8)	7.3	(4.6)	(0.1)	0.1		(0.1)	(23.1)
Reclassification of the part at less than one year of non-current provisions	230.4				(0.6)	(41.2)	(0.2)	188.3
31/12/2007(*)	**2,072.1**	**943.9**	**(560.1)**	**(110.2)**	**133.5**	**(41.2)**	**(8.6)**	**2,429.4**
Obligation to maintain concession assets in a good state of repair	498.6	76.5	(83.3)	(0.0)	7.5		0.5	499.7
After-sales service	320.5	105.9	(69.2)	(20.5)	(0.3)		(6.6)	329.8
Losses on completion and construction project liabilities	607.0	523.7	(350.2)	(40.0)	2.2		(11.8)	730.9
Disputes	330.9	168.9	(80.0)	(31.8)	37.2		(2.2)	423.1
Restructuring	52.8	22.8	(22.0)	(7.2)	(2.7)		(0.1)	43.6
Other current liabilities	454.3	244.8	(153.6)	(54.2)	(18.4)		(5.2)	467.6
Discounting of current provisions	(23.1)	1.8	(3.9)		(0.1)			(25.3)
Reclassification of the part at less than one year of non-current provisions	188.3				(2.2)	17.2	(0.3)	203.0
31/12/2008	**2,429.4**	**1,144.4**	**(762.3)**	**(153.8)**	**23.1**	**17.2**	**(25.6)**	**2,672.4**

(*) Restated in accordance with the change of accounting policy described in Note A.1.3 "Change of accounting policy: IFRIC 12 Service Concession Arrangements".

Current provisions (including the part at less than one year of non-current provisions) are directly related to the operating cycle. They amount to €2,672.4 million at 31 December 2008, compared with €2,429.4 million at 31 December 2007, and mainly relate to provisions connected with construction contracts and provisions for the obligation to maintain assets under concession in a good state of repair.

Such provisions mainly cover the expenses incurred by motorway concession operating companies for road repairs (surface courses, restructuring of slow lanes, etc.) bridges, tunnels and hydraulic infrastructure, and amounted to €305.7 million for ASF (compared with €312.7 million in 2007) and Cofiroute for €168.4 million (compared with €172.9 million in 2007).

22. Net financial debt

Net financial debt as defined by the Group breaks down as follows:

Accounting categories *(in € millions)*		Note ref.	31/12/2008 Non-current	Note ref.	31/12/2008 Current (*)	Note ref.	31/12/2008 Total	31/12/2007 Non-current	31/12/2007 Current (*)	31/12/2007 Total
	Bonds	22.1	(3,958.7)	(1)	(1,450.8)	(3)	(5,409.5)	(5,159.8)	(491.8)	(5,651.6)
	Inflation-linked loan	22.1	(391.2)	(2)	(6.7)	(3)	(397.9)	(377.8)	(5.9)	(383.7)
	Other bank loans and other financial debt	22.1	(13,037.9)	(2)	(893.2)	(3)	(13,931.1)	(12,941.6)	(1,177.8)	(14,119.4)
	Finance lease debt restated	22.1	(148.7)	(2)	(55.2)	(3)	(203.9)	(145.3)	(49.8)	(195.1)
Liabilities at amortised cost	**Long-term financial debt**		**(17,536.5)**		**(2,405.9)**		**(19,942.4)**	**(18,624.5)**	**(1,725.3)**	**(20,349.8)**
	Commercial paper	22.2.4				(3)			(145.0)	(145.0)
	Other current financial liabilities				(167.3)	(3)	(167.3)		(138.5)	(138.5)
	Bank overdrafts	22.2.2			(555.1)	(3)	(555.1)		(629.8)	(629.8)
	Financial current accounts, liabilities				(76.3)	(3)	(76.3)		(100.4)	(100.4)
	I - Gross financial debt		**(17,536.5)**		**(3,204.6)**		**(20,741.1)**	**(18,624.5)**	**(2,739.0)**	**(21,363.5)**
	including impact of fair value hedges, for		*(121.8)*		*(8.5)*		*(130.3)*	*(7.0)*		*(7.0)*
	including impact of recognising ASF's debt at fair value in VINCI's consolidated financial statements, for (**)		*(124.2)*		*(8.4)*		*(132.6)*	*(180.4)*	*(11.6)*	*(192.0)*
Loans and receivables	Loans and collateralised financial receivables		0.5	(6)	2.2	(8)	2.7	0.1	0.9	1.0
	Financial current accounts, assets				50.0	(4)	50.0		53.5	53.5
Assets at fair value through profit or loss (fair value option)	Cash management financial assets	22.2.2			288.6	(4)	288.6		611.5	611.5
	Cash equivalents	22.2.2			3,813.7	(5)	3,813.7		2,843.9	2,843.9
	Cash	22.2.2			1,254.8	(5)	1,254.8		1,379.9	1,379.9
	II - Financial assets		**0.5**		**5,409.3**		**5,409.8**	**0.1**	**4,889.7**	**4,889.8**
	Derivative financial instruments - liabilities	23	(235.8)	(2)	(117.4)	(3)	(353.2)	(15.9)	(53.6)	(69.6)
Derivatives	Derivative financial instruments - assets	23	109.8	(7)	203.9	(9)	313.7	72.1	167.9	240.0
	III - Derivative financial instruments		**(126.0)**		**86.5**		**(39.5)**	**56.2**	**114.2**	**170.4**
	Net financial debt (I + II + III)		**(17,662.0)**		**2,291.2**		**(15,370.8)**	**(18,568.2)**	**2,264.9**	**(16,303.3)**
	Net financial debt breaks down by business line as follows:									
	Concession operating subsidiaries		(15,049.1)		(474.0)		(15,523.1)	(14,588.1)	(780.0)	(15,368.0)
	Other business lines		(726.1)		3,654.0		2,927.9	(575.3)	3,134.9	2,559.6
	Holding companies (including Concessions holding companies)		(1,887.2)		(888.5)		(2,775.7)	(3,404.8)	(90.1)	(3,494.9)

(*) Current part including accrual
(**) Following acquisition of control of ASF by VINCI on 9 March 2006

At 31 December 2008, the Group's net financial debt was €15.4 billion (against €16.3 billion at 31 December 2007).

Reconciliation of net financial debt with balance sheet items:

(in € millions)	Note ref.	31/12/2008	31/12/2007
Bonds (non current)	(1)	(3,958.7)	(5,159.8)
Other loans and borrowings	(2)	(13,813.6)	(13,480.7)
Current borrowings	(3)	(3,322.0)	(2,792.6)
Cash management financial assets	(4)	338.6	665.0
Cash and cash equivalents	(5)	5,068.5	4,223.8
Non-current financial assets			
Current loans and collateralised receivables	(6)	0.5	0.1
Derivative non-current financial instruments (assets)	(7)	109.8	72.1
Current financial assets			
Non-current loans and collateralised receivables	(8)	2.2	0.9
Derivative current financial instruments (assets)	(9)	203.9	167.9
Net financial debt		**(15,370.8)**	**(16,303.3)**

Derivative financial instruments (assets) are reported in the balance sheet, classified by maturity and according to their accounting category, under other non-current financial assets for the part at more than one year, and other current financial assets for the part at less than one year.

22.1 Detail of long-term financial debt

At 31 December 2008, long-term financial debt totalled €19.9 billion, down by more than €400 million from 31 December 2007 (€20.3 billion). This was due to the combined effects of scheduled repayments and new borrowings, of which the largest were:

European Investment Bank loan to ASF

In December 2007, ASF obtained a €250 million loan from the European Investment Bank (EIB), which was drawn down in full in June 2008 and should be repaid at the latest in 2028, with a grace period of six years.

Long-term financing of €625 million for Arcour

In March 2008, Arcour, the company operating the concession for the A19 motorway between Artenay and Courtenay, agreed financing of €625 million with the European Investment Bank (EIB) and a consortium of five banks. The financing granted by the EIB is in the form of an amortising loan of €200 million with a maturity of 37 years, with a grace period of 10 years. The loan granted by the banks amounts to €425 million with a maturity of 10 years, payable on maturity. At 31 December 2008, drawings against these two facilities were €166 million and €351 million, respectively.

European Investment Bank loan to Cofiroute

In June 2008, Cofiroute obtained a €250 million loan from the European Investment Bank (EIB), which was drawn down in full in November 2008 and should be repaid at the latest in 2028, with a grace period of four years.

Long-term finance obtained by various infrastructure concession operating companies

Several consolidated infrastructure concession operating subsidiaries of VINCI Concession obtained long-term finance for a total in the order of €1 billion in 2008. This relates in particular to:

– **Stade du Mans** (a stadium, 100%-owned by VINCI Concessions) agreed finance in October 2008 with a bank for a total of €67 million, for a maximum of 33 years. At 31 December 2008, €13.5 million had been drawn down;
– **Tunnel Prado Sud** (a tunnel, 58.5%-owned by VINCI Concessions) agreed finance in October 2008 with three banks for a total of €166 million for 10 years. At 31 December 2008, nothing had been drawn down;
– **Liefkenshoek tunnel** (a rail tunnel, 25%-owned by VINCI Concessions and 25%-owned by CFE) agreed finance in November 2008 for a total of €708 million, consisting of €313 million from EIB and €395 million from six banks, repayable over a maximum of 35 years. At 31 December 2008, €9.6 million had been drawn down (VINCI's portion);
– **The car rental firms' complex at Nice airport** (100%-owned by VINCI Concessions) agreed finance in November 2008 with a bank for a total of €41 million, maturing in 28 years. At 31 December 2008, nothing had been drawn down.

Redemption of CNA loans to the ASF Group

During the year, the ASF Group repaid various loans taken out with the CNA between 1994 and 1997, at an average rate of approximately 6.10%, for an amount of €784 million.

Redemption of a bond by Cofiroute

In November 2008, Cofiroute repaid a bond loan of €350 million, issued In November 1997 at 5.90%.

The breakdown of net long-term financial debt at 31 December 2008 by business line was as follows:

	31/12/2008				31/12/2007			
(in € millions)	**Concessions**	**Other business lines**	**Holding companies**	**Total**	**Concessions**	**Other business lines**	**Holding companies**	**Total**
Bonds	(4,376.7)	(0.9)	(1,031.9)	(5,409.5)	(4,631.3)	(1.0)	(1,019.3)	(5,651.6)
Inflation-linked loan	(397.9)			(397.9)	(383.7)			(383.7)
Other bank loans and other financial debt	(10,556.9)	(456.6)	(2,917.6)	(13,931.1)	(10,830.8)	(350.8)	(2,937.8)	(14,119.4)
Finance lease debt restated	(7.7)	(194.9)	(1.3)	(203.9)	(11.4)	(181.4)	(2.3)	(195.1)
Long-term financial debt	**(15,339.2)**	**(652.4)**	**(3,950.8)**	**(19,942.4)**	**(15,857.2)**	**(533.2)**	**(3,959.4)**	**(20,349.8)**

Concessions

				31/12/2008			31/12/2007	
(in € millions)	Currency	Contractual interest rate	Maturity	Nominal remaining due	Carrying amount	including accrued interest not matured	Nominal remaining due	Carrying amount
Concessions				**4,150.9**	**4,376.7**	**109.4**	**4,499.9**	**4,631.3**
Cofiroute				**2,525.9**	**2,620.6**	**65.3**	**2,874.9**	**2,957.8**
Bonds, November 1997	EUR	5.9%	November 2008				350.6	354.9
Bonds, November 1999	EUR	6.0%	November 2009	300.0	308.9	2.6	300.0	304.3
Bonds October 2001 & Supplement August 2005	EUR	5.9%	October 2016	500.0	530.2	6.8	500.0	518.6
Bond - April 2003	EUR	5.3%	April 2018	600.0	648.0	21.2	600.0	650.1
Bond May 2006 & Supplement July 2007	EUR	5.0%	May 2021	1,100.0	1,104.6	33.5	1,100.0	1,102.7
Other bond loans	EUR	7.5%	up to April 2015	25.9	28.9	1.3	24.3	27.1
ASF & Escota				**1,625.0**	**1,756.1**	**44.1**	**1,625.0**	**1,673.5**
ASF bond issue 2007	EUR	5.6%	July 2022	1,575.0	1,706.1	43.9	1,575.0	1,623.4
ASF private placement 2007	EUR	E3M	September 2027	50.0	50.0	0.2	50.0	50.1
Inflation-linked loan				**391.2**	**397.9**	**6.7**	**377.8**	**383.7**
ASF & Escota				**391.2**	**397.9**	**6.7**	**377.8**	**383.7**
ASF - CNA 2001	EUR	3.9% + inflation	July 2016	391.2	397.9	6.7	377.8	383.7
Other bank loans and other financial debt				**10,231.4**	**10,556.9**	**201.0**	**10,382.0**	**10,830.9**
Cofiroute				**1,107.0**	**1,107.4**	**10.3**	**858.3**	**867.5**
EIB - March 2002	EUR	EIB	March 2013 to 2027	75.0	75.1	0.1	75.0	75.2
EIB - December 2002	EUR	E3M	December 2013 to 2027	50.0	50.0		50.0	50.0
EIB - March 2003	EUR	4.9%	March 2018	75.0	84.7	2.9	75.0	78.1
EIB - December 2004	EUR	EIB	December 2019	200.0	200.3	0.3	200.0	200.5
EIB - December 2005	EUR	4.0%	December 2012 to 2025	190.0	190.7	0.7	190.0	190.7
EIB - December 2006	EUR	4.3%	December 2013 to 2029	50.0	50.1	0.1	50.0	50.1
EIB - June 2007	EUR	4.4%	June 2014 to 2029	210.0	214.7	4.7	210.0	214.7
EIB - November 2008	EUR	EIB	Nov. 2012 to 2028	250.0	234.7	1.5		
Other loans	EUR		up to June 2014	7.0	7.1		8.3	8.3
ASF & Escota				**7,343.0**	**7,715.2**	**186.6**	**8,258.1**	**8,716.0**
CNA loans				***4,674.5***	***4,900.3***	***152.9***	***5,458.4***	***5,692.3***
ASF - CNA 1998	CHF	5.4%	February 2008				301.1	295.8
Escota - CNA 1993	EUR	8.0%	March 2008				15.2	16.3
ASF and Escota - CNA 1996/1997	EUR	6.0%	November 2008				298.8	303.3
ASF and Escota - CNA 1995	EUR	7.4%	November 2008				168.8	169.8
ASF and Escota - CNA 1994 to 1997	EUR	6.0%	January 2009	137.3	145.1	7.7	137.2	145.1
ASF and Escota - CNA 1996	EUR	6.8%	July 2009	176.9	182.3	5.6	176.8	182.1
ASF - CNA 1995	EUR	7.5%	September 2009	152.4	155.3	2.9	152.4	155.3
ASF and Escota - CNA 1996	EUR	6.7%	February 2010	153.8	161.9	9.3	153.8	162.9
ASF and Escota - CNA 1998	EUR	4.5%	April 2010	502.4	515.1	15.6	502.4	513.0
ASF and Escota - CNA 1995	EUR	7.5%	June 2010	66.5	68.8	2.6	66.5	68.7
ASF and Escota - CNA 1997 to 2001	EUR	5.9%	June 2011	498.5	525.1	17.1	498.5	529.6
ASF and Escota - CNA 1996	EUR	6.7%	September 2011	68.6	69.9	1.4	68.6	69.8
ASF and Escota - CNA 1997 to 2000	EUR	5.8%	October 2012	405.9	410.9	4.7	405.9	410.9
ASF and Escota - CNA 1998 to 2001	EUR	5.9%	March 2013	397.7	429.7	18.0	397.7	432.5
ASF - CNA 1999/2002	EUR	4.4%	May 2014	450.0	447.7	12.2	450.0	445.3
ASF - CNA 2000/2001	EUR	6.0%	October 2015	382.5	419.2	4.2	382.5	420.1
ASF and Escota - CNA 2002	EUR	5.3%	January 2017	532.0	554.8	25.8	532.0	554.4
ASF - CNA 2004 to 2005	EUR	4.5%	March 2018	750.0	814.5	25.8	750.0	817.4
CNA/EIB loans				***1,184.2***	***1,214.8***	***28.0***	***1,184.2***	***1,215.7***
ASF - CNA/EIB 1998	EUR	4.6%	December 2010	95.3	95.5	0.3	95.3	95.5
ASF - CNA/EIB 2001	EUR	5.1%	October 2011	70.0	70.7	0.7	70.0	70.7
Escota - CNA/EIB 2002	EUR	6.2%	April 2013 to 2015	142.8	149.2	6.5	142.7	149.3

(in € millions)	Currency	Contractual interest rate	Maturity	31/12/2008 Nominal remaining due	31/12/2008 Carrying amount	31/12/2008 including accrued interest not matured	31/12/2007 Nominal remaining due	31/12/2007 Carrying amount
Escota - CNA/EIB 1998	EUR	4.8%	December 2013	8.5	8.6		8.5	8.6
ASF - CNA/EIB 1999	EUR	5.6%	December 2014	160.0	162.0	0.5	160.0	162.6
Escota - CNA/EIB 2000	EUR	6.0%	December 2014	20.0	20.1	0.1	20.0	20.1
ASF - CNA/EIB 2002	EUR	6.2%	April 2015 to 2017	412.6	431.3	18.7	412.6	431.4
ASF - CNA/EIB 2000	EUR	6.1%	December 2015	70.0	71.5	0.3	70.0	71.6
ASF - CNA/EIB 2000	EUR	E3M	December 2015	53.0	53.1	0.1	53.0	53.1
ASF - CNA/EIB 2001	EUR	5.1%	November 2016	75.0	75.4	0.4	75.0	75.4
ASF - CNA/EIB 2001	EUR	5.1%	November 2016	77.0	77.4	0.4	77.0	77.4
EIB loans				***500.0***	***485.7***	***3.8***	***250.0***	***253.6***
ASF - EIB 2005	EUR	3.8%	May 2012 to 2025	150.0	153.4	3.4	150.0	153.4
ASF - EIB 2005	EUR	3.8%	December 2012 to 2025	100.0	100.2	0.2	100.0	100.2
ASF - EIB 2005	EUR	E3M	June 2014 to 2028	250.0	232.1	0.2		
Other loans				***10.5***	***10.5***		***14.7***	***14.7***
Escota other loans	EUR		up to 2010	10.5	10.5		14.7	14.7
Credit facilities				***973.8***	***971.3***	***1.9***	***1,350.8***	***1,347.7***
ASF, syndicated revolving credit	EUR	E1M/E3M	July 2012	218.0	218.0		495.0	496.3
ASF, syndicated revolving credit	EUR	E1M/E3M	December 2013		(3.2)		100.0	96.5
ASF, term Loan	EUR	E1M	December 2013	755.8	756.5	1.9	755.8	754.8
Effect of recognising ASF's debt at fair value in VINCI's consolidated financial statements (2)	***EUR***				***132.6***			***192.0***
VINCI Park				**757.8**	**753.6**	**0.5**	**810.3**	**805.7**
Tranche 1 (2003) & 2 (2005)	EUR	E3M	until September 2025	209.6	209.4	0.1	232.2	232.1
Loan June 2006	EUR	E3M	up to June 2026	450.8	448.2		462.0	459.4
Other loans			up to 2031	97.4	96.0	0.4	116.1	114.2
Other concessions				**1,023.6**	**980.7**	**3.6**	**455.3**	**441.7**
Gefyra - EIB 2001	EUR	EIB	up to June 2029	346.8	333.6	0.8	350.0	335.7
Stade de France 1998	EUR	5.3%	until July 2013	34.3	34.3	0.8	40.1	40.0
Newport 2002	GBP	7.3%	until September 2040	31.6	31.4	0.6	41.5	41.4
Arcour - EIB 2008	EUR	E1M	up to March 2045	166.0	144.2	0.2		
Arcour 2008	EUR	E1M	up to March 2018	351.0	346.1	0.3		
Via Solution Thuringen EIB 2007	EUR	E6M	until December 2035	16.9	15.8	0.3	14.3	14.3
Via Solution Thuringen EIB 2007	EUR	E6M	until December 2035	33.0	33.1	0.5		
Le Mans Stadium 2008	EUR	E1M	until December 2010	13.5	13.4			
SCA Pochentong 2000 and 2004	USD	L3M	up to June 2018	16.4	16.5	0.1	9.4	10.3
Other loans	EUR			14.1	12.3			
Finance lease debt restated				**7.7**	**7.7**		**11.4**	**11.4**
VINCI Park		4.6%	up to 2023	7.7	7.7		11.4	11.4
Long-term financial debt				**14,781.2**	**15,339.2**	**317.1**	**15,271.2**	**15,857.3**

Other business lines

				31/12/2008			31/12/2007	
(in € millions)	Currency	Contractual interest rate	Maturity	Capital outstanding	Carrying amount	including accrued interest not matured	Capital outstanding	Carrying amount
Bonds				0.9	0.9		1.0	1.0
VINCI Energies	EUR	4.0%	June 2010	0.8	0.8		0.8	0.8
CFE	EUR	6.0%	December 2010	0.1	0.1		0.1	0.1
Other bank loans and other financial debt				455.5	456.6	1.0	351.5	350.7
VINCI Energies	EUR	4.1%	up to 2022	48.8	48.9	0.2	39.1	39.1
Eurovia		4.5%	up to 2019	80.4	81.0	0.3	69.2	68.3
CFE		3.7%	up to 2020	242.2	242.2	0.1	161.3	161.3
Solétanche Bachy		4.8%	up to 2020	32.9	33.0	0.1	45.2	45.2
Other construction subsidiaries				51.2	51.5	0.3	36.8	36.8
Finance lease debt restated				194.9	194.9	0.1	181.4	181.4
VINCI Energies	EUR	T4M	up to 2015	43.9	43.9		38.7	38.7
Eurovia		4.3%	up to 2018	42.3	42.3		43.7	43.7
CFE		4.4%	up to 2015	27.4	27.4		28.7	28.7
Solétanche Bachy		5.6 %	up to 2016	48.9	48.9	0.1	39.5	39.5
Other construction subsidiaries				32.4	32.4		30.8	30.8
Long-term financial debt				**651.3**	**652.4**	**1.1**	**533.8**	**533.1**

Holding companies

				31/12/2008			31/12/2007	
(in € millions)	Currency	Contractual interest rate	Maturity	Capital outstanding	Carrying amount	including accrued interest not matured	Capital outstanding	Carrying amount
Bonds				998.2	1,031.9	26.2	1,000.0	1,019.3
VINCI SA				**998.2**	**1,031.9**	**26.2**	**1,000.0**	**1,019.3**
Bonds, July 2002	EUR	5.9%	July 2009	998.2	1,031.9	26.2	1,000.0	1,019.3
Other bank loans and other financial debt				2,920.7	2,917.6	2.1	2,940.0	2,937.8
VINCI SA				**1,750.0**	**1,749.2**	**1.9**	**1,750.0**	**1,750.8**
Acquisition loan ASF November 2005	EUR	E1M	November 2012	1,750.0	1,749.2	1.9	1,750.0	1,750.8
ASF Holding				**1,170.0**	**1,167.7**	**0.2**	**1,190.0**	**1,187.0**
Syndicated loan December 2006	EUR	E1M	until December 2013	1,170.0	1,167.7	0.2	1,190.0	1,187.0
Other				0.7	0.7			
Finance lease debt restated				1.3	1.3		2.4	2.4
VINCI SA	**EUR**	**E6M**	**until September 2009**	**0.3**	**0.3**		**1.3**	**1.3**
G+H Montage	**EUR**	**E3M**	**April 2014**	**1.0**	**1.0**		**1.1**	**1.1**
Long-term financial debt				**3,920.2**	**3,950.8**	**28.3**	**3,942.4**	**3,959.5**

22.2 Financing resources and liquidities

At 31 December 2008, the Group's available resources amounted to €11.8 billion, including €4.8 billion net cash managed and €7 billion of unused medium-term confirmed bank credit facilities.

22.2.1 Maturity of financial debt and associated interest payments

The Group's debt and associated interest payments, on the basis of the interest rates at 31 December 2008, break down as follows, by maturity date:

	31/12/2008					
(in € millions)	Carrying amount	Capital and interest cash flows	Within 1 year	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Bonds						
Capital	5,409.5	5,150.0	1,301.8	6.4	10.3	3,831.5
Interest payment cash flows		2,413.3	241.2	190.4	568.9	1,412.8
Inflation-linked loan						
Capital	397.9	391.2				391.2
Interest payment cash flows		115.7	15.3	15.3	45.8	39.3
Other bank loans and other financial debt						
Capital	13,931.1	13,607.6	683.3	1,003.4	5,750.5	6,170.4
Interest payment cash flows		4,765.5	561.4	507.9	1,238.3	2,457.9
Finance lease debt restated						
Capital	203.9	203.7	55.7	38.4	76.3	33.3
Interest payment cash flows		31.7	9.9	7.0	10.9	3.9
Subtotal: long-term borrowing	**19,942.4**	**26,678.7**	**2,868.6**	**1,768.8**	**7,701.0**	**14,340.3**
Commercial paper						
Other current financial liabilities	167.3	167.3	167.3			
Bank overdrafts	555.1	555.1	555.1			
Financial current accounts, liabilities	76.3	76.3	76.3			
I - Financial debt	**20,741.1**	**27,477.4**	**3,667.3**	**1,768.8**	**7,701.0**	**14,340.3**
Loans and collateralised financial receivables	(2.7)					
Financial current accounts, assets	(50.0)					
Cash management financial assets	(288.6)					
Cash equivalents	(3,813.7)					
Cash	(1,254.8)					
II - Financial assets	**(5,409.8)**					
Derivative financial instruments - liabilities	353.2	374.2	61.8	41.8	96.5	174.1
Derivative financial instruments - assets	(313.7)	(417.2)	(58.5)	(40.1)	(103.3)	(215.3)
III - Derivative financial instruments	**39.5**	**(42.9)**	**3.3**	**1.7**	**(6.8)**	**(41.1)**
Net financial debt (I + II + III)	**15,370.8**					
Trade payables	**6,803.8**	**6,803.8**	**6,627.2**	**43.8**	**131.2**	**1.6**

At 31 December 2008, the average maturity of the Group's long-term financial debt was seven years (against 7.2 years at 31 December 2007). It was 7.9 years for concessions, 2.7 years for the holding companies and 3.6 years for the Group's other business lines.

Debt repayments due in 2009 (€2.1 billion) will fall in the following periods:
– €0.2 billion in the first quarter of 2009
– €0.1 billion in the second quarter of 2009
– €1.4 billion in the third quarter of 2009
– €0.4 billion in the fourth quarter of 2009.

22.2.2 Net cash managed

Net cash managed, including in particular cash management financial assets and commercial paper issued, breaks down as follows:

	31/12/2008			
(in € millions)	Concessions	Other business lines (*)	Holding companies	Total
Cash equivalents	**544.0**	**794.2**	**2,475.5**	**3,813.7**
Marketable securities and mutual funds (UCITS)	*377.7*	*320.1*	*1,290.7*	*1,988.5*
Negotiable debt securities with an original maturity of less than three months	*166.3*	*474.1*	*1,184.8*	*1,825.2*
Cash	**88.5**	**1,061.6**	**104.7**	**1,254.8**
Bank overdrafts	**(8.5)**	**(519.3)**	**(27.3)**	**(555.1)**
Net cash	**624.0**	**1,336.5**	**2,552.9**	**4,513.4**
Cash management financial assets	**33.7**	**53.1**	**201.8**	**288.6**
Marketable securities and mutual funds (UCITS)	*19.6*	*10.7*	*5.1*	*35.4*
Negotiable debt securities and bonds with an original maturity of less than three months				
Negotiable debt securities with an original maturity of more than three months	*14.1*	*42.4*	*196.7*	*253.2*
Commercial paper issued				
Net cash managed	**657.7**	**1,389.6**	**2,754.7**	**4,802.0**

(*) Surpluses not included in cash pooling system.

	31/12/2007			
(in € millions)	Concessions	Other business lines (*)	Holding companies	Total
Cash equivalents	**562.0**	**781.2**	**1,500.8**	**2,843.9**
Marketable securities and mutual funds (UCITS)	*206.9*	*236.8*	*210.2*	*653.9*
Negotiable debt securities with an original maturity of less than three months	*355.1*	*544.4*	*1,290.5*	*2,190.0*
Cash	**103.6**	**1,150.1**	**126.2**	**1,379.9**
Bank overdrafts	**(9.6)**	**(606.2)**	**(13.9)**	**(629.8)**
Net cash	**655.9**	**1,325.1**	**1,613.0**	**3,594.0**
Cash management financial assets	**43.5**	**56.4**	**511.7**	**611.6**
Marketable securities and mutual funds (UCITS)	*41.6*	*51.4*	*59.6*	*152.6*
Negotiable debt securities and bonds with an original maturity of less than three months				
Negotiable debt securities with an original maturity of more than three months	*1.9*	*4.9*	*452.1*	*459.0*
Commercial paper issued			**(145.0)**	**(145.0)**
Net cash managed	**699.4**	**1,381.4**	**1,979.7**	**4,060.6**

(*) Surpluses not included incash pooling system.

The investment vehicles used by the Group are monetary UCITS, negotiable debt securities (certificates of deposit generally with a maturity of less than three months) and bonds. They are measured and recognised at their fair value.

The investment of cash surpluses of other Group subsidiaries that are not transferred to the holding company is managed complying with VINCI's guidelines and instructions given to subsidiaries that lay down the authorised investment vehicles and counterparties within the Group.

These various financial assets (*cash management financial assets* and *cash equivalents)* are managed involving limited risk to capital and are monitored through a risk and performance monitoring system.

In particular they correspond to the investment of cash surpluses of the companies heading divisions and VINCI's main fully owned subsidiaries, which are transferred to the holding company through a cash pooling system. This centralised system enables both the management of financial resources to be optimised and trends in the cash position of the Group's main subsidiaries to be monitored. The investments made by subsidiaries with VINCI in this context amounted to €2.7 billion at 31 December 2008. The balance represented €1.4 billion of which €0.6 billion for the concession operators (€0.4 billion at Cofiroute and €0.1 billion at ASF) and €0.8 billion for the other business lines.

The holding company monitors the performance and the risks associated with these investments regularly, through a report detailing the yield of the various assets on the basis of their fair value and tracking the level of the associated risk.

22.2.3 Revolving credit facility

At 31 December 2008, VINCI had a confirmed bank credit facility (Club Deal) of €2 billion, expiring in 2012 and confirmed bilateral medium-term credit facilities of €935 million, with maturity dates of between 2010 and 2013. At 31 December 2008, none of these lines was being used.

ASF has a syndicated bank credit facility of €1 billion maturing in 2012, subject to various financial covenants, (see Note 22.2.5 *Financial covenants*). On 18 December 2006, ASF agreed a new sven-year credit line with a bank syndicate for €2 billion. At 31 December 2008, these lines were used for €218 million.

Cofiroute has a confirmed bank credit facility of €1 billion, expiring in 2011. This facility is not subject to financial covenants and was not in use at 31 December 2008.

The amounts authorised and used, and the maturities of the revolving credit lines are as follows:

			Maturity		
(in € millions)	Amount used at 31/12/2008	Amounts authorised at 31/12/2008	Within 1 year	Between 1 and 5 years	After 5 years
Syndicated loan		*2,000*		*2,000*	
Bilateral facilities		*935*		*935*	
VINCI		**2,935**		**2,935**	
ASF: syndicated loans	**218**	**3,000**		**3,000**	
Cofiroute: syndicated loan		**1,020**		**1,020**	
Other business lines: syndicated and non-syndicated lines	51	290	10	280	
Total	**269**	**7,245**	**10**	**7,235**	**0**

The above credit lines are not subject to any Material Adverse Change conditions. Drawings made in 2008 against these confirmed credit lines complied with the initial contractual terms and conditions.

22.2.4 Commercial paper

At 31 December 2008, the Group had an authorised commercial paper programme of €1.5 billion for VINCI SA rated A2 by Standard & Poor's, while Cofiroute had an authorised commercial paper programme of €450 million, rated A2 by Standard & Poor's.
Neither of these programmes was being used at 31 December 2008.

22.2.5 Financial covenants

Some financing agreements include early repayment clauses applicable in the event of non-compliance with financial ratios, of which the main ones are described below:

(in € millions)	Finance agreements	Amounts authorised	Amounts used	Ratios(*)	Values	Ratios at 31 December 2008
VINCI	Acquisition loan	1,750.0	1,750.0	Net financial debt (excl. Concessions) to [Cash flow from operations before tax and financing costs (excl. Concessions) + dividend received (excl. exceptional dividend) of concession operating companies]	< 3.5	(0.2)
ASF Holding	Syndicated term loan	1,170.0	1,170.0	Consolidated net financial debt to consolidated cash flow from operations before tax and financing costs(**)	< 10	8
				Dividends to [Net interest + nominal to repay]	> 1.15	1.4
ASF	CNA	6,249.8	6,249.8	Consolidated net financial debt to consolidated Ebitda	< or = 7	5.4
				Consolidated Ebitda to consolidated financing costs	> 2.2	3.5
	Syndicated term loan	755.8	755.8	Consolidated net financial debt to consolidated cash flows from operations before tax and financing costs	< or = 7	5.4
	Syndicated credit line 2013	2,000.0		Consolidated cash flows from operations before tax and financing costs to consolidated finance costs	> 2.2	3.5
	Syndicated credit line 2012	1,000.0	218.0			
VINCI Park	Amortising loan	450.8	450.8	Net financial debt to cash flow from operations before tax and financing costs	< 7	4.3
				Cash flow from operations before tax and financing costs to financing costs	> 2.2	4.7
	Amortising loan (tranches 1 and 2)	209.6	209.6	Net financial debt to cash flow from operations before tax and financing costs	< 7	4.3
				Cash flow from operations before tax and financing costs to financing costs	> 3	4.7

(*) Ebitda = gross operating profit defined as the difference between operating income and operating expenses excluding depreciation, amortisation and provisions.
(**) (Consolidated net financial debt ASF + consolidated net financial debt ASF Holding) to ASF consolidated cash flow from operations before tax and financing costs

Some finance agreements, entered into by Group entities, provide that a change in control of the borrower may constitute a case for mandatory early redemption or trigger a demand for early repayment.

The above ratios were all met at 31 December 2008.

22.2.6 Credit ratings

At 31 December 2008, the Group's credit ratings were:

		Ratings		
	Agency	Long-term	Outlook	Short-term
VINCI SA	Standard & Poor's	BBB+	Stable	A2
	Moody's	Baa1	Stable	
ASF	Standard & Poor's	BBB+	Stable	A2
	Moody's	Baa1	Stable	
Cofiroute	Standard & Poor's	BBB+	Stable	A2

On 5 September 2008, Standard & Poor's altered its rating of VINCI SA, ASF and Cofiroute from outlook negative to outlook stable.

22.2.7 Debt without recourse or with limited recourse

Most of the Group's long-term debt is without recourse against the VINCI holding company. Debt without recourse amounted to a total of €14.8 billion at the end of December 2008, representing approximately 75% of the Group's long-term debt, and breaks down as follows:

(in € millions)	31/12/2008	31/12/2007
ASF & Escota	**9,869.2**	**10,773.1**
Cofiroute	**3,728.1**	**3,825.3**
Gefyra (Rion-Antirion bridge - Greece)	333.6	335.7
Consortium Stade de France	34.3	40.0
Morgan VINCI Ltd (Newport bypass - Wales)	31.4	41.4
Infrastructure concessions	**399.4**	**417.1**
Arcour (extension of the A19 motorway)	490.2	
PPP Rouen(1)	6.7	
Via Solution Thuringen (A4 motorway - Germany)	48.9	14.3
Stade du Mans(2)	13.5	
Liefkenshoek (rail links in Belgium)(3)	4.8	
Pochentong airports (Cambodia)	16.5	
Other	0.8	
Project finance	**581.3**	**14.3**
Concessions	**14,578.0**	**15,029.8**
CFE (Belgian subsidiary of VINCI Construction)	269.6	190.1
including DEME (CFE's dredging subsidiary), for	*205.6*	*182.3*
including Liefkenshoek (concession operator 25% owned by CFE), for	*4.8*	
Other business lines	**269.6**	**190.1**
Total long-term debt without recourse or with limited recourse	**14,847.6**	**15,219.9**
Derivative instruments	19.1	(89.6)
Collateralised receivables(4)	(1.4)	
Cash, cash equivalents and cash management financial assets of corresponding companies	(57.7)	(757.4)
Total net debt without recourse or with limited recourse	**14,807.7**	**14,372.9**

(1) New 100%-owned entity
(2) New 100%-owned entity
(3) New activity 50% owned, of which 25% by CFE
(4) Collateralised receivables correspond to financial assets guaranteeing the obligations under certain loans.

All the companies shown in the above table are financed autonomously (with no guarantee from the parent company). They do not participate in the holding company cash pooling system. Their finance agreements do not include a crossed default clause with VINCI.

23. Management of financial risks

The following disclosures present the Group's exposure to its financial risks, its objectives, its policy and its processes to measure and manage the risks.

Given the level of its net financial debt and of the associated financial income and expense, VINCI has instituted a system to manage and monitor the various financial risks to which it is exposed, principally interest rate risk.

These financial risks are managed in accordance with the management policies laid down by the Group's Finance Department. In application of these rules, the responsibility for identifying, measuring and hedging the financial risks lies with the operational entity in question. On the other hand, derivative financial instruments are generally managed by the Group Finance Department on behalf of the subsidiaries in question.

Treasury committees meet regularly to analyse the main exposures and decide on management strategies for the entities that have the most material exposure to financial risks (ASF, Cofiroute, VINCI Park, VINCI SA). These companies use the same tools as the VINCI holding company to monitor financial instruments, which enables information to be centralised.

In order to manage its exposure to market risks, the Group uses derivative financial instruments, which are recognised in the balance sheet at their fair value.

At the balance sheet date, the fair value of derivative financial instruments breaks down as follows:

		31/12/2008				
(in € millions)	Ref.	Non-current asset	Current asset(*)	Non-current liability	Current liability(*)	Net
Interest rate derivatives: fair value hedges	23.1.2	109.8	44.4		(6.8)	147.3
Interest rate derivatives: cash flow hedges	23.1.3		0.7	(235.8)	(10.3)	(245.4)
Interest rate derivatives not designated as hedges	23.1.4		128.5		(85.6)	43.0
Interest rate derivatives		**109.8**	**173.6**	**(235.8)**	**(102.7)**	**(55.1)**
Foreign currency exchage rate derivatives: cash flow hedges	23.3.1		5.0		(0.9)	4.1
Foreign currency exchage rate derivatives: hedge of net foreign investment	23.3.1				(0.7)	(0.7)
Foreign currency exchage rate derivatives not designated as hedges	23.3.1		25.3		(13.1)	12.2
Currency derivatives			**30.3**		**(14.7)**	**15.6**
Other derivatives						
Total derivative financial instruments		**109.8**	**203.9**	**(235.8)**	**(117.4)**	**(39.5)**

(*) The current part includes accrued interest not matured, amounting to €27.9 million at 31./12/08.

		31/12/2007				
(in € millions)	Ref.	Non-current asset	Current asset(*)	Non-current liability	Current liability(*)	Net
Interest rate derivatives: fair value hedges	23.1.2	12.1	27.6	(9.3)	(1.6)	28.7
Interest rate derivatives: cash flow hedges	23.1.3	59.2	11.7	(6.0)	(0.7)	64.2
Interest rate derivatives not designated as hedges	23.1.4		105.1		(30.1)	75.0
Interest rate derivatives		**71.2**	**144.4**	**(15.3)**	**(32.4)**	**167.9**
Foreign currency exchage rate derivatives: cash flow edges	23.3.1		1.8	(0.6)	(0.9)	0.3
Foreign currency exchage rate derivatives: hedge of net foreign investment	23.3.1		0.8			0.8
Foreign currency exchage rate derivatives not designated as hedges	23.3.1		6.8		(20.2)	(13.5)
Currency derivatives			**9.4**	**(0.6)**	**(21.1)**	**(12.3)**
Other derivatives		**0.9**	**14.1**	**(0.0)**		**14.9**
Total derivative financial instruments		**72.1**	**167.9**	**(15.9)**	**(53.6)**	**170.5**

(*) The current part includes accrued interest not matured, amounting to €38.9 million at 31 December 2007.

23.1 Interest rate risk

Interest rate risk is managed within the Group, making a distinction between concessions, contracting activities and holding companies, as their respective financial profiles are not the same.

For the concession operating companies, interest rate risk is managed with two timescales: the long term, aiming to ensure and optimise the concession's economic equilibrium, and the short term, with an objective of optimising the average cost of debt within the budget framework and depending on the situation in financial markets.

Over the long term, the objective is to maintain over time a breakdown between fixed and floating rate that can change depending on the debt level, measured by the ratio of net debt to cash flows from operations before tax and financing costs.

As regards contracting activities and holding companies, they have a net cash surplus, as the contracting subsidiaries' cash surpluses, of which the management is mainly centralised under the cash pooling system, are higher than the holding companies' debt. For these activities, the objective is to limit the consolidated interest-rate risk by ensuring that the risks connected with financial assets and financial liabilities are well matched.

To hedge its interest rate risk, the Group uses derivative financial instruments in the form of options or swaps of which the start may be deferred. These derivatives may be designated as hedges or not, in accordance with the IFRS, but are economic hedges.

The table below shows the breakdown of long-term debt between fixed-rate, capped floating-rate, and inflation-linked debt, and the part at floating rate before and after taking account of derivative financial instruments:

	Breakdown between fixed and floating rate before hedging										
	Fixed			Inflation-linked			Floating			Total	
(in € millions)	Debt	Proportion	Rate	Debt	Proportion	Rate	Debt	Proportion	Rate	Debt(*)	Rate
Concessions	10,960.7	74%	5.41%	391.2	3%	4.02%	3,418.1	23%	3.44%	14,770.0	4.92%
Other business lines	340.5	52%	4.57%				310.6	48%	3.85%	651.1	4.23%
Holding companies	996.2	25%	5.69%				2,915.7	75%	2.98%	3,911.9	3.67%
At 31 December 2008	**12,297.4**	**64%**	**5.41%**	**391.2**	**2%**	**4.02%**	**6,644.4**	**34%**	**3.26%**	**19,333.0**	**4.64%**
At 31 December 2007	**13,327.1**	**67%**	**5.49%**	**377.8**	**2%**	**5.21%**	**6,086.2**	**31%**	**5.01%**	**19,791.1**	**5.34%**

	Breakdown between fixed and floating rate after hedging (economic hedge)										
	Fixed			Capped floating / inflation-linked			Floating			Total	
(in € millions)	Debt	Proportion	Rate	Debt	Proportion	Rate	Debt	Proportion	Rate	Debt(*)	Rate
Concessions	11,928.4	81%	5.08%	2,083.9	14%	3.75%	757.7	5%	3.97%	14,770.0	4.84%
Other business lines	445.5	68%	4.70%	22.8	4%	4.54%	182.8	28%	4.11%	651.1	4.53%
Holding companies	613.1	16%	4.20%	779.2	20%	4.58%	2,519.6	64%	3.54%	3,911.9	3.85%
At 31 December 2008	**12,987.0**	**67%**	**5.03%**	**2,885.9**	**15%**	**3.98%**	**3,460.1**	**18%**	**3.66%**	**19,333.0**	**4.63%**
At 31 December 2007	**12,368.7**	**62%**	**5.30%**	**4134.4**	**21%**	**4.70%**	**3,288.0**	**17%**	**5.49%**	**19,791.1**	**5.21%**

(*) 2008: Long-term financial debt at amortised cost + accrued interest not matured + impact of fair value hedges + remeasurement of ASF's debt = 19,333.0 + 346.5 + 130.3 + 132.6 = €19,942.4 million
(*) 2007: Long-term financial debt at amortised cost + accrued interest not matured + impact of fair value hedges + remeasurement of ASF's debt = 19,791.1 + 359.7 + 7 + 192 = €20,349.8 million

23.1.1 Sensitivity to interest rate risk

VINCI's income statement is exposed to the risk of fluctuations in interest rates, given:
– the cash flows connected with floating-rate financial instruments after hedging, whether they are derivatives or not;
– fixed-rate financial instruments recognised in the balance sheet at fair value through profit or loss;
– derivative financial instruments that are not designated as hedges. These transactions mainly comprise net call option positions of which the maximum loss over the life of the transaction is equal to the premium paid.

On the other hand, fluctuations in the value of derivatives designated as hedges do not have a direct impact on profit or loss and are recognised in equity.

The analysis below has been prepared assuming that the amount of the financial debt and derivatives at 31 December 2008 remains constant over one year.

The consequence of a variation in interest rates of 50 basis points at the balance sheet date would have been an increase or decrease of equity and pre-tax profit for the amounts shown below. For the purpose of this analysis, the other variables are assumed to remain constant.

	31/12/2008			
	Profit or loss		Equity	
(in € millions)	Impact of sensitivity calculation + 50 bp	Impact of sensitivity calculation –50 bp	Impact of sensitivity calculation + 50 bp	Impact of sensitivity calculation –50 bp
Floating-rate debt after hedging (accounting basis)	(31.7)	31.7		
Derivatives not considered for accounting purposes as hedges	6.4	(4.2)		
Derivatives designated as hedges of highly probable cash flows			32.7	(34.5)
Derivatives designated as hedges of contractual cash flows	0.8	(0.9)	115.5	(134.9)

23.1.2 Description of fair value hedges

At the balance sheet date, details of the instruments designated as fair value hedges were as follows:

	31/12/2008							
(in € millions)	Within 1 year	Between 1 and 2 years	Between 3 and 5 years	After 5 years	Notional	Fair value, assets	Fair value, liabilities	Total
Fixed receiver / floating payer interest rate swap	1,225.0		2.6	1,011.2	2,238.8	154.1	(6.8)	147.3
Interest rate options (caps, floors and collars)								
Interest rate derivatives: fair value hedges	**1,225.0**		**2.6**	**1,011.2**	**2,238.8**	**154.1**	**(6.8)**	**147.3**

	31/12/2007							
(in € millions)	Within 1 year	Between 1 and 2 years	Between 3 and 5 years	After 5 years	Notional	Fair value, assets	Fair value, liabilities	Total
Fixed receiver / floating payer interest rate swap		1,275.0	2.5	1,017.2	2,294.8	39.7	(10.9)	28.7
Interest rate options (caps, floors and collars)								
Interest rate derivatives: fair value hedges		**1,275.0**	**2.5**	**1,017.2**	**2,294.8**	**39.7**	**(10.9)**	**28.7**

These transactions mainly relate to the fixed-rate bond issues by ASF, Cofiroute and VINCI.

23.1.3 Description of cash flow hedges

At the balance sheet date, details of the instruments designated as cash flow hedges were as follows:

	31/12/2008							
(in € millions)	Within 1 year	Between 1 and 2 years	Between 3 and 5 years	After 5 years	Notional	Fair value, assets	Fair value, liabilities	Total
Floating receiver / fixed payer interest rate swap				850.0	850.0		(76.8)	(76.8)
Interest rate options (caps, floors and collars)								
Interest rate derivatives: hedging of highly probable forecast cash flows				**850.0**	**850.0**		**(76.8)**	**(76.8)**
Floating receiver / fixed payer interest rate swap	2,056.3	822.0	591.5	1,232.8	4,702.6	0.7	(159.8)	(159.1)
FRA								
Interest rate options (caps, floors and collars)		403.9		150.5	554.4	0.0	(9.5)	(9.4)
Interest rate derivatives: hedging of contractual cash flows	**2,056.3**	**1,225.9**	**591.5**	**1,383.3**	**5,257.0**	**0.7**	**(169.3)**	**(168.6)**
Total	**2,056.3**	**1,225.9**	**591.5**	**2,233.3**	**6,107.0**	**0.7**	**(246.1)**	**(245.4)**

	31/12/2007							
(in € millions)	Within 1 year	Between 1 and 2 years	Between 3 and 5 years	After 5 years	Notional	Fair value, assets	Fair value, liabilities	Total
Floating receiver / fixed payer interest rate swap				1,265.0	1,265.0	42.8	(2.0)	40.8
Interest rate options (caps, floors and collars)								
Interest rate derivatives: hedging of highly probable forecast cash flows				**1,265.0**	**1,265.0**	**42.8**	**(2.0)**	**40.8**
Floating receiver / fixed payer interest rate swap	1,864.9	657.1	353.2	229.0	3,104.2	20.3	(3.5)	16.8
FRA	6,349.5				6,349.5	1.5	(0.0)	1.5
Interest rate options (caps, floors and collars)			324.4	153.2	477.7	6.2	(1.2)	5.0
Interest rate derivatives: hedging of contractual cash flows	**8,214.4**	**657.1**	**677.6**	**382.2**	**9,931.3**	**28.1**	**(4.7)**	**23.3**
Total	**8,214.4**	**657.1**	**677.6**	**1,647.2**	**11,196.3**	**70.9**	**(6.7)**	**64.2**

The Group's exposure to the risks of changes in future interest payment cash flows is generated by the cash flows of floating-rate debt at 31 December 2008 and by the interest charges relating to future issues.

Hedging of contractual cash flows

The Group has set up interest rate swaps which serve to render interest payments on floating-rate debt fixed. The contractual cash flows under swaps are paid symmetrically with the interest payment flows on hedged loans; the amount deferred in equity is recognised through profit or loss in the period when the interest payment is recognised in profit or loss.

Hedging of highly probable cash flows

At 31 December 2008, the portfolio of swaps was €850 million at ASF with maturities until 2019 enabling part of the interest payments on highly probable future borrowing to be fixed.

The following table shows the periods when the Group expects the cash flows associated with the deferred start swaps in place on 31 December 2008 to occur:

	31/12/2008				
		Expected cash flows			
(in € millions)	Fair value	Within 1 year	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Deferred start floating / fixed swap	(76.8)	(54.2)	(22.6)		
Total interest rate derivatives designated for accounting purposes as hedges of highly probable cash flows	**(76.8)**	**(54.2)**	**(22.6)**		

	31/12/2007				
		Expected cash flows			
(in € millions)	Fair value	Within 1 year	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Deferred start floating / fixed swap	40.8	17.6	(1.8)	25.1	
Total interest rate derivatives designated for accounting purposes as hedges of highly probable cash flows	**40.8**	**17.6**	**(1.8)**	**25.1**	

The following table shows the periods when the Group expects the amounts recorded in equity at 31 December 2008 for the existing or unwound instruments designated as cash flow hedges to have an impact on profit or loss:

	31/12/2008				
		Amount recycled in profit or loss			
(in € millions)	Amount recorded in equity(*)	Within 1 year	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Interest rate derivatives designated for accounting purposes as hedges of contractual cash flows	(228.6)	(55.4)	(26.3)	(42.9)	(104.0)
Interest rate derivatives designated for accounting purposes as hedges of highly probable cash flows	(14.9)	0.7	(1.9)	(5.8)	(7.9)
Total interest rate derivatives designated for accounting purposes as cash flow hedges	**(243.5)**	**(54.7)**	**(28.2)**	**(48.7)**	**(111.9)**

(*) The amount recorded in equity in respect of cash flow hedges (attributable to equity holders of the parent) for –€229.7 million (see Note E.18) breaks down as follows:
Cash flow hedges relating to interest rate risk for –€243.5 million, including:
–€233.2 million attributable to equity holders of the parent
–€10.3 million attributable to minority interest
Cash flow hedges relating to foreign currency exchange rate risk for €3.6 million, including:
+€3.5 million attributable to equity holders of the parent
+€0.1 million attributable to minority interest

23.1.4 Description of non-hedging transactions

At the balance sheet date, these transactions were as follows:

	31/12/2008							
(in € millions)	Within 1 year	Between 1 and 2 years	Between 3 and 5 years	After 5 years	Notional	Fair value, assets	Fair value, liabilities	Total
Interest rate swaps	1,084.6	33.6	198.6	130.8	1,447.6	121.4	(85.0)	36.4
FRA	177.0				177.0		(0.5)	*(0.5)*
Interest rate options (caps, floors and collars)	129.5	327.1	1,586.0		2,042.6	7.1	(0.0)	7.1
Interest rate derivatives not designated as hedges for accounting purposes	**1,391.1**	**360.7**	**1,784.6**	**130.8**	**3,667.2**	**128.5**	**(85.5)**	**43.0**

	31/12/2007							
(in € millions)	**Within 1 year**	**Between 1 and 2 years**	**Between 3 and 5 years**	**After 5 years**	**Notional**	**Fair value, assets**	**Fair value, liabilities**	**Total**
Interest rate swaps	264.3	22.7	374.0	1,610.9	2,272.0	74.4	(25.9)	48.4
FRA	2,325.0				2,325.0	0.4	(0.4)	(0.1)
Interest rate options (caps, floors and collars)	1,764.4	624.9	1,650.4	866.0	4,905.8	30.4	(3.7)	26.6
Interest rate derivatives not designated as hedges for accounting purposes	**4,353.8**	**647.6**	**2,024.4**	**2,476.9**	**9,502.7**	**105.1**	**(30.1)**	**75.0**

These transactions are mainly mirror swaps (which generate no risk of fluctuation of fair value in the income statement), swaps or short-maturity options. They enable the level of hedging to be adjusted taking account of the market situation.

23.2 Equity risk

At 31 December 2008, VINCI owned 3.3% of ADP. This shareholding is classified under available-for-sale financial assets. On the basis of the new cost of the ADP shares (see Note E.16 "*Other non-current financial assets*"), the consequence of a fall of 10% in the stock market price of the share would be a change in net profit of –€16 million and the consequence of a 10% increase in the stock market price of the share would be a change in equity of €16 million.

At 31 December 2008, the Group held a portfolio of 22,919,652 treasury shares acquired at an average price of €51.19 and 2,477,878 million call options at an average exercise price of €24.6, on which a premium of €74.2 million has been paid. An increase or decrease of the stock market price of the treasury shares would have no impact on either the Group's profit or loss or its equity.

The two swaps existing at 31 December 2007 were unwound in the course of 2008. These transactions had no material impact on profit or loss.

23.3 Foreign currency exchange rate risk

23.3.1 Detail of currency derivatives

Transactions to hedge currency risk designed to cover commercial or financial transactions break down as follows:

	31/12/2008							
(in € millions)	**Within 1 year**	**Between 1 and 2 years**	**Between 3 and 5 years**	**After 5 years**	**Notional**	**Fair value, assets**	**Fair value, liabilities**	**Total**
Cross currency swap	0.8				0.8	0.1		0.1
Forward foreign exchange transactions	83.6				83.6	4.9	(0.9)	4.1
Currency options								
Foreign currency exchage rate derivatives: cash flow hedges	**84.4**				**84.4**	**5.0**	**(0.9)**	**4.1**
Cross currency swap								
Forward foreign exchange transactions	68.4				68.4		(0.7)	(0.7)
Currency options								
Foreign currency exchage rate derivatives: hedge of net foreign investment	**68.4**				**68.4**		**(0.7)**	**(0.7)**
Cross currency swap	7.9		14.2	1.3	23.3	2.2		2.2
Forward foreign exchange transactions	308.9	29.5			338.4	22.9	(13.1)	9.7
Currency options			5.0		5.0	0.2		0.2
Foreign currency derivatives not designated as hedges for accounting purposes	**316.8**	**29.5**	**19.2**	**1.3**	**366.7**	**25.3**	**(13.1)**	**12.2**
Total foreign currency derivative instruments	**469.5**	**29.5**	**19.2**	**1.3**	**519.5**	**30.3**	**(14.7)**	**15.6**

(in € millions)	31/12/2007 Within 1 year	Between 1 and 2 years	Between 3 and 5 years	After 5 years	Notional	Fair value, assets	Fair value, liabilities	Total
Cross currency swap	5.9				5.9	0.2	(0.3)	(0.1)
Forward foreign exchange transactions	63.5				63.5	1.6	(1.2)	0.4
Currency options								
Foreign currency exchage rate derivatives: cash flow hedges	**69.4**				**69.4**	**1.8**	**(1.5)**	**0.3**
Cross currency swap	30.4				30.4	0.7		0.7
Forward foreign exchange transactions	36.7				36.7	0.2		0.2
Currency options								
Foreign currency exchage rate derivatives: hedge of net foreign investment	**67.1**				**67.1**	**0.8**		**0.8**
Cross currency swap	287.1	4.3	9.4		300.7	1.6	(19.7)	(18.1)
Forward foreign exchange transactions	118.6	0.7			119.3	5.0	(0.5)	4.4
Currency options	(6.2)		5.0		(1.2)	0.2	(0.0)	0.2
Foreign currency derivatives not designated as hedges for accounting purposes	**399.4**	**5.0**	**14.4**		**418.9**	**6.8**	**(20.2)**	**(13.5)**
Total foreign currency derivative instruments	**536.0**	**5.0**	**14.4**		**555.4**	**9.4**	**(21.7)**	**(12.3)**

23.3.2 Breakdown of long-term debt by currency

Debt breaks down as follows by currency:

(in € millions)	31/12/2008		31/12/2007	
Euro	19,719.4	99%	19,824.1	97%
Swiss franc	17.6	0%	312.0	2%
Chilean peso	4.2	0%	16.1	0%
Sterling	85.2	0%	97.1	0%
US dollar	38.2	0%	32.2	0%
Canadian dollar	18.2	0%	23.5	0%
Other currencies	59.9	0%	44.8	0%
Total long-term borrowings	**19,942.7**	**100%**	**20,349.8**	**100%**

Generally, the Group's activities in foreign countries are financed by loans in the local currency.

23.3.3 Nature of the Group's risk exposure

Seventy-five percent of VINCI's activities in international markets is through subsidiaries in the eurozone. In consequence, the Group's exposure to currency risk is limited. Transactions outside the eurozone are generally made in the local currency for permanent establishments and, to a great extent, in a strong currency in the case of major export projects.

Furthermore, VINCI may find itself exposed to currency risk whenever, in isolated cases the parent company provides finance to certain foreign subsidiaries, and on cash flows intended to be paid to the parent company. This exposure is generally covered by cross currency swaps or forward exchange transactions.

VINCI's foreign currency risk management policy consists in hedging the transactional risk (in particular on receivables and debt in its balance sheet) connected with subsidiaries' ordinary operations.
However, VINCI does not systematically hedge the currency risk connected with its foreign investments (translation exposure).

23.3.4 Analysis of foreign exchange risk exposure (excluding construction contracts)

The foreign exchange risk exposure was as follows at 31 December 2008:

(in € millions)	31/12/2008		
Currency	**GBP**	**USD**	**Total**
Closing rate	0.953	1.392	
Exposure	21.1	82.9	103.9
Hedge	(1.4)	(50.3)	(51.7)
Net position	**19.7**	**32.6**	**52.3**

The main exposure to foreign currency exchange rate risk, principally related to assets denominated in foreign currency that are intended to be repatriated, is hedged and in consequence generates no risk to profit or loss. There remains a residual exposure on assets not designated as hedges. A 10% appreciation of foreign currencies against the euro would have a pre-tax impact on the financial statements of €5.2 million.

23.4 Credit risk and counterparty risk

VINCI is exposed to credit risk in the event of default by customers. It is exposed to counterparty risk in respect of its investments of cash, commitments received, acquisition of negotiable debt securities, marketable securities, and unused authorised credit facilities, financial receivables and derivative financial instruments.

The Group has set up procedures to manage and limit credit risk and counterparty risk.

Trade receivables

It should be noted that nearly 40% of consolidated revenue is generated with public sector, or quasi-public sector, customers. Moreover, VINCI considers that the concentration of counterparty risk connected with trade receivables is limited because of the large number of customers and the fact that they are widely scattered across France and abroad. In foreign countries and in developing countries, the risk of non-payment is generally covered by an appropriate insurance policy (Coface, documentary credit, etc.). Trade receivables are broken down in Note E.21.2 "*Trade receivables*".

Financial instruments

Financial instruments are set up with financial institutions meeting the Group's credit rating criteria. The Group has also set up a system of counterparty limits to manage its counterparty risk. This system allocates maximum risk amounts by counterparty, defined by taking account of their credit ratings as published by Standard & Poor's, Moody's and Fitch IBCA. These limits are regularly monitored and updated by the Group Finance Department at Treasury Committee meetings on the basis of a quarterly, consolidated report.
The Group Finance Department also distributes instructions to the subsidiaries laying down the authorised limits by counterparty and the list of authorised UCITS.

24. Carrying amount and fair value by accounting category

The following table shows the carrying amount and the fair value of financial assets and liabilities, in the balance sheet, by accounting category as defined in IAS 39:

31/12/2008	Accounting categories(*)							Fair value			
Balance sheet headings and classes of instrument	Financial instruments through profit or loss	Derivatives designated as hedges	Assets measured at fair value (fair value option)	Available-for-sale financial assets	Loans and receiva-bles	Liabilities at amortised cost	**Total carrying amount for the class**	Listed prices	Internal model based on observable factors	Internal model not based on observable factors	Fair value of the class
Investments in listed subsidiaries and associates				182.9			182.9	182.9			182.9
Investments in unlisted subsidiaries and associates				119.8			119.8			119.8	119.8
Loans and collateralised financial receivables					209.9		209.9		209.9		209.9
I - Non-current financial assets				**302.7**	**209.9**		**512.6**	**182.9**	**209.9**	**119.8**	**512.6**
Interest rate derivatives – fair value hedges		154.1					154.1		154.1		154.1
Interest rate derivatives – cash flow hedges		0.7					0.7		0.7		0.7
Interest rate derivatives not designated as hedges	128.5						128.5		128.5		128.5
Foreign currency exchange rate derivatives – cash flow hedges		5.0					5.0		5.0		5.0
Foreign currency exchange rate derivatives – hedge of net foreign investment											
Foreign currency exchange rate derivatives not designated as hedges	25.3						25.3		25.3		25.3
Derivatives – other instruments											
II - Derivative financial instruments - assets	**153.9**	**159.8**					**313.7**		**313.7**		**313.7**
III - Trade receivables					**11,561.5**		**11,561.5**		**11,561.5**		**11,561.5**
Loans and collateralised financial receivables					44.4		44.4		44.4		44.4

31/12/2008	Accounting categories(*)							Fair value			
Balance sheet headings and classes of instrument	Financial instruments through profit or loss	Derivatives designated as hedges	Assets measured at fair value (fair value option)	Available-for-sale financial assets	Loans and receiva-bles	Liabilities at amortised cost	**Total carrying amount for the class**	Listed prices	Internal model based on observable factors	Internal model not based on observable factors	Fair value of the class
Cash management financial assets			288.6				288.6	216.6	72.0		288.6
Financial current accounts, assets			50.0				50.0		50.0		50.0
Cash equivalents			3,813.7				3,813.7	3,356.6	457.1		3,813.7
Cash			1,254.8				1,254.8		1,254.8		1,254.8
IV - Current financial assets			**5,407.3**		**44.4**		**5,451.7**	**3,573.2**	**1,878.5**		**5,451.7**
Total assets	**153.8**	**159.8**	**5,407.3**	**302.7**	**11,815.8**		**17,839.5**	**3,756.1**	**13,963.5**	**119.8**	**17,839.5**
Bonds						(5,409.5)	(5,409.5)	(4,784.4)			(4,784.4)
Inflation-linked loans						(397.9)	(397.9)		(397.9)		(397.9)
Other bank loans and other financial debt						(13,931.1)	(13,931.1)	(4,802.5)(**)	(9,071.9)		(13,874.4)
Finance lease debt restated						(203.9)	(203.9)		(203.9)		(203.9)
V - Non-current financial debt						**(19,942.4)**	**(19,942.4)**	**(9,585.1)**	**(9,673.8)**		**(19,258.8)**
Interest rate derivatives – fair value hedges		(6.8)					(6.8)		(6.8)		(6.8)
Interest rate derivatives – cash flow hedges		(246.1)					(246.1)		(246.1)		(246.1)
Interest rate derivatives not designated as hedges	(85.5)						(85.5)		(85.5)		(85.5)
Foreign currency exchage rate derivatives – cash flow hedges		(0.9)					(0.9)		(0.9)		(0.9)
Foreign currency exchage rate derivatives – hedge of net foreign investment		(0.7)					(0.7)		(0.7)		(0.7)
Foreign currency exchage rate derivatives not designated as hedges	(13.1)						(13.1)		(13.1)		(13.1)
Derivatives – other instruments											
VI - Derivative financial instruments - liabilities	**(98.7)**	**(254.5)**					**(353.1)**		**(353.1)**		**(353.1)**
VII - Trade payables						**(6,803.8)**	**(6,803.8)**		**(6,803.8)**		**(6,803.8)**
Other current financial liabilities						(167.3)	(167.3)		(167.3)		(167.3)
Financial current accounts, liabilities			(76.3)				(76.3)		(76.3)		(76.3)
Bank overdrafts			(555.1)				(555.1)		(555.1)		(555.1)
VIII - Current financial liabilities			**(631.4)**			**(167.3)**	**(798.7)**		**(798.7)**		**(798.7)**
Total equity and liabilities	**(98.7)**	**(254.5)**	**(631.4)**			**(26,913.6)**	**(27,898.1)**	**(9,585.1)**	**(17,629.3)**		**(27,214.4)**
Total	**55.1**	**(94.6)**	**4,775.9**	**302.7**	**11,815.8**	**(26,913.6)**	**(10,058.7)**	**(5,829.0)**	**(3,665.7)**	**119.8**	**(9,374.9)**

(*) The Group has no held-to-maturity financial assets
(**) Listed price of loans issued by CNA

The fair value is determined either:
– on the basis of listed prices on an active market; whenever listed prices on an active market are available, these are used in priority in determining the market value. Marketable securities and some listed bond loans are measured in this way;
– on the basis of internal measurement techniques using the usual mathematical calculation methods incorporating observable market data (forward rates, yield curves, etc).

Most derivative financial instruments (swaps, caps, floors, etc.) are traded on markets and are measured on the basis of models commonly used by market participants to price such financial instruments.

Every quarter, the internally calculated values of derivative instruments are checked for consistency with the values sent to us by the counterparties.

25. Transactions with related parties

Transactions with related parties are:
– remuneration and similar benefits paid to members of the governing and management bodies;
– transactions with companies in which VINCI exercises significant influence or joint control.
These transactions are conducted on the basis of market prices.

25.1 Remuneration and similar benefits paid to members of the governing and management bodies

The remuneration of the Group's Company Officers is determined by the Board of Directors following proposals from the Remuneration Committee.

The table below shows the remuneration and similar benefits, on a full-year basis, granted by VINCI SA and the companies that it controls to persons who, at the balance sheet date are (or, during the year, have been), members of the Group's governing bodies and executive committee. The corresponding amounts have been recognised and expenses in 2007 and 2008 as follows:

	Members of governing bodies and the Executive Committee	
(in € thousands)	31/12/2008	31/12/2007
Remuneration	8,940.5	9,354.3
Employer's social charges	3,643.9	4,796.0
Post-employment benefits	839.9	1,105.3
Termination benefits	115.0	1,536.6
Share-based payments(*)	6,280.4	7,306.4
Directors' fees	935.7	801.3

(*) This amount is determined in accordance with IFRS 2 Share-based Payment and as described in Note E.19 "Share-based payment" .

The variable portion relating to 2008 is an estimate, for which a provision has been taken in the period.

The aggregate amount of retirement benefit obligations (contractual lump sums payable on retirement and any supplementary defined benefit schemes) in favour of members of the Group's governing bodies and executive committee, for which provisions are included in the financial statements at 31 December 2008 amount to €16.611 thousand (compared with €21.032 thousand at 31 December 2007).

25.2 Transactions between VINCI and proportionately consolidated companies (unconsolidated part)

(in € millions)	31/12/2008	31/12/2007(*)
Revenue	3,158.7	2,933.4
Purchases	(873.4)	(667.7)
Subcontracting	(1,831.1)	(1,877.1)
Trade receivables	1,519.1	1,292.5
Trade payables	862.2	713.5

(*) Restated in accordance with the change of accounting policy described in Note A.1.3 "Change of accounting policy: IFRIC 12 Service Concession Arrangements".

These transactions mainly relate to operations conducted with joint-venture partnerships (SEPs) in connection with the Group's construction activities.

25.3. Contribution to the consolidated balance sheet by proportionately consolidated companies

(in € millions)	31/12/2008	31 /12/2007(*)
Current assets	1,959.6	1,492.5
Non-current assets	1,011.8	787.9
Current liabilities	2,031.6	1,563.1
Non-current liabilities	727.9	535.2
Operating revenue	3,139.7	2,675.7
Operating expenses	(2,903.6)	(2,479.1)
Cost of net financial debt	(11.9)	(16.2)
Other financial income and expenses	(0.2)	(3.6)
Income tax	(38.0)	(35.6)

(*) Restated in accordance with the change of accounting policy described in Note A.1.3 "Change of accounting policy: IFRIC 12 Service Concession Arrangements".

25.4 Other related parties

The information on equity-accounted companies is given in Note E.15.2. "*Financial information on investments in associates*".

VINCI recognised an expense of €579.6 thousand in 2008 in respect of catering services provided by Société Gastronomique de l'Etoile (€530.4 thousand in 2007).
Furthermore, the Company has normal business relationships with financial institutions of which the officers are Directors of VINCI, in particular UBS and Natexis.

26. Contractual obligations and other commitments made and received

Contractual obligations and other commitments made and received break down as follows:

26.1 Contractual obligations

(in € millions)	31/12/2008	31/12/2007
Operating leases	1,011.4	1,016.4
Purchase and capital expenditure obligations(*)	225.6	217.1

(*) Excluding capital investment obligations under concession contracts (see Note E.9.2 " Commitments made under concession contracts – intangible asset model" and Note E.16.3 "Commitments made under concession and PPP contracts– financial asset model").

Operating lease commitments amounted to €1,011.4 million at 31 December 2008 (compared with €1,016.4 million at 31 December 2007); of this, €720.1 million was for property (compared with €744.9 million at 31 December 2007), €251.2 million for movable items (compared with €230.6 million at 31 December 2007) and €40.1 million for quarrying rights.

The purchase and capital expenditure obligations mentioned above relate mainly to VINCI Immobilier, and in particular to undertakings given in connection with the rehabilitation of land at Boulogne Billancourt.

The breakdown by maturity of contractual obligations is as follows:

		Payments due by period		
(in € millions)	Total	Within 1 year	Between 1 and 5 years	After 5 years
Operating leases	1,011.4	284.6	446.8	280.0
Purchase and capital expenditure obligations(*)	225.6	99.4	80.9	45.3

(*) Excluding investment obligations related to concession contracts.

26.2 Other commitments made and received

(in € millions)	31/12/2008	31/12/2007
Collateral securities	297.8	268.7
Joint and several guarantees covering unconsolidated partnerships(*)	67.1	55.3
Other commitments made (received)(**)	127.2	16.6

(*) Group's share, total commitment was €131.6 million at 31 December 2008.
(**) Excluding concession contracts (see Note E.9.2 "Commitments made under concession contracts – intangible asset model"), construction contracts (see Note E.17 "Construction contracts") and unrecognised retirement benefit obligations (see Note E.20.1 "Provisions for retirement benefit obligations").

Collateral securities (mortgages and collateral for finance)

In addition to commitments in connection with the concession contracts, collateral security may be given. This mainly relates to CFE (property projects and financing of dredgers at DEME, CFE's 50% subsidiary).

Joint and several guarantees covering unconsolidated partnerships (SNCs, Economic Interest Groupings, etc.)

Part of VINCI's business in the construction and roads business lines is conducted through unincorporated joint venture partnerships (SEPs), in line with industry practice. In partnerships, partners are legally jointly and severally liable for that entity's debts to third parties, without limit. In order to contain its risks, the Group usually makes a study of its partners' solvency when partnerships are entered into, which may result in the setting up of crossed counter guarantees between partners.

Whenever the Group is aware of a particular risk relating to a joint venture partnership's activity, a provision is taken in the consolidated financial statements.

The amount shown under off-balance sheet commitments in respect of joint and several guarantees is the Group's share of the liabilities of the partnerships in question less equity and financial debt (loans or current account advances) due to partners.

Given in particular the quality of its partners, the Group considers that the risk of its guarantee being invoked in respect of these commitments is negligible.

The commitments made and received by the Group in connection with concession contracts, construction contracts and items connected with unrecognised retirement benefit obligations are shown in the following notes:
- E.9.2 "Commitments made under concession contracts – intangible asset model";
- E.16.3 "Commitments made under concession and PPP contracts – financial asset model";
- E.17.2 "Commitments given and received in connection with concession contracts";
- E.20.1 "Provisions for retirement benefit obligations".

27. Employees and staff training rights

The number of employees at 31 December 2008 breaks down as follows:

	31/12/2008	31/12/2007
Engineers and managers	24,274	22,556
Office, technical and manual	139,783	136,072
	164,057	**158,628**

The Act of 4 May 2004 gives employees of French businesses the right to a minimum of 20 hours of training a year, which can be carried forward and accumulated over a period of six years. Expenditure under this individual right to training is considered as an expense for the period and does not give rise to the recognition of a provision, other than in exceptional cases. The Group's employees had acquired rights to 5.5 million hours of such training at 31 December 2008.

28. Statutory Auditors' fees

	Deloitte & Associés network				KPMG network			
(in € millions)	2008	%	2007	%	2008	%	2007	%
Audit								
Statutory audit	6.8	66%	6.0	71%	8.1	91%	7.1	85%
Parent company	0.5	5%	0.3	4%	0.6	7%	0.3	4%
Fully consolidated subsidiaries	6.3	61%	5.7	67%	7.5	84%	6.8	81%
Services and directly linked work	3.3	32%	2.1	25%	0.6	7%	1.1	13%
Parent company			0.7	8%			0.7	8%
Fully consolidated subsidiaries	3.3	32%	1.4	17%	0.6	7%	0.4	5%
Sub total, audit	**10.0**	**98%**	**8.1**	**96%**	**8.7**	**98%**	**8.2**	**98%**
Other services								
Legal, tax and employment	0.3	2%	0.3	4%	0.2	2%	0.2	2%
Other								
Sub-total, other services	**0.3**	**2%**	**0.3**	**4%**	**0.2**	**2%**	**0.2**	**2%**
Total	**10.3**	**100%**	**8.4**	**100%**	**8.9**	**100%**	**8.4**	**100%**

In accordance with the AMF's recommendation, this table does not include proportionately consolidated companies.

F. Disputes and arbitration

To the Company's knowledge, there is no exceptional event or litigation likely to affect substantially the business, financial performance, net assets or financial situation of the Group or the Company. The companies comprising the VINCI group are sometimes involved in litigation arising from the normal course of business. The related risks are assessed by VINCI and the subsidiaries involved on the basis of their knowledge of the cases, and provisions are taken in consequence. The main disputes current at the date of this document are as follows:

– On 23 May 2004, part of the shell structure over the passageway of Roissy airport's 2E terminal collapsed. The structure had been built for Aéroports de Paris, which in this project acted as principal, architect and main contractor. The construction work on terminal 2E was carried out under multiple separate contracts by numerous different companies. The passageway shells (superstructures) were constructed by a consortium comprising companies that are today VINCI subsidiaries. The incident is currently subject to a court-ordered expert appraisal to establish the reasons for the collapse and assess the damages suffered. A criminal investigation has also been launched following the collapse. The financial consequences of this incident relate on the one hand to the rebuilding costs, which are a matter for the prime contractor's insurers, and, on the other hand, to the financial losses incurred by the operators of the building as a result of the disorganisation resulting from the site being unavailable for use. The amount of these losses and the terms under which these consequences will be borne by the companies involved remains to be determined. In view of the current situation, the Group considers that this dispute will not have a material unfavourable effect on its financial situation.

– In 1997, SNCF lodged multiple claims with the Paris Administrative Court against a large number of construction enterprises, of which several are VINCI group subsidiaries, 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 TGV Rhône-Alpes lines and their interconnection. This claim followed the ruling against the companies involved by the competition authority in 1995, which the Paris Appeal Court upheld overall. The Paris Administrative Court, after having ruled in December 1998 in respect of these two claims that the findings of the competition authority regarding the anti-competitive practices entitled SNCF to claim that its consent was impaired with respect to the contracts in question, ordered an appraisal to establish the impact of such practices. The enterprises had appealed against this decision before the Court of Cassation but the Council of State (the *Conseil d'Etat*), in a ruling issued on 19 December 2007, rejected their appeals. In 2005, the expert appointed by the Paris Administrative Court submitted two reports in which it was concluded that SNCF had incurred extra costs significantly lower than the amounts claimed. The amount sought from consortiums in which VINCI companies have holdings, and which carried out approximately 20 of the contracts for work, amounts to €376 million, half of which corresponds to financial expenses. VINCI considers that SNCF did not suffer financial prejudice on the award of these tenders to its subsidiaries given that each contract was subject to detailed negotiation with SNCF, which is a highly experienced and qualified project owner in this field. At a hearing in January 2009 before the Paris Administrative Court, the government commissioner proposed an assessment method resulting in an overall loss of the order of €60 million excluding interest at the statutory rate for the contracts in which VINCI group companies participated. VINCI considers that these disputes will not have a material adverse effect on its financial situation.

– CBC, a subsidiary of VINCI, was brought before the United States District Court of New York in July 2005 by the Mexican company Consorcio Prodipe SA de CV and Mr Mery Sanson de Wallincourt in connection with a dispute dating from 1992 relating to a tourist site property development in Baja California under which the plaintiffs alleged they had suffered damages amounting to a total of $350 million and claimed three times that. A decision was rendered by the Court against the plaintiffs on 12 March 2008 dismissing their claim.

- VINCI's subsidiary CBC built a hotel in Bratislava (Slovakia) for Intertour, part of whose equity it held. This transaction was financed through promissory notes issued by Intertour and discounted on a non-recourse basis by CBC with a French bank, which had counter-guarantees from foreign financial institutions. Following the payment default by Intertour, these financial institutions initiated various legal proceedings, including one before the Paris Commercial Court, in which CBC was called to guarantee the principal amount of €41 million. This case was withdrawn in 2004 following a settlement between the claimants and the French bank. CBC was also sued in December 2003 in the Paris Commercial Court by the same French bank, which is claiming €24 million on the basis of alleged responsibility in connection with the invalidity of the guarantees issued by the foreign financial institutions in the French bank's favour. Given the current state of affairs, the Group does not expect this dispute to have a material impact on its financial situation.

- In respect of the dispute with Mr Antoine Zacharias, former chairman of VINCI, who has applied to the Nanterre Commercial Court claiming that he is entitled to exercise all the share options that were granted to him by the Company, despite the fact that he no longer held any office within the VINCI group, and, further or in the alternative, has claimed payment of damages currently estimated at €81 million in respect of the loss of opportunity to acquire his share option rights together with compensation of €1 in respect of his moral loss, on 30 May 2008, the Court made a ruling rejecting this claim. Mr Zacharias has filed an appeal against this ruling. The Group does not expect this dispute to have a material effect on its financial situation.

- On 23 May 2008, the *Conseil Régional d'Ile-de-France* – the regional authority for the Ile-de-France – applied to the Paris Court of First Instance (*Tribunal de Grande Instance)* for a ruling in chambers against 15 enterprises, of which several are members of the VINCI group, and several natural persons, ordering them to pay the *Conseil Régional d'Ile-de-France* a provisional amount of €76 million. This application – which was dismissed by the Court in a ruling on 15 January 2009 - was further to a judgement by the Paris Appeal Court on 27 February 2007 against various natural persons finding them guilty of operating a cartel and to the decision on 9 May 2007 by the competition authority (the *Conseil de la Concurrence*) imposing penalties on the enterprises for anti-competitive practices between 1991 and 1996 in connection with the programme to renovate secondary educational establishments in the Ile-de-France region. This decision has been confirmed by a ruling by the Paris Appeal Court on 3 July 2008 which has been appealed against before the High Court *(Cour de Cassation)*. The Group does not expect these pending proceedings to have a material impact on its financial situation.

- The Group has been informed that an appeal has been lodged with the French Council of State by associations in relation to the administrative decisions underpinning the award of the Balbigny - La Tour de Salvagny section of the A89 motorway to ASF, the provisions of the Act No. 2006-241 of 1 March 2006 notwithstanding. Even if the award is reconsidered, the Group does not expect these proceedings to have a material adverse impact on its financial situation.

G. Post balance sheet events

29. Appropriation of earnings for 2008

The Board of Directors finalised the consolidated financial statements for the year ended 31 December 2008, on 3 March 2009.
These financial statements will only become definitive when approved by the Shareholders General Meeting. A Resolution will be put to the Shareholders Ordinary General Meeting for the payment of a dividend of €1.62 per share in respect of the year, which, taking account of the interim dividend already paid in December 2008 (€0.52 per share) means that the final dividend will be €1.10 per share, an amount of the order of €524 million.
Shareholders will be able to opt for payment of the final dividend in new shares if they so wish.

H. List of the main companies consolidated at 31 December 2008

	at 31 December 2008		at 31 December 2007	
	Consolidation method	VINCI group holding (%)	Consolidation method	VINCI group holding (%)
1. Concessions				
Cofiroute	FC	83.33	FC	83.33
Cofiroute Participations	FC	83.33	FC	83.33
Cofiroute Corporation (USA)	FC	83.33	FC	83.33
Cofiroute UK (United Kingdom)	FC	83.33	FC	83.33
ASF Group	FC	100.00	FC	100.00
Autoroutes du Sud de la France	FC	100.00	FC	100.00
Escota	FC	99.29	FC	98.97
TransJamaican Highway Ltd	EM	34.00	EM	34.00
VINCI Park	FC	100.00	FC	100.00
VINCI Park France	FC	100.00	FC	100.00
VINCI Park Services	FC	100.00	FC	100.00
VINCI Park CGST	FC	100.00	FC	100.00
Sepadef (Société d'exploitation des parcs de La Défense)	FC	100.00	FC	100.00
VINCI Park Belgium	FC	100.00	FC	100.00
VINCI Park Services Canada (merger with Gestipark Canada)	FC	100.00	FC	100.00
VINCI Park España	FC	100.00	FC	100.00
VINCI Park Services Ltd (United Kingdom)	FC	100.00	FC	100.00
VINCI Park Luxembourg	FC	99.92	FC	99.92
VINCI Park Services Deutschland GmbH	FC	100.00	FC	100.00
VINCI Park Services Russie	FC	100.00	FC	100.00
Laz Parking (USA)	PC	50.00	PC	50.00
Other concessions				
Stade de France	PC	66.67 (1)	PC	66.67 (1)
SMTPC (Prado-Carénage tunnel)	EM	33.29	EM	33.29
Lusoponte (bridges over the Tagus river, Portugal)	EM	30.85	EM	30.85
Severn River Crossing (bridges over the Severn River - United Kingdom)	EM	35.00	EM	35.00
Strait Crossing Development Inc (Confederation Bridge - Canada)	EM	18.80	EM	18.80
Gefyra (Rion-Antirion bridge - Greece)	FC	57.45	FC	54.00
Morgan VINCI Ltd (Newport bypass - United Kingdom)	PC	50.00	PC	50.00
Arcour (A19 motorway)	FC	100.00	FC	100.00
Société Concessionnaire de l' Aéroport de Pochentong - SCA (Cambodia)	PC	70.00 (2)	PC	70.00 (2)
Lucitea Rouen	FC	100.00	FC	100.00
Via Solutions Thüringen (Germany)	PC	50.00	PC	50.00
RhônExpress	EM	32.40	EM	32.40
Aegan Motorways (Maliakos - Kleidi motorway, Greece)	EM	13.75	EM	13.75
Olympia Odos (Elefsina - Corinth - Patras - Tsakona motorway)	EM	36.00	EM	36.00
Coentunnel (Netherlands) (Tunnel in the Netherlands)	EM	27.60		
Locorail (Liefkenshoek railway concessions, Belgium)	PC	36.71		
Prado-Carénage tunnel	PC	58.51		
Parkazur (Nice airport car rental companies' car parking)	FC	100.00		
LMS (Le Mans stadium)	FC	100.00		
VINCI Concessions Holdings				
VINCI Concessions SA	FC	100.00	FC	100.00
VINCI Airports	FC	100.00	FC	100.00
ASF Holding	FC	100.00	FC	100.00

(1) See Note B.2 «Consolidation methods»
(2) Shareholders' agreement specifies joint control arrangements between VINCI and Muhibbah which holds 30% of the share capital

FC: full consolidation; PC: proportionate consolidation; EM: equity method

	at 31 December 2008		at 31 December 2007	
	Consolidation method	VINCI group holding (%)	Consolidation method	VINCI group holding (%)
2. Energy				
VINCI Energies	FC	100.00	FC	100.00
Santerne	FC	100.00	FC	100.00
Entreprise Demouselle	FC	100.00	FC	100.00
Mangin Egly Entreprises	FC	100.00	FC	100.00
Imhoff	FC	100.00	FC	100.00
Société Nouvelle Cepeca Sud-Ouest	FC	100.00	FC	100.00
Santerne Toulouse	FC	100.00	FC	100.00
Tunzini Azur	FC	100.00	FC	100.00
Graniou Azur	FC	100.00	FC	100.00
Santerne Centre-Est	FC	100.00	FC	100.00
L'Entreprise Électrique	FC	100.00	FC	100.00
GT Le Mans	FC	100.00	FC	100.00
Lesens Centre-Val de Loire	FC	100.00	FC	100.00
Barillec	FC	100.00	FC	100.00
Société Installations Électriques	FC	99.98	FC	99.98
Masselin Énergie	FC	99.95	FC	99.82
Lesens Électricité	FC	99.96	FC	99.96
Saga Entreprise	FC	100.00	FC	100.00
Tunzini	FC	100.00	FC	100.00
Lefort Francheteau	FC	100.00	FC	100.00
SDEL Tertiaire	FC	100.00	FC	100.00
Phibor Entreprises	FC	100.00	FC	100.00
GTIE Télécoms	FC	100.00	FC	100.00
SDEL Vidéo Télécom	FC	100.00	FC	100.00
Graniou Ile de France	FC	100.00	FC	100.00
GTIE Infi	FC	100.00	FC	100.00
Tunzini Protection Incendie	FC	100.00	FC	100.00
Entreprise d'Électricité et d'Équipement	FC	100.00	FC	100.00
VINCI Energies España and its subsidiaries (Spark Iberica – Tecuni)	FC	100.00	FC	100.00
Sotécnica (Portugal)	FC	80.00	FC	80.00
VINCI Energies UK (United Kingdom)	FC	100.00	FC	100.00
Emil Lundgren (Sweden)	FC	100.00	FC	100.00
VINCI Energies Netherland and its subsidiaries (Netherlands)	FC	100.00	FC	100.00
VINCI Energies Deutschland and its subsidiaries (Controlmatic, G+H Isolierung, Calanbau, NK Networks)	FC	100.00	FC	100.00
Atem (Pologne)	FC	85.00	FC	80.00
Tiab (Romania)	FC	67.55	FC	52.70
ProCS (Slovaquie)	FC	77.50	FC	77.50
Etavis AG and its subsidiaries (Switzerland)	FC	95.00	FC	95.00

FC: full consolidation; PC: proportionate consolidation; EM: equity method

	at 31 December 2008		at 31 December 2007	
	Consolidation method	VINCI group holding (%)	Consolidation method	VINCI group holding (%)
3. Roads				
Eurovia	FC	100.00	FC	100.00
EJL Nord	FC	100.00	FC	100.00
Eurovia Picardie	FC	100.00	FC	100.00
Eurovia Pas de Calais	FC	100.00	FC	100.00
Eurovia Ile de France	FC	100.00	FC	100.00
EJL Ile de France	FC	100.00	FC	100.00
Valentin	FC	100.00	FC	100.00
Eurovia Haute Normandie	FC	100.00	FC	100.00
Matériaux Routiers Franciliens	FC	100.00	FC	100.00
Carrières Roy	PC	50.00	PC	50.00
Eurovia Centre Loire	FC	100.00	FC	100.00
Eurovia Bretagne	FC	100.00	FC	100.00
Eurovia Atlantique	FC	100.00	FC	100.00
Eurovia Basse Normandie	FC	100.00	FC	100.00
Carrières de Luché	FC	100.00	FC	100.00
Carrières de Chailloué	FC	100.00	FC	100.00
Eurovia Poitou Charentes – Limousin	FC	100.00	FC	100.00
Eurovia Aquitaine	FC	100.00	FC	100.00
Eurovia Midi Pyrénées	FC	100.00	FC	100.00
Carrières Kléber Moreau	FC	89.97	FC	89.97
Eurovia Méditerranée	FC	100.00	FC	100.00
Durance Granulats	FC	55.00	FC	55.00
Eurovia Dala	FC	100.00	FC	100.00
Eurovia Alpes	FC	100.00	FC	100.00
Eurovia Lorraine	FC	100.00	FC	100.00
Eurovia Alsace – Franche Comté	FC	100.00	FC	100.00
Eurovia Béton	FC	100.00	FC	100.00
Signature Vertical Holding	EM	35.00	EM	35.00
Eurovia Management	FC	100.00	FC	100.00
Eurovia Teerbau (Germany)	FC	100.00	FC	100.00
Eurovia VBU (Germany)	FC	100.00	FC	100.00
Eurovia Beton GmbH (Germany)	FC	100.00	FC	100.00
Eurovia Industrie GmbH (Germany)	FC	100.00	FC	100.00
Eurovia Gestein GmbH (Germany)	FC	100.00	FC	100.00
Ringway Infrastructure Services Ltd (United Kingdom)	FC	100.00	FC	100.00
Beach Communications (United Kingdom) (formerly T.E. Beach)	FC	100.00	FC	100.00
South West Highways (United Kingdom)	PC	50.00	PC	50.00
Le Crossing (United Kingdom)	FC	78.57	FC	78.57
SSZ (Czech Republic)	FC	100.00	FC	100.00
ODS - Dopravni Stavby Ostrava (Czech Republic)	FC	51.00	FC	51.00
Eurovia Cesty (Slovakia)	FC	97.58	FC	97.57
Hubbard Construction (USA)	FC	100.00	FC	100.00
Blythe Construction (USA)	FC	100.00	FC	100.00
Probisa Tecnologia y Construcción (Spain)	FC	100.00	FC	99.79
Construction DJL (Canada)	FC	95.80	FC	95.80
Bitumix (Chile)	FC	50.10	FC	50.10
Eurovia Polska Spolka Akcyjna (Poland)	FC	100.00	FC	100.00
Eurovia Belgium (Belgium)	FC	100.00	FC	100.00
Caraib Moter (Martinique)	FC	74.50	FC	74.50
Carrières Unies de Porphyre SA (CUP) (Belgium)	FC	100.00	FC	95.20
Eurovia Bourgogne	FC	100.00	FC	100.00
Signature	FC	65.00	FC	65.00
Signature Industrie	FC	65.00	FC	65.00
Européenne Travaux Ferroviaires	FC	100.00		
ETF-Eurovia Travaux Ferroviaires	FC	100.00		

FC: full consolidation; PC: proportionate consolidation; EM: equity method .

	at 31 December 2008		at 31 December 2007	
	Consolidation method	VINCI group holding (%)	Consolidation method	VINCI group holding (%)
4. Construction				
VINCI Construction France	FC	100.00	FC	100.00
GTM Génie Civil et Services	FC	100.00	FC	100.00
SICRA Ile de France	FC	100.00	FC	100.00
Bateg	FC	100.00	FC	100.00
Campenon Bernard Construction	FC	100.00	FC	100.00
Société d'ingénierie et de réalisation de construction	FC	100.00	FC	100.00
Energilec	FC	100.00	FC	100.00
GTM Bâtiment	FC	100.00	FC	100.00
Dumez Ile de France	FC	100.00	FC	100.00
Petit	FC	100.00	FC	100.00
Lainé Delau	FC	100.00	FC	100.00
Neximmo5	PC	49.90	PC	49.90
Sogea Nord Ouest	FC	100.00	FC	100.00
Sogea Atlantique	FC	100.00	FC	100.00
Bourdarios	FC	100.00	FC	100.00
Sogea Caroni	FC	100.00	FC	100.00
Dumez EPS	FC	100.00	FC	100.00
Sogea Est BTP	FC	100.00	FC	100.00
Campenon Bernard Régions	FC	100.00	FC	100.00
Entreprise Pitance	FC	100.00	FC	100.00
Les Travaux du Midi	FC	100.00	FC	100.00
Campenon Bernard Sud Est	FC	100.00	FC	100.00
Sogea Sud	FC	100.00	FC	100.00
Dumez Côte d'Azur	FC	100.00	FC	100.00
Chantiers Modernes Sud	FC	100.00	FC	100.00
Dumez Méditerranée	FC	100.00	FC	100.00
Chantiers Modernes BTP	FC	100.00	FC	100.00
Botte Fondations	FC	100.00	FC	100.00
Dodin	FC	100.00	FC	100.00
EMCC	FC	100.00	FC	100.00
VINCI Environnement	FC	100.00	FC	100.00
VINCI Networks	FC	100.00	FC	100.00
VINCI Construction Terrassement (formerly GTM Terrassement)	FC	100.00	FC	100.00
Scao	PC	33.33(3)	PC	33.33(3)
Deschiron (merger with VINCI Construction Terrassement)			FC	100.00
VINCI Construction Filiales Internationales				
Sogea - Satom and its subsidiaries (various African countries)	FC	100.00	FC	100.00
SBTPC (Reunion)	FC	100.00	FC	100.00
Sogea Mayotte	FC	100.00	FC	100.00
Sogea Réunion	FC	100.00	FC	100.00
GTM Guadeloupe	FC	100.00	FC	100.00
Dumez-GTM Calédonie	FC	100.00	FC	100.00
Nofrayane (French Guyana)	FC	100.00	FC	100.00
First Czech Construction Company (Czech Republic)	FC	100.00	FC	100.00
Warbud (Poland)	FC	99.74	FC	99.74
Hidepitö (Hungary) sold in 2008			FC	97.35
SMP CZ (Czech Republic)	FC	100.00	FC	100.00
Prumstav (Czech Republic)	FC	100.00	FC	75.00
SKE Support Services GmbH (Germany)	FC	100.00	FC	100.00

(3) Company controlled jointly by three shareholders: 1/3 VINCI, 1/3 Eiffage, 1/3 Colas

FC: full consolidation; PC: proportionate consolidation; EM: equity method .

	at 31 December 2008		at 31 December 2007	
	Consolidation method	VINCI group holding (%)	Consolidation method	VINCI group holding (%)
4. Construction (continued)				
VINCI PLC (United Kingdom)	FC	100.00	FC	100.00
Crispin and Borst Ltd (United Kingdom)	FC	100.00	FC	100.00
VINCI Investment Ltd (United Kingdom)	FC	100.00	FC	100.00
Weaver PLC (United Kingdom)	FC	100.00	FC	100.00
Taylor Woodrow Construction (United Kingdom)	FC	100.00		
Compagnie d'Entreprises CFE (Belgium)	FC	46.84	FC	46.84
BPC, Nizet Entreprises, Van Wellen , CLE, Engema, BPI, Abeb, Vanderhoydonckx CFE Polska, CFE Hungary, CFE Slovaquia, Cli Sa, Geka	FC	46.84	FC	46.84
Sogesmaint CBRE	FC	31.73	FC	31.73
CFE Nederland	FC	46.84	FC	46.84
Dredging Environmental and Marine Engineering (Deme)	PC	23.42(4)	PC	23.42(4)
VINCI Construction Grands Projets	FC	100.00	FC	100.00
Socaly	FC	100.00(5)	FC	100.00(5)
Socaso	FC	100.00(6)	FC	100.00(6)
Socatop	PC	66.67(7)	PC	66.67(7)
QDVC (Qatar)	PC	49.00	PC	49.00
Victoria Belinvest (Belgium)	FC	100.00	FC	100.00
Freyssinet	FC	100.00	FC	100.00
Freyssinet France	FC	100.00	FC	100.00
The Reinforced Earth Cy - RECO (USA)	FC	100.00	FC	100.00
Freyssinet SA (Spain)	PC	50.00	PC	50.00
Freyssinet Korea	FC	90.00	FC	90.00
Immer Property (Australia)	FC	91.67	FC	91.67
Freyssinet International et Cie	FC	100.00	FC	100.00
Ménard SNC	FC	100.00	FC	100.00
Nuvia Ltd (UK) (formerly Nukem Ltd)	FC	100.00	FC	100.00
Terre Armée Internationale	FC	100.00	FC	100.00
Solétanche Bachy	FC	100.00	FC	100.00
Solétanche Bachy France	FC	100.00	FC	100.00
CSM Bessac SAS (France)	FC	100.00	FC	100.00
Solétanche Bachy Pieux SAS (France)	FC	100.00	FC	100.00
Rodio Cimentaciones Especiales SA (Spain)	PC	50.00	PC	50.00
Kronsa Internacional SA (Spain)	PC	50.00	PC	50.00
Nicholson Construction Company Inc (USA)	FC	100.00	FC	100.00
Bachy Soletanche Ltd (United Kingdom)	FC	100.00	FC	100.00
Bachy Soletanche Group Ltd (Hong Kong)	FC	100.00	FC	100.00
Soletanche Stroy Zao (Russia)	FC	100.00	FC	100.00
Osnova Solsif Ltd (Ukraine)	FC	70.00	FC	70.00
Bachy Soletanche Singapour Pte Ltd	FC	100.00	FC	100.00
Entrepose Contracting	FC	77.31	FC	77.29
SpieCapag	FC	77.31	FC	77.29
Geocean	FC	77.31(8)	FC	81.60(8)
5. Property				
VINCI Immobilier	FC	100.00	FC	100.00

(4) 50/50 joint control by CFE and Ackermans & van Haaren.
(5) Including VINCI Construction France 48% and Eurovia 28%
(6) Including Eurovia 33.3%
(7) Agreement organising joint control between VINCI (66.67%), Eiffage (16.67%) and Colas (16.67%)
(8) of which 19% held by Solétanche Bachy in 2007 and sold in 2008 to Entrepose Contracting

FC: full consolidation; PC: proportionate consolidation; EM: equity method

Report of the Statutory Auditors on the consolidated financial statements

Year ended 31 December 2008

To the Shareholders,

In accordance with our appointment as Statutory Auditors by your Shareholders' General Meeting, we hereby report to you for the year ended 31 December 2008 on:
– the audit of the accompanying consolidated financial statements of VINCI S.A.;
– the justification of our assessments; and
– the specific verification required by law.
The consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements, based on our audit.

1. Opinion on the consolidated financial statements

We conducted our audit in accordance with the professional standards applicable in France. Those standards require that we plan and perform the audit in such a way as to obtain reasonable assurance that the consolidated financial statements are free of material misstatement. An audit consists in examining, by sampling or other selection methods, evidence supporting the amounts and disclosures in the consolidated financial statements. It also consists in assessing the accounting principles used, significant estimates made and the overall presentation of the financial statements. We believe that the information that we have collected provides a sufficient and appropriate basis for our opinion.
In our opinion, the consolidated financial statements for the period have been correctly prepared and give a true and fair view of the financial position, the assets and liabilities and the results of the operations of the group formed by the persons and entities included in the consolidation, in accordance with the International Financial Reporting Standards as endorsed by the European Union.
Without qualifying the opinion expressed above, we draw your attention to Notes A.1.2 and A.1.3 to the consolidated financial statements, which describe two changes in accounting policy relating to the early application of the Amendment to IAS 20 on accounting for loans at below market rates of interest and IFRIC 12 on accounting for service concession arrangements.

2. Justification of our assessments

As required by Article L.823-9 of the French Commercial Code relating to the justification of our assessments, we inform you of the following:
– As stated in Note A.3.1, the VINCI group uses estimates prepared on the basis of information available at the time of preparing its consolidated financial statements, in a context of economic and financial crisis of which the scale and duration beyond 31 December 2008 cannot be accurately forecast. These estimates relate in particular to:
  – Construction contracts: the VINCI group recognises income from long-term contracts using the percentage of completion method on the basis of the best available estimates of the final outcome of contracts. We have assessed the assumptions used and the Company's calculations.
  – Impairment tests on non-financial assets: the VINCI group performs impairment tests at least annually on goodwill, and also assesses whether there is any indication that long-term assets may be impaired, in accordance with the methodology described in Notes A.3.17 and E.13 to the consolidated financial statements. We have examined how these impairment tests are performed and the cash flow forecasts and assumptions used.
– As stated in the first part of this report, Note A.1.2 to the consolidated financial statements describes the change in accounting policy during the year relating to the accounting for loans at below market rates of interest. In accordance with the provisions of the Amendment to IAS 20, this change of accounting policy has been applied prospectively to loans at below market rates of interest taken out during 2008. In assessing the accounting policies adopted by your company, we have examined the information given in this respect in Note A.1.2 to the consolidated financial statements.
– As stated in the first part of this report, Note A.1.3 to the consolidated financial statements describes the change in accounting policy during the year relating to the accounting for service concession arrangements. In accordance with IAS 8, the 2007 comparative information presented in the consolidated financial statements has been restated to take account of this change of accounting policy retrospectively. As a result, the comparative information is different from the published 2007 consolidated financial statements. In assessing the accounting policies adopted by your Company, we have examined the correct restatement of the 2007 consolidated financial statements and the related disclosures made in Note A.1.3 to the consolidated financial statements.
These assessments were made as part of our audit of the consolidated financial statements taken as a whole and have therefore contributed to the formation of our opinion, given in the first part of this report.

3. Specific verification

We have also verified, as required by law, the information contained in the Group Directors' Report. We have no comments to make as to its fair presentation and its conformity with the consolidated financial statements.

Paris La Défense and Neuilly-sur-Seine, 23 March 2009
The Statutory Auditors

KPMG Audit
Department of KPMG S.A.

Deloitte & Associés

Patrick-Hubert Petit | Philippe Bourhis | Jean-Paul Picard | Mansour Belhiba

This is a free translation into English of the statutory auditors' report issued in French and is provided solely for the convenience of English speaking users.
This report should be read in conjunction whith, and is construed in accordance with, French law and professional auditing standarts applicable in France.

Parent company financial statements

Income statement

(in € millions)	Notes	2008	2007
Operating income			
Revenue		23.9	24.8
Reversals of provisions, transfers of expenses		2.7	6.8
Other operating income		81.1	71.3
		107.7	**102.9**
Operating expenses			
Other purchases and external charges		(59.4)	(65.2)
Taxes and levies		(1.8)	(3.7)
Wages, salaries and social benefit charges		(36.4)	(30.8)
Depreciation and amortisation		(6.0)	(8.8)
Provision charges		(2.6)	(3.0)
Other operating expenses		(0.8)	(0.8)
		(107.0)	**(112.3)**
Share in profit or loss of joint ventures		**0.9**	**(0.3)**
Operating profit		**1.6**	**(9.7)**
Financial income			
Income from investments in subsidiaries and affiliated companies		1,247.2	4,745.9
Income from other marketable securities and fixed asset receivables		68.9	16.5
Other interest received and similar income		263.6	94.9
Net income from disposal of marketable securities and treasury shares		67.8	86.1
Foreign exchange gains		4.8	1.5
Reversals of provisions, transfers of expenses		134.0	39.9
		1,786.3	**4,984.8**
Financial expenses			
Expenses related to investments in subsidiaries and affiliated companies		(0.2)	(0.5)
Interest paid and similar expenses		(425.9)	(446.7)
Net expense on disposal of marketable securities and treasury shares		(14.8)	(25.0)
Foreign exchange losses		(2.8)	(2.1)
Amortisation, depreciation and provisions		(522.1)	(250.8)
		(965.7)	**(725.1)**
Net financial income / (expense)	13	**820.6**	**4,259.7**
Profit from ordinary activities		**822.2**	**4,250.0**
Exceptional income			
relating to operating transactions		-	0.2
relating to capital transactions		213.4	847.2
Reversals of provisions, transfers of expenses		96.2	203.2
		309.6	**1,050.6**
Exceptional expenses			
relating to operating transactions		(0.7)	(1.6)
relating to capital transactions		(302.8)	(1,004.4)
Amortisation, depreciation and provisions		(1,168.6)	(10.8)
		(1,472.1)	**(1,016.8)**
Net exceptional income / (expense)	14	**(1,162.5)**	**33.8**
Income Tax	15	**241.5**	**229.4**
Net profit for the period		**(98.8)**	**4,513.2**

Balance sheet

Assets

(in € millions)	Notes	2008	2007
Intangible assets	1	2.9	1.6
Property, plant and equipment	1	24.6	25.1
Non-current financial assets	2/8/10/12/16	16,143.8	16,994.8
Treasury shares	3	520.0	969.8
Deferred expenses	4	9.8	12.6
Total non-current assets		**16,701.1**	**18,003.9**
Trade receivables and related accounts	10/12/16	72.9	9.6
Other receivables	10/12/16	307.9	187.0
Treasury shares	3	259.6	3.8
Other marketable securities	8/12	2,602.7	1,951.0
Cash management current accounts of related companies	8/16	562.5	332.8
Cash	8/12	99.7	15.5
Deferred expenses	10	2.3	5.0
Total current assets		**3,907.6**	**2,504.7**
Translation differences, assets		2.3	0.3
Total assets		**20,611.0**	**20,508.9**

Equity and liabilities

(in € millions)	Notes	2008	2007
Share capital		1,240.4	1,214.9
Premiums on share issues, mergers, asset contributions		5,266.1	4,910.2
Statutory reserve		121.5	117.7
Other reserves		45.8	45.8
Unappropriated profit or loss		7,425.3	3,624.5
Net profit for the year		(98.8)	4,513.2
Interim dividend(s)		(246.1)	(220.0)
Tax-regulated provisions		12.1	7.4
Equity	5	**13,766.3**	**14,213.7**
Other equity	6	**500.0**	**500.0**
Provisions	7	**193.0**	**172.4**
Financial debt	8/9/10/11/16	5,946.9	5,469.9
Other payables	9/10/11/16	199.8	142.2
Deferred income	10	1.4	10.7
Total liabilities		**6,148.2**	**5,622.8**
Translation differences, liabilities		3.6	0.0
Total equity and liabilities		**20,611.0**	**20,508.9**

Cash flow statement

(in € millions)	2008	2007
Operating activities		
Gross operating surplus	8.2	(2.8)
Financial and exceptional items	1,255.2	4,371.9
Taxes	219.3	148.3
Cash flow from operations	**1,482.7**	**4,517.4**
Net change in working capital requirement	(131.5)	77.2
Total (I)	**1,351.2**	**4,594.6**
Investing activities		
Investments in operating assets	(2.4)	(0.8)
Disposal of non-current assets	8.2	0.9
Net investments in operating assets	**5.8**	**0.2**
Acquisition of investments and securities	(127.7)	(1,283.4)
Proceeds from disposal of shares in subsidiaries and affiliated companies	205.2	846.2
Net financial investments	**77.5**	**(437.2)**
Change in other non-current financial assts and treasury shares	(198.9)	(952.2)
Total (II)	**(115.6)**	**(1,389.2)**
Financing activities		
Increases in share capital	381.4	492.6
Increase in other equity		
Dividends paid	(488.5)	(413.9)
Interim dividend(s)	(246.1)	(220.0)
Total (III)	**(353.2)**	**(141.3)**
Cash flows for the period (I + II + III)	**882.4**	**3,064.0**
Net financial debt at 1 January	**(2,234.5)**	**(5,298.5)**
Net financial debt at 31 December	**(1,352.2)**	**(2,234.5)**

Notes to the financial statements

A. Key events

1. Changes in shareholdings

The value of VINCI's shareholding in ASF has been revised at 31 December 2008. The combined effect of this re-estimation and the payment in 2007 of an exceptional dividend of €3.3 billion, of which €2.5 billion was paid to VINCI, has led to the recognition of an impairment loss of €1,158 million in respect of the shares.
In November 2008, VINCI sold its shareholding in ADP to a subsidiary of VINCI Concessions for €139.1 million, realising a capital loss of €86.6 million.

2. Transactions on treasury shares

During 2008, VINCI purchased 5,258,274 of its own shares for a total of €241.6 million, an average price of €45.96 per share (excluding purchases and sales of shares effected under a liquidity contract).
During the same period, 176,641 shares were sold for €2 million to beneficiaries of share purchase options exercised.
The value of VINCI treasury shares has been adjusted on the basis of the average share price in December, leading to recognition of an impairment loss of €393.7 million.
300,000 shares have been sold under a liquidity contract managed by Rothschild & Cie Banque. This was suspended on 23 December 2008 and the bank has returned €73 million to VINCI.

3. Payment of stock dividend

At the Shareholders' General Meeting of 15 May 2008, a resolution was put allowing VINCI's shareholders to opt for payment of the 2007 final dividend of €1.05 per share in VINCI shares. This resulted in the issue of 4,440,132 new shares and an increase in equity of €196.9 million.

4. Employee shareholding plans

VINCI has complied with the new accounting rules (CRC Regulation 2008-15) and tax legislation relating to the treatment of benefits connected with employee shareholding, in particular those relating to free share plans and the company savings fund plans.

In this connection, in the last quarter of 2008, VINCI has recharged the cost of the 2007 free share plan to its subsidiaries for a total of €100.5 million.

B. Accounting rules and methods

The financial statements at 31 December 2008 have been prepared in accordance with the rules applicable in France:
- the French law of 30 April 1983 and its application decree of 29 November 1983; and
- the 1999 French General Accounting Plan, as described in Regulation 1999-03 of the Comité de la réglementation comptable (CRC) and amending regulations.

However, in a departure from the General Accounting Plan and to improve clarity, VINCI has decided to present changes in provisions relating to income and expense items on the same line of the income statement as determined by their nature, which may be operating, financial, exceptional or tax. Transactions relating to shareholdings and associated changes in provisions are therefore reported under exceptional income and expenses except for dividends received and transactions on treasury shares, which are presented under financial income and expenses.

Changes in accounting policy:
CRC Regulation 2008-15, relating to the accounting treatment of employee share purchase or subscription options plans and free share plans, has set down the methods for determining the corresponding liabilities. This regulation provides that whenever an expense becomes probable, a provision should be recognised on a straight-line basis over the vesting period of the rights. Previously, VINCI recognised a liability for the total amounts of the rights.
In accordance with the possibility offered by CNC Recommendation 2009-R-01, VINCI has elected for prospective application of this change of policy.
Application of this new policy in 2008 has led VINCI to recognise an expense of €41.6 million in respect of the existing employee shareholding plans.

1. Intangible assets

Other than in special cases, software recorded under "concessions, patents, licences" is amortised over two or three years on a straight-line basis.

2. Property, plant and equipment

Property, plant and equipment is recognised at its acquisition cost, including acquisition and installation costs.
Depreciation is calculated on a straight-line basis over an asset's estimated useful life:

Buildings	10 to 40 years
Other property, plant and equipment	3 to 10 years

The Company applies CNC Opinion 2004-06 on the definition, recognition and measurement of assets.

3. Investments in subsidiaries and affiliated companies

Investments in subsidiaries and affiliated companies are measured at their cost of acquisition. In accordance with CRC Regulation 2004-06 on the definition and recognition of assets, VINCI includes the associated acquisition expenses in the cost of shares. If this cost is greater than the asset's value in use, a provision for impairment is taken equal to the difference, as an exceptional item.

Value in use is determined on the basis of the portion of the equity represented by the shares. This portion is adjusted if necessary to take account of the earnings and growth prospects of the companies in question.

Capital gains or losses on disposal of shareholdings are recorded under exceptional income and expense.

4. Trade receivables and related accounts

Trade receivables are measured at their face value. An allowance is recognised if there is a possibility of non-recovery of these receivables.

5. Receivables and payables denominated in foreign currency

Receivables and payables denominated in foreign currency are measured at the closing rate or at their hedged rate. Any gains or losses arising on this translation are recorded in the balance sheet as currency translation differences. Provisions are taken in respect of any unrealised losses unless specific rules are laid down in the accounting regulations.

6. Marketable securities

Marketable securities are recognised at their acquisition cost and an impairment loss is taken whenever the cost is higher than the latest cash-in-value at the year end.

7. Financial instruments

Loans (bonds, bank and intra-group borrowing) are recorded under liabilities at their face value. The associated issuance costs are recorded under deferred expenses, redemption premiums under assets and issuance premiums under deferred income. These three items are amortised over the length of the loan.
Loans and advances are recognised at face value. If justified in view of the risks of non-recovery, an impairment loss is recognised.

Forward financial instruments and derivative financial instruments are measured at the year end. A provision is taken in the income statement for any unrealised loss.

8. Treasury shares

Treasury shares allocated to share purchase option and free share plans are recognised under marketable securities. In accordance with CRC Regulation 2008-15, a provision is recognised over the period in which the beneficiaries' rights vest whenever an expense becomes probable (see Note 10, page 262).

Non-allocated treasury shares are recorded under other non-current financial assets at their acquisition cost.
An impairment allowance is recognised as a financial expense if the average stock market price of these shares during the last month of the year is lower than their unit cost. Shares intended for cancellation are not written down.

The premiums paid on call options not exercised are recorded under marketable securities whenever these options hedge share purchase option plans or free share plans.
The premiums paid on call options are recorded under other non-current financial assets whenever these options hedge share subscription option plans.
In both cases, an impairment allowance is recognised whenever an expense becomes probable (see Note 10, page 262).

Capital gains or losses realised on disposal of treasury shares are recognised under financial income or expense.

9. Retirement benefit obligations

Provisions are recorded in the balance sheet in respect of the Company's obligations to pay supplementary pensions to certain employees or company officers, for the part relating to beneficiaries who are retired. An off-balance sheet commitment is recorded for the part relating to beneficiaries who have not yet retired.

Retirement benefit obligations (lump-sums paid on retirement and supplementary retirement benefit plans) are measured using the prospective actuarial method (the projected unit credit method) on the basis of assessments made at each year end, for each plan.

Actuarial differences that exceed 10% of commitments or of the market value of investments are amortised over the average residual working life of employees in service who are members of the plan.

10. Other provisions

Provisions for liabilities and charges are estimates as regards both their amount and the date at which that amount will be needed; they are taken to cover liabilities that have (by the end of the financial year) become either likely or certain to occur as a result of a past or present event.

With respect to existing free share plans, a provision is taken for the amount of the probable cost to the Company of settling the obligation to deliver the shares to the beneficiaries.
With respect to share purchase option plans, a provision is taken for the difference between the acquisition cost and the exercise price if this is the lower.
These provisions are taken over the vesting period of the beneficiaries' rights.

11. Income tax

Under the group tax regime agreement between VINCI and those subsidiaries that are members of the tax group, tax savings connected with tax losses and long-term capital losses are recognised by the parent company as income for the year.

Provisions for tax taken and reversed are recorded here.

C. Notes to the balance sheet

1. Intangible assets and property, plant and equipment

Gross

(in € millions)	2007	Acquisitions	Disposals	2008
Intangible assets (Concessions, patents, licences)	4.5	1.9	-	6.4
Total intangible assets	**4.5**	**1.9**	**-**	**6.4**
Property, plant and equipment				
Land	9.6	-	0.2	9.4
Buildings	28.0	-	0.5	27.5
Plant and machinery	-			-
Other property, plant and equipment and assets under construction	22.0	0.6	0.3	22.3
Total property, plant and equipment	**59.6**	**0.6**	**1.0**	**59.2**

Property plant and equipment relates to VINCI's property, mainly used for its own or its subsidiaries' operations. Some properties are leased to third parties..

Depreciation, amortisation and impairment

(in € millions)	2007	Charges	Reversals	2008
Intangible assets (Concessions, patents, licences)	2.8	0.6	-	3.4
Total intangible assets	**2.8**	**0.6**	**-**	**3.4**
Property, plant and equipment				
Land	0.1	-	-	0.1
Buildings	20.3	2.0	2.6	19.7
Plant and machinery	-			-
Other property, plant and equipment	14.2	1.5	0.9	14.8
Total property, plant and equipment	**34.6**	**3.5**	**3.5**	**34.6**

Leased assets

		Depreciation charge		
(in € millions)	Value of asset(*)	During the year	To date	Net
Land	0.9			0.9
Buildings	8.8	0.2	3.4	5.4
Plant and equipment	-			-
Other property, plant and equipment	-			-
Non-current assets under construction	-			-
Total	**9.6**	**0.2**	**3.4**	**6.2**

(*) At the date of signature of the contracts

Finance lease commitments

	Rental payments made		Rental payments remaining to pay				
(in € millions)	During the year	To date	Payable within 1 year	Between 1 and 5 years	After 5 years	Total to pay	Residual purchase price
Land						-	
Buildings	0.6	4.7	0.1	-	-	0.1	3.7
Plant and machinery						-	
Other property, plant and equipment						-	
Non-current assets under construction						-	
Total	**0.6**	**4.7**	**0.1**	**-**	**-**	**0.1**	**3.7**

2. Financial assets

Gross

(in € millions)	2007	Acquisitions	Disposals	2008
Investments in subsidiaries and affiliated companies	15,974.1	112.7	76.7	16,010.1
Receivables connected with investments in subsidiaries and affiliated companies	880.5	736.7	288.3	1,328.9
Other fixed asset securities	240.9	15.1	225.8	30.2
Other non-current financial assets	68.4	638.2	691.9	14.7
Total	**17,163.9**	**1,502.7**	**1,282.7**	**17,383.9**

In 2008, VINCI formed VINCI Finance International, with share capital of €70 million, to ensure the financing of Group subsidiaries in particular outside France.
VINCI has also subscribed to the share capital increases made by the concession operating companies Arcour (€1.8 million), Aegan Motorway (€1.4 million) and Apion Kleos Concession Company (€9 million), and those made by its finance subsidiaries Gecom (€20 million) and Ornem (€10.2 million).

The disposals in the year (€76.7 million) relate in particular to the shares in VINCI Airports Holding sold to VINCI Concessions.

Loans to subsidiaries (*Receivables connected with investments in subsidiaries and affiliated companies*) increased by €448.4 million during the year. New loans were made to ASF and VINCI Park for €700 million and €30 million respectively. At the same time, Arcour has repaid the loan from VINCI for €267.6 million and Freyssinet has reduced its loan by €20 million.

The change in other fixed asset securities, of €210.7 million, mainly arises from the sale of 3.3% of the share capital of Aéroports de Paris (ADP) to a subsidiary of VINCI Concessions (see Key Events, page 260).

At the end of 2007, *Other non-current financial assets* included the unused balance of funds made available for the management of the liquidity contract. This contract was suspended on 23 December 2008.

Provisions

(in € millions)	2007	Allowances taken	Reversals	2008
Investments in subsidiaries and affiliated companies	146.5	1,160.1	90.6	1,216.1
Receivables connected with investments in subsidiaries and affiliated companies	5.1			5.1
Other fixed asset securities	14.8	1.4	-	16.2
Other non-current financial assets	2.8			2.8
Total	**169.2**	**1,161.5**	**90.6**	**1,240.1**

Provisions taken in respect of shareholdings mainly relate to the shares in ASF held by VINCI for €1,158 million (see Key Events, page 260).
Reversals relate to the shares in Socofreg for €66.2 million, VINCI Services Aéroportuaires for €22.1 million (following the sale of these shares) and Boulevard périphérique Nord Lyon, following the liquidation of this company in 2008.

3. Treasury shares

Gross

(in € millions)	2007	Acquisitions	Disposals	Reclassification	2008
Treasury shares (recorded under non-current assets)	969.8	393.8	193.2	(343.2)	827.2
Treasury shares (recorded under current assets)	132.5	20.3	75.7	343.2	420.3
Total	**1,102.3**	**414.1**	**268.9**	-	**1,247.5**
(Excluding premiums on share purchase options)	956.1	393.6	176.5	-	1,173.2

Provisions

(in € millions)	2007	Allowances taken	Reversals	2008
Treasury shares (recorded under non-current assets)	-	307.2		307.2
Treasury shares (recorded under current assets)	128.6	106.8	74.7	160.7
Total	**128.6**	**414.0**	**74.7**	**467.9**
(Excluding premiums on share purchase options)	8.8	393.7	8.8	393.7

The treasury shares included in non-current assets comprise the company's own shares that are not allocated to covering share purchase option plans and free share plans, for €827.2 million at 31 December 2008.

The treasury shares included under current assets comprise the company's own shares and premiums on call options, allocated to covering share purchase option plans and free share plans, for €420.3 million at 31 December 2008.

Treasury shares have been written down by €393.7 million on the basis of the average price of the VINCI share in December 2008, which was €29.61 (see Key Events, page 260).

At 31 December 2008, VINCI held 22,919,652 treasury shares directly for a total of €1,173.2 million (representing 4.62% of the share capital). 6,650,780 shares (€346.1 million) are allocated to covering share purchase option plans. The remaining 16,268,872 shares (€827.2 million) are to be either cancelled, allocated to covering free share allocation plans, used as consideration in external growth, or sold.

Transactions under the 2007–2008 and 2008–2009 share buyback programmes:

(in number of shares)	Situation at 31/12/2007	Increases: buybacks	Decreases: disposals and transfers	Reclassifications: transfers between accounts	Situation at 31/12/2008
Cash transactions on VINCI shares					
Shares bought back to use in payment or exchange	17,586,041	3,002,520	-	(6,575,443)	14,013,118
Shares bought back to be cancelled	-	2,255,754	-	-	2,255,754
Sub-total directly-held treasury shares	**17,586,041**	**5,258,274**	**-**	**(6,575,443)**	**16,268,872**
Liquidity account managed by Rothschild & Cie Banque	300,000	3,606,787	(3,906,787)	-	-
Sub-total non-current financial assets	**17,886,041**	**8,865,061**	**(3,906,787)**	**(6,575,443)**	**16,268,872**
Shares intended to be transferred to beneficiaries within the Group of share purchase option or free share plans	251,978	-	(176,641)	6,575,443	6,650,780
Sub-total current assets	**251,978**	**-**	**(176,641)**	**6,575,443**	**6,650,780**
Total	**18,138,019**	**8,865,061**	**(4,083,428)**	**-**	**22,919,652**
Transactions on VINCI share derivatives					
Premiums on VINCI share purchase options regarding shares to be acquired through exercise of options and intended to be cancelled subsequently	3,383,632	-	(3,383,632)	-	-
Premiums on VINCI share purchase options relating to share purchase options or free share plans	6,929,632	1,123,876	(5,575,630)	-	2,477,878
Total	**10,313,264**	**1,123,876**	**(8,959,262)**	**-**	**2,477,878**

(carrying amount)	Situation at 31/12/2007		Increases: buybacks		Decreases: disposals and transfers		Reclassifications: transfers between accounts		Situation at 31/12/2008	
	Value in use in euros	Value in €m	Value in use in euros	Value in €m	Value in use in euros	Value in €m	Value in use in euros	Value in €m	Value in use in euros	Value in €m
Cash transactions on VINCI shares										
Shares bought back to use in payment or exchange	52.81	928.8	45.51	136.6	-	-	52.20	(343.3)	51.53	722.1
Shares bought back to be cancelled	-	-	46.55	105.0	-	-	-	-	46.55	105.0
Sub-total directly-held treasury shares		**928.8**		**241.6**		**-**		**(343.3)**		**827.1**
Liquidity account managed by Rothschild & Cie Banque	52.00	15.6	42.12	151.9	42.88	(167.5)	-	-	-	-
Sub-total financial non-current assets		**944.4**		**393.5**		**(167.5)**		**(343.3)**		**827.1**
Shares intended to be transferred to beneficiaries within the Group of share purchase option or free share plans	46.62	11.7	-	-	50.54	(8.9)	52.20	343.3	51.07	346.1
Sub-total current assets		**11.7**		**-**		**(8.9)**		**343.3**		**346.1**
Total		**956.1**		**393.5**		**(176.4)**		**-**		**1,173.2**
Transactions on VINCI share derivatives										
Premiums on VINCI share purchase options regarding shares to be acquired through exercise of options and intended to be cancelled subsequently		25.4		-		(25.4)		-		-
Premiums on VINCI share purchase options relating to share purchase options or free share plans		120.7		20.3		(66.8)		-		74.2
Total		**146.1**		**20.3**		**(92.2)**		**-**		**74.2**

During 2008, and excluding sales and purchases made under the liquidity contract, VINCI purchased 5,258,274 of its own shares for a total of €241.6 million, an average price of €45.96 per share.
Of this, 2,255,754 shares were acquired by exercising call options. These shares are to be cancelled.
Transaction costs on these purchases amounted to €25,500.

During the same period, 176,641 shares were transferred to holders of purchase options exercised, for a total price of €2 million; an average price of €11.49.

6,575,443 shares initially bought back with a view to being used as consideration were reallocated in 2008 to covering the 2006 VINCI share purchase option plan (2,224,193 shares) and the 2007 and 2008 free share plans (2,189,100 and 2,162,150 shares respectively).

4. Deferred expenses

(in € millions)	2007	New deferrals	Amortisation	2008
	12.6		2.8	9.8

Deferred expenses at 31 December 2008 mainly comprised the balance of expenses on the loan to acquire ASF (€2.3 million) and expenses and redemption premiums in 2006 on the €500 million undated subordinated loan (€6.6 million).

5. Equity

(in € millions)	Share capital	Share premium	Other reserves and regulated provisions	Profit or loss	Total
Equity at 31 December 2007	**1,214.9**	**4,910.2**	**3,575.4**	**4,513.2**	**14,213.7**
Appropriation of profit for 2007 and payment of dividend			4,024.7	(4,513.2)	(488.5)
Interim dividend 2008			(246.1)		(246.1)
Increases in share capital	25.5	355.9			381.4
Net profit 2008				(98.8)	(98.8)
Tax-regulated provisions			4.7		4.7
Equity at 31 December 2008	**1,240.4**	**5,266.1**	**7,358.7**	**(98.8)**	**13,766.4**

At 31 December 2008, VINCI's share capital amounted to €1,240.4 million, represented by 496,162,480 shares of €2.5 nominal, all conferring the same rights.

The share capital increases (€381.4 million) derive from the subscriptions to the Group Saving Scheme, for €147.6 million, the payment of a stock dividend for €196.9 million (see Key Events, page 260) and the exercise of subscription options for a total of €36.9 million.

Dividends paid in 2008 amounted to €734.6 million, comprising €488.5 million for the final dividend paid in respect of 2007 (€1.05 per share) and the interim dividend of €246.1 million in respect of 2008 (€0.52 per share).

VINCI has reserves (share premiums, merger and contribution premiums, reserves other than the statutory reserve) of an amount markedly greater than the amount of all the treasury shares it owns directly or indirectly at 31 December 2008.

The movements in shares during the year break down as follows:

(in € millions)	Number of shares	Share capital	Share premiums and other reserves	Total
Employees' subscriptions to Group Savings Schemes	3,390,657	8.5	139.1	147.6
Exercise of share subscription option plans	2,354,903	5.9	31.0	36.9
Payment of dividend in shares	4,440,132	11.1	185.8	196.9
Total	**10,185,692**	**25.5**	**355.9**	**381.4**

6. Other equity

On 13 February 2006, VINCI issued undated subordinated bonds for €500 million.

Issued at a price of 98.831%, this issue pays an optional fixed coupon of 6.25%, payable annually until November 2015, which is only due if VINCI pays a dividend to its shareholders or buys back its own shares during the reference period. After November 2015, the interest rate becomes variable and payable quarterly at the Euribor three-month rate plus 3.75%. VINCI may redeem the bonds at par in November 2015 and subsequently at each interest payment date.

7. Provisions

			Reversals		
(in € millions)	2007	Provisions taken	Provisions used	No longer needed	2008
Retirement and other employee benefit obligations	22.5	2.1	1.8		22.8
Liabilities in respect of subsidiaries	9.6	0.9		2.9	7.6
Other liabilities	140.3	109.7	87.4		162.6
Total	**172.4**	**112.7**	**89.2**	**2.9**	**193.0**

The provisions for retirement benefit and similar obligations relate to beneficiaries who are retired and to specific contractual obligations towards certain company officers.

Retirement benefit obligations are calculated on the basis of the following assumptions:

	31/12/2008	31/12/2007
Discount rate	5.60%	5.25%
Inflation rate	2.0%	1.9%
Rate of salary increases	2% - 4.2%	2% - 4.2%
Rate of pension increases	1.5% - 2.5%	1.5% - 2.5%
Probable average remaining working life of employees	10 to 15 years	10 to 15 years

Provisions for other liabilities relate in particular to VINCI's obligation to deliver shares under the free share plans decided by the Board of Directors on 12 December 2006 (with effect from 2 January 2007) and on 11 December 2007 (with effect from 2 January 2008).
Provisions have been taken in this respect for €6.6 million and €35 million respectively taking account of the probability, at 31 December 2008, that these shares will be definitively granted.
Provisions for other liabilities also relate to disputes and cases of an exceptional nature and to balance sheet warranties relating to disposal of shareholdings in subsidiaries and affiliated companies in previous years.

8. Net financial debt

(in € millions)	2008	2007
Bonds	998.2	1,000.0
Borrowings from financial institutions	1,750.0	1,750.0
Accrued interest on bonds	30.4	30.4
Long-term financial debt	**2,778.6**	**2,780.4**
Borrowings from financial institutions and bank overdrafts	32.5	18.9
Other borrowings and financial debt	16.1	145.0
Cash management current accounts of related companies	3,119.7	2,525.5
Short-term financial debt	**3,168.3**	**2,689.4**
Total financial debt	**5,946.9**	**5,469.8**
Receivables connected to investments in subsidiaries and affiliated companies and loans(*)	**(1,324.8)**	**(875.7)**
Liquidity contract UCITS	(5.0)	(59.4)
Marketable securities	(2,602.7)	(1,951.9)
Cash management current accounts of related companies	(562.5)	(332.8)
Cash	(99.7)	(15.5)
Short-term cash	**(3,269.9)**	**(2,359.6)**
Net financial debt	**1,352.2**	**2,234.5**

**This item includes the loans granted by VINCI to its subsidiaries for €1,240.6 million at 31 December 2008 and €822.2 million at 31 December 2007*

VINCI's net financial debt at 31 December 2008 amounted to €1,352.2 million, compared with €2,234.5 million the year before, a decrease of €882.3 million.

The line item *Bonds* relates to the €1 billion issue made in three tranches in July 2002 (€600 million), November 2002 (€250 million), and May 2003 (€150 million). This loan pays interest at 5.875% and matures on 22 July 2009.

The €3 billion syndicated loan afforded by a bank syndicate in connection with the financing of the acquisition of ASF in 2006 was partially repaid in 2007, for €1,250 million, reducing the amount outstanding at 31 December 2007 to €1,750 million. There was no change in 2008.

At the 2007 balance sheet date, the item *Other borrowings and financial debt* included commercial paper outstanding for €145 million. No issues of commercial paper were outstanding at the 2008 balance sheet date.

The cash management current accounts of related companies, shown under assets and liabilities, represent the balance of movements of cash between the subsidiaries and the holding company under the Group's centralised cash management system.

Marketable securities mainly comprise certificates of deposit and UCITS with maturities of usually less than three months of which the carrying amount is close to their cash-in value. For information, this was €2,591.8 million at 31 December 2008. The item *Marketable securities* also includes the premiums paid on call options on VINCI shares.

9. Market value of derivatives

VINCI uses derivatives to hedge its exposure to market risks.
VINCI, whose fixed rate debt is preponderant, uses derivative interest-rate instruments, mainly swaps, to transform this debt into floating rate debt and therefore back the interest rate risk on its debt with its cash investments of which the return varies depending on short-term interest rates.

At 31 December 2008, the market value of these financial instruments broke down as follows:

(in € millions)	Market value	Notional
Interest rate instruments		
- Interest rate swaps	0.3	2,195.0
- Interest rate options (caps, floors and collars)	0.0	400.0
Currency instruments		
- Forward purchases	(4.6)	(50.3)
- Forward sales	4.8	51.7
- Currency options	0.0	0.0
Other instruments	**0.0**	**0.0**

10. Receivables and payables

Receivables at 31 December 2008

		Of which	
(in € millions)	Gross	Within 1 year	After 1 year
Non-current assets			
Receivables connected with investments in subsidiaries and affiliated companies	1,328.9	88.3	1,240.6
Loans and other financial fixed assets	841.9	106.1	735.8
	2,170.8	**194.4**	**1,976.4**
Current assets			
Trade receivables and related accounts	73.3	73.3	-
Other receivables	387.0	387.0	-
Cash management current accounts of related companies	562.5	562.5	-
Deferred expenses	2.3	2.3	-
	1,025.1	**1,025.1**	**-**
Total	**3,195.8**	**1,219.4**	**1,976.4**

Allowances against receivables

Allowances against current assets changed as follows during the year:

(in € millions)	2007	Allowances taken	Reversals	2008
Trade receivables	0.4	-	-	0.4
Other receivables	68.9	10.4	0.2	79.1
Total	**69.3**	**10.4**	**0.2**	**79.5**

Liabilities at 31 December 2008

(in € millions)	Gross	Of which Within 1 year	Between 1 and 5 years	After 5 years
Non-current financial debt				
Bonds	1,028.6	1,028.6	-	-
Amounts owed to financial institutions	1,782.5	32.5		1,750.0
Other borrowings and financial debt	16.1	16.1	-	-
Cash management current accounts of related companies	3,119.7	3,119.7	-	-
	5,946.9	**4,196.9**	**-**	**1,750.0**
Other liabilities				
Trade payables and related accounts	17.7	17.7	-	-
Tax, employment and social benefit liabilities	68.2	68.2	-	-
Liabilities related to non-current assets and related accounts	1.9	1.9	-	-
Other payables	112.1	112.1	-	-
Deferred income	1.4	1.4	-	-
	201.2	**201.2**	**-**	**-**
Total	**6,148.2**	**4,398.2**	**-**	**1,750.0**

Deferred income mainly corresponds to the deferral of the issue premiums on the second and third tranches of the 2002-2009 bond loan over the period of the loan.

11. Accrued expenses, by balance sheet item

(in € millions)	2008	2007
Non-current financial debt		
Accrued interest on bonds	30.4	30.4
Accrued interest on amounts owed to financial institutions	5.5	5.7
Other liabilities		
Trade payables and related accounts	6.0	6.9
Income tax	58.3	70.1
Other tax, employment and social benefit payables	5.5	5.1
Liabilities related to non-current assets and related accounts	-	-
Other payables	0.9	2.1

12. Accrued income, by balance sheet item

(in € millions)	2008	2007
Financial assets		
Receivables connected with investments in subsidiaries and affiliated companies	3.3	3.3
Other non-current financial assets	-	-
Receivables		
Trade receivables and related accounts	3.1	
Other	11.2	11.2
Marketable securities	**10.3**	**18.0**
Cash	**15.3**	**14.1**

D. Notes to the income statement

13. Net financial income / (expense)

(in € millions)	2008	2007
Net income from subsidiaries and affiliated companies	1,247.0	4,745.4
Net financial expenses	(140.9)	(272.1)
Foreign exchange gains and losses	2.0	(0.6)
Provisions and other	(287.6)	(213.0)
Net financial income / (expense)	**820.6**	**4,259.7**

Net financial income was down from €4.3 billion in 2007 to €820.6 million in 2008. This change was mainly due to exceptional dividends received by VINCI in 2007 for €3.7 billion (including an exceptional dividend paid by ASF amounting to €2.5 billion).

Financial expenses decreased in 2008 from €272.1 million in 2007 to €140.9 million in 2008 under the combined effects of the reduction of net financial debt and the increase in income from marketable securities.

In 2008, *Provisions and other* includes a write-down of the VINCI shares owned of €393.7 million (see Key Events, page 260) and an expense of €41.6 million in respect of free share plans. It also includes the income, for €100.5 million, from the recharging to VINCI subsidiaries of the expense associated with the 2007 free share plan (see Key Events, page 260).

14. Exceptional income / (expense)

(in € millions)	2008	2007
Gain / (loss) on capital transactions		
- Disposals of property, plant and equipment, and intangible assets	7.9	(0.3)
- Disposals of securities	(97.3)	(156.9)
Income / (expense) relating to operations	(0.7)	(1.4)
Exceptional provisions	(1,072.4)	192.4
Exceptional income / (expense)	**(1,162.5)**	**33.8**

Exceptional income and expense mainly comprises an impairment loss on VINCI's shares in ASF (see Key Events, page 260).
The disposal of the shares in ADP generated a capital loss of €86.6 million.

15. Income tax

The line item Income tax records income and expenses connected with the group tax regime of which VINCI is the lead company.

Net tax income amounted to €241.5 million in 2008 compared with €229.4 million in 2007.
In 2008, tax income received from subsidiaries that are members of the tax group in respect of 2008 amounted to €491.4 million in 2008 (€614 million in 2007). The tax expense due by VINCI in respect of the year amounted to €228.5 million in 2008 (€406.7 million in 2007).

16. Related companies

16.1 Balance sheet

Balance sheet items at 31 December 2008 break down as follows:

(in € millions)	Consolidated companies	Other Group companies
Assets		
Non-current assets		
Investments in subsidiaries and affiliated companies	15,969.3	26.5
Receivables connected with investments in subsidiaries and affiliated companies	1,323.5	0.5
Current assets		
Trade receivables and related accounts	72.1	0.1
Other receivables	128.4	127.4
Cash management current accounts of related companies	537.2	25.3
Liabilities		
Other borrowings and financial debt	-	16.1
Other liabilities related to investments in subsidiaries and affiliated companies	-	-
Cash management current accounts of related companies	3,016.0	103.6
Trade and other operating payables		
Liabilities related to non-current assets and related accounts	0.2	0.1
Trade payables and related accounts	9.2	0.6
Other payables	106.8	0.5

16.2 Income statement

The transactions with related companies recorded in 2008 break down as follows:

(in € millions)	Consolidated companies	Other Group companies
Income		
Financial income		
Cash management current accounts	15.9	2.6
Loans to subsidiaries	62.3	-
Dividends (including results of joint ventures)	1,246.6	0.5
Expenses		
Financial expenses		
Cash management current accounts	(97.6)	(0.6)

17. Off-balance sheet commitments

(in € millions)	2008	2007
Sureties and guarantees	241.1	376.3
Retirement benefit obligations	10.0	16.6
Joint and several guarantees in partnerships	77.8	25.1
Investment commitments		
Total	**328.9**	**418.0**

Sureties and guarantees mainly relates to the guarantees given by VINCI on behalf of certain of its subsidiaries in favour of financial institutions or directly to their customers.

VINCI's retirement benefit obligations comprise lump sums payable on retirement and obligations for a supplementary retirement benefit in favour of certain employees or company offices in service. The obligations in this respect to VINCI executives amounted to €6.9 million at 31 December 2008.

18. Remuneration and employees

Remuneration of executives

Remuneration recognised in respect of members of corporate management bodies, for the share borne by VINCI in 2008, breaks down as follows:

(in € thousands)	**Members of Executive Committee**	**Directors who are not members of the Executive Committee**
Remuneration (including social charges)	3,934.1	2,018.5
Directors' fees	40.0	694.0

Retirement benefit obligations towards members of corporate governing bodies, corresponding to the rights acquired as at 31 December 2008, break down as follows:

(in € thousands)	**Members of Executive Committee**	**Directors who are not members of the Executive Committee**
Retirement benefit obligations	2,390.2	7,593.4

The members of the corporate governing bodies are also entitled to share subscription and purchase option plans and to free share plans.

Average numbers employed

The average number of people employed by the Company fell from 219 in 2007 (including 178 engineers and managers) to 178 in 2008 (including 142 engineers and managers), following the transfer of part of the staff to VINCI Concessions. In addition, an average of 6 employees were seconded to VINCI in 2008, against 7 in 2007 (including 4 engineers and managers in 2008, the same as in 2007).

Individual entitlement to training

In application of Opinion 2004 F relating to the recognition of the individual entitlement to training, VINCI has taken no provisions for these rights in the financial statements for the year ended 31 December 2008.
2,733 hours of training were acquired in 2008 by VINCI employees under this entitlement. The total rights acquired at 31 December 2008 were 8,410 hours (11,477 hours at 31 December 2007). In 2008, 5,703 hours of training were not applied for the beneficiaries.

E. Subsidiaries and affiliated companies at 31 December 2008

The information in the following table reflects only the individual financial statements of the subsidiaries.

(in € thousands)	Share capital	Reserves and retained earnings before net income allocation	Share of capital held (%)	Carrying amount of shares held		Loans and advances made by VINCI	Sureties and guarantees given by VINCI	Revenue excl. tax in the last financial year	Net profit or loss in the last financial year	Dividends received by VINCI
				Gross	Net					
A – Detailed information by entity										
1 - Subsidiaries (At least 50% held by VINCI)										
a- French entities										
ASF	29,344	17,503	77.01%	9,064,809	7,906,809	700,000		2,293,902	341,583	362,882
Entrepose Contracting	5,025	54,072	77.31%	250,240	250,240			133,704	5,705	4,076
Eurovia	366,400	65,534	100.00%	1,034,160	1,034,160			-	214,590	187,780
Ornem	12,000	292	100.00%	24,462	12,198	81,752		-	(96)	
Snel	2,622	1,295	99.98%	2,742	2,742			-	447	
Socofreg	43,240	4,693	100.00%	113,872	113,872			76	34,945	32,430
VINCI Assurances	38	-	99.44%	38	38			9,113	2,142	2,130
VINCI Concessions	3,275,481	1,245,892	100.00%	4,520,932	4,520,932	393,096		-	138,751	175,472
VINCI Construction	148,806	109,855	86.64%	363,265	363,265			4,251	401,989	273,002
VINCI Energies	99,511	169,496	99.18%	305,270	305,270			298,213	79,450	78,401
VINCI Immobilier	39,600	5,430	100.00%	111,398	111,398	45,423		14,530	30,262	24,000
b- Foreign entities										
VINCI Finance International	70,000	-	100.00%	70,000	70,000			-	-	
Ste Conces. Pochentong	15,574	51,416	70.00%	12,901	12,901		1,760	48,846	13,180	3,590
2 – Affiliated companies (10 to 50% owned by VINCI)										
a- French entities										
b- Foreign entities										
B – Information not broken down by entity										
1 - Subsidiaries not included in paragraph A (At least 50% held by VINCI)										
a- French subsidiaries (in aggregate)				63,959	41,085					
b- Foreign subsidiaries (in aggregate)				2,022	-					
2 - Investments not included in paragraph A (10 to 50% owned by VINCI)										
a- French companies (in aggregate)				1,708	107					
b- Foreign companies (in aggregate)				19,298	17,509					

Note: Revenue and profit or loss of foreign subsidiaries and shareholdings are translated at the closing rate.
Art. C. Com. R 123-197-2: Information about shareholdings representing less than 1% of VINCI's share capital is aggregated.

List of shareholdings in subsidiaries and affiliated companies at 31 December 2008

Companies	Number of shares	Share of capital held (%)	Net carrying amount (in millions of euros)
ASF	177,883,158	77.01%	7,906.8
VINCI Concessions	292,453,698	100.00%	4,520.9
Eurovia	22,899,994	100.00%	1,034.2
VINCI Construction	16,115,806	86.64%	363.3
VINCI Energies	6,168,306	99.18%	305.3
Entrepose Contracting	3,881,496	77.24%	250.2
Socofreg	5,405,000	100.00%	113.9
VINCI Immobilier	2,475,000	100.00%	111.4
VINCI Finance International	699,999	100.00%	70.0
Gecom	1,249,993	100.00%	20.0
GTM Fondations et Forages	1,199,999	100.00%	18.3
Ste Conces. Pochentong	1,540,000	70.00%	12.9
Ornem	239,994	100.00%	12.2
Apion Kleos Concession Company	108,000	36.00%	10.8
Arcour	337,500	5.00%	5.4
Gecos	47,717	13.40%	4.3
Snel	689,892	99.98%	2.7
VINCI Deutschland	886,000	5.50%	2.5
SCI Quentin Michelet	99	99.00%	1.0
Others (not detailed)			4.7
Total shareholdings in subsidiaries and associates (net of allowances)			**14,770.8**

Five-year financial summary

	2004	2005	2006	2007	2008
I – Share capital at the end of the year					
a - Share capital *(in thousands of euros)*	838,138.0	983,181.4	1,176,557.3	1,214,942.0	1,240,406.2
b – Number of ordinary shares in issue[1]	83,813,803	196,636,274	235,311,465	485,976,788	496,162,480
c – Maximum number of shares to be issued through conversion of bonds	11,308,334	0	0	0	0
II – Operations and profit or loss for the year *(in thousands of euros)*					
a – Revenue excluding taxes	24,260.8	20,054.0	26,913.5	24,832.8	23,876.3
b – Profit before tax, employee profit sharing, depreciation and provisions	416,056.1	567,887.0	1,207,424.3	4,309,269.6	1,126,831.3
c – Income tax[2]	(1,890.0)	6,450.5	(186,513.9)	(229,401.4)	(241,471.4)
d – Profit after tax, employee profit sharing, depreciation and provisions	330,516.0	716,140.6	1,434,998.3	4,513,174.9	(98,782.4)
e – Earnings distributed for the period	289,385.3	382,947.7	618,279.6	714,001.4	770,293.1[3][4]
III - Results stated per share *(in euros)*[5]					
a – Profit after tax and employee profit sharing and before depreciation and provisions	5.0	2.9	5.9	9.3	2.8
b – Profit after tax, employee profit sharing, depreciation and provisions	3.9	3.6	6.1	9.3	(0.2)
c – Net dividend paid per share	3.50	2.00	2.65	1.52	1.62[4]
IV - Employees					
a - Average numbers employed during the period	162	172	201	219	178
b - Gross payroll cost for the year *(in thousands of euros)*	22,409.5	18,658.7	33,333.1	19,089.3	24,966.3
c – Social security costs and other social benefit expenses *(in thousands of euros)*	6,947.8	6,556.6	10,331.1	7,881.6	8,277.1

(1) There were no preferential shares in issue in the period under consideration; the nominal value of the share was divided by two in May 2005, resulting in a doubling of the number of shares during the period. This was repeated in May 2007, again doubling of the number of shares.
(2) Taxes recovered from subsidiaries under tax consolidation arrangements, less VINCI's own tax charge.
(3) Calculated on the basis of the number of shares that have given a right to the interim dividend and/or give a right to dividends at 21 February 2009.
(4) Proposal to the Shareholders' Meeting on 14 May 2009.
(5) Calculated on the basis of shares outstanding at 31 December

Report of the Statutory Auditors on the parent company financial statements

Year ended 31 December 2008

To the Shareholders,

In accordance with our appointment as Statutory Auditors by your Shareholders' General Meeting, we hereby report to you for the year ended 31 December 2008 on:
– the audit of the accompanying financial statements of VINCI;
– the justification of our assessments; and
– the specific verifications and information required by law.
The financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements, based on our audit.

1. Opinion on the annual 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 in such a way as to obtain reasonable assurance that the financial statements are free of material misstatement. An audit consists in examining, by sampling or other selection methods, evidence supporting the amounts and disclosures in the annual financial statements. An audit also consists in assessing the accounting principles used, significant estimates made and the overall presentation of the financial statements. We believe that the information that we have collected provides a sufficient and appropriate basis for our opinion.
In our opinion, the financial statements give a true and fair view of your Company's financial position, its assets and liabilities as of 31 December 2008 and the results of its operations for the year then ended, in accordance with accounting principles generally accepted in France. Without qualifying the opinion expressed above, we draw your attention to Note B to the parent company financial statements, which describes a change of accounting policy relating to the accounting treatment of share purchase and subscription option plans and free share plans benefitting employees.

2. Justification of our assessments

As required by Article L.823-9 of the French Commercial Code relating to the justification of our assessments, we inform you of the following:
– as disclosed in Note B.3 to the financial statements presenting the accounting rules and methods relating to shares in subsidiaries and affiliates, your Company provides for impairment of investments in subsidiaries and affiliates whenever the cost of acquisition of the shares exceeds their value in use. We have examined the method of application and the assumptions used;
– as mentioned in the first part of this report, Note B to the financial statements describes a change of accounting policy relating to the accounting treatment of share purchase and subscription option plans and free share plans benefitting employees. In assessing the accounting rules and principles adopted by your company, we have satisfied ourselves that the change was justified and appropriately presented.
These assessments were made as part of our audit of the annual financial statements taken as a whole and have therefore contributed to the formation of our opinion, given in the first part of this report.

3. Specific verifications and information

We have also carried out the specific verifications required by law.
We have no comment to make as to:
– the fair presentation and consistency with the annual financial statements of the information given in the report of the Board of Directors and in the documents addressed to the shareholders, with respect to the financial position and the annual financial statements;
– the fair presentation of the information given in the report of the Board of Directors on the remuneration and benefits paid to company officers and on the commitments made in their favour at the time of commencement, modification or cessation of their duties or afterwards.
In accordance with French law, we have ascertained that the appropriate disclosures have been provided in the Board of Directors' report with regard to the identity of shareholders and holders of voting rights.

Paris La Défense and Neuilly-sur-Seine, 23 March 2009

The Statutory Auditors

KPMG Audit
Department of KPMG S.A.

Patrick-Hubert Petit   Philippe Bourhis

Deloitte & Associés

Jean-Paul Picard   Mansour Belhiba

This is a free translation into English of the statutory auditors' report issued in French and is provided solely for the convenience of English speaking users.
This report should be read in conjunction whith, and is construed in accordance with, French law and professional auditing standarts applicable in France.

Persons responsible for the registration document

1. Statement by the persons responsible for the registration document

"We have taken all due care to ensure that, to the best of our knowledge, the information presented in this registration document gives a true and fair view and that there are no omissions likely to affect materially the meaning of the said information.

We confirm that, to the best of our knowledge, the financial statements have been prepared in compliance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and all consolidated subsidiaries. We also confirm that the Report of the Board of Directors which starts on page 94 presents a true and fair view of business developments, the results and the financial position of the Company and all consolidated subsidiaries, as well as a description of the principal risks and uncertainties that they face.

We have received from the Statutory Auditors a letter reporting on the completion of their audit work and stating that they have verified the information relating to the financial position and financial statements included in the present document as well as the overall presentation of this document.

The Statutory Auditors' reports on the historical financial information provided in the registration document are included on pages 256 and 277 of this document. These reports contain observations drawing readers' attention to the changes in accounting policy made."

Yves-Thibault de Silguy,
Chairman of the Board of Directors

Xavier Huillard,
Director and Chief Executive Officer

2. Statutory auditors

Names of the Statutory Auditors

Statutory Auditors

KPMG SA
A member of KPMG International
Immeuble Le Palatin -3, cours du Triangle
92939 Paris-La Défense
(Patrick-Hubert Petit and Philippe Bourhis)
First appointed: 10 May 2007
Current appointment expires at the close of the Shareholders' Meeting to approve the 2012 financial statements.

Deloitte & Associés
185, avenue Charles-de-Gaulle
92200 Neuilly-sur-Seine Cedex
(Jean-Paul Picard and Mansour Belhiba)
First appointed: 30 May 2001
Current appointment expires at the close of the Shareholders' Meeting to approve the 2012 financial statements.

Deputy Statutory Auditors

Philippe Mathis
Immeuble Le Palatin -3, cours du Triangle
92939 Paris-La Défense
First appointed: 10 May 2007
Current appointment expires at the close of the Shareholders' Meeting to approve the 2012 financial statements.

BEAS SARL
7-9 villa Houssay
92200 Neuilly sur Seine, France
First appointed: 30 May 2001
Current appointment expires at the close of the Shareholders' Meeting to approve the 2012 financial statements.

The Statutory Auditors are registered with the Compagnie Nationale des Commissaires aux Comptes (official statutory auditors' representative body) and are subject to the authority of the Haut Conseil du Commissariat aux Comptes (French High Council of Statutory Audit).

3. Persons responsible for financial information

Christian Labeyrie, Executive Vice-President and Chief Financial Officer and Member of the Executive Committee (+33 1 47 16 35 23).
Pierre Duprat, Corporate Communications and Member of the Co-ordination and Strategy Committee (+33 1 47 16 44 06).

4. Other information referred to in this document

The following information referred to in this registration document is deemed to have been provided thereby:
– the 2006 IFRS consolidated financial statements, the associated report of the Statutory Auditors and sections 9 and 10 of the table of correspondence; shown on pages 178-258 and 282-283 of the 2006 registration document filed with the AMF on 29 March 2007 under number D.07-0242.
– the 2007 IFRS consolidated financial statements, the associated report of the Statutory Auditors and sections 9 and 10 of the table of correspondence; shown on pages 176-258 and 288-289 of the 2007 registration document filed with the AMF on 25 March 2008 under number D.08-0147.

5. Documents available for public consultation

All the documents defined in Article L.451-1-2 as amended of the Code Monétaire et Financier -the French Monetary and Financial Code -resulting from the transposition of the European "Transparency" Directive (Directive 2004/109/CE), are available on the Company's website (www.vinci.com).
The corporate statutes of VINCI may be consulted at the Company's registered office, 1, cours Ferdinand-de-Lesseps, 92851 Rueil-Malmaison Cedex, France (+33 1 47 51 91 02).

Registration document table of correspondence

The table below gives references to the information to be included in the annual report filed as a registration document.

Agence Dominique Perrault Architecture – Luc Benevello – Christophe Boulze – Xavier Boymond – Jean-Pierre Brunet/Voix du Nord/Creashoot – Augusto Da Silva/Graphix Images – Guillaume Daveau – Thomas Deschamps/Graphix Images – Cyrille Dupont – Thierry Duvivier/Trilogi'c – Axel Heise – Pascal Le Doaré – P. Lefebvre – Michel Martini – Véronique Paul/Graphix Images – Auchan photo library – Cécile Rogue – Khourn Thongsin/SCA – Francis Vigouroux – Benoît Voisin – Laurent Zylberman/Graphix Images – Photo libraries of VINCI and subsidiaries. – Design and production: PUBLICORP. - 8660 – Translation: alto– Printing: MCC Graphics – Printed on PEFC-certified Condat Silk and Amber Graphic paper sourced from sustainably managed forests.

PEFC
PEFC/14-38-00020

VINCI – 1 cours Ferdinand de Lesseps, 92851 Rueil Malmaison Cedex, France
Tel: +33 1 47 16 35 00 – Fax: +33 1 47 51 91 02
http://www.vinci.com