

PROSPECTUS dated 10 February 2006



*(incorporated as a société anonyme (with limited liability) in the Republic of France)*

**Euro 500,000,000 Undated Deeply Subordinated  
Fixed to Floating Rate Bonds**

**Issue Price: 98.831 per cent.**

This document constitutes a prospectus for the purposes of Article 5.3 of Directive 2003/71/EC (the "**Prospectus Directive**") and Article 8.1 of the Luxembourg law of 10 July 2005 implementing the Prospectus Directive (the "**Luxembourg Law**"). This Prospectus contains information relating to the issue by Vinci ("**VINCI**" or the "**Issuer**") of its Euro 500,000,000 Undated Deeply Subordinated Fixed to Floating Rate Bonds (the "**Bonds**").

The Bonds will be issued outside the Republic of France and will bear interest (i) at a fixed rate of 6.250 per cent. per annum from, and including, 13 February 2006 (the "**Issue Date**") to, but excluding, 13 November 2015, payable annually (except in the case of the first interest payment, which shall be in respect of a period of less than one year) in arrear and (ii) thereafter at a rate equal to 3.75 per cent. above the European inter-bank offered rate for three-month deposits in Euro ("**EURIBOR**"), payable quarterly in arrear on 13 February, 13 May, 13 August and 13 November in each year, commencing on 13 February 2016, as more fully described in "Terms and Conditions of the Bonds – Interest and Interest Interruption - General". Interest payments under the Bonds may, in certain circumstances, be suspended at the option of the Issuer in which case such payments shall not be paid and shall be forfeited. (See "Terms and Conditions of the Bonds – Interest and Interest Interruption – Interruption of Interest" herein).

The principal and interest on the Bonds constitute direct, unconditional, unsecured and Deeply Subordinated Obligations of the Issuer and rank and will rank *pari passu* among themselves and *pari passu* with all other present and future Deeply Subordinated Obligations of the Issuer, but shall be subordinated to the *titres participatifs* issued by, and *prêts participatifs* granted to, the Issuer, and to Ordinary Subordinated Obligations and Unsubordinated Obligations of, or issued by, the Issuer (as all such terms are defined in "Terms and Conditions of the Bonds – Definitions"). (See "Terms and Conditions of the Bonds – Status of the Bonds and Subordination" herein).

The Bonds are undated and have no final maturity. The Issuer may, at its option, redeem all, but not some only, of the Bonds on the Interest Payment Date falling on 13 November 2015 (the "**First Call Date**") or on any subsequent Floating Rate Interest Payment Date, as set out in "Terms and Conditions of the Bonds - Redemption and Purchase – General Call Option of the Issuer". In addition, the Issuer may, and in certain circumstances shall, redeem all, but not some only, of the Bonds for certain taxation or accounting reasons. (See "Terms and Conditions of the Bonds – Redemption and Purchase" herein).

See "Risk Factors" on page 7 of this document for certain information relevant to an investment in the Bonds.

Application has been made to the Luxembourg Stock Exchange for the Bonds to be listed and traded on the market of the Luxembourg Stock Exchange appearing on the list of regulated markets issued by the European Commission (the "**Regulated Market of the Luxembourg Stock Exchange**"). Application has been made to the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") for approval of this Prospectus.

The Bonds have been accepted for clearance through Euroclear France, Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") and Euroclear Bank SA/NV, as operator of the Euroclear System ("**Euroclear**"). The Bonds will on the Issue Date be inscribed (*inscription en compte*) in the books of Euroclear France which shall credit the accounts of the Account Holders (as defined in "Terms and Conditions of the Bonds - Form, Denomination and Title" below) including the depositary banks for Euroclear and Clearstream, Luxembourg.

The Bonds will be issued in dematerialised bearer form (*au porteur*) in the denomination of €50,000 each. The Bonds will at all times be represented in book entry form (*dématérialisé*) in the books of the Account Holders in compliance with article L.211-4 of the French *Code monétaire et financier*. No physical document of title will be issued in respect of the Bonds.

The Bonds have been assigned a rating of Baa3 by Moody's Investors Service and BBB- by Standard & Poor's Ratings Services, a division of the McGraw Hill Companies. Standard & Poor's has placed VINCI's long term debt rating and consequently, the Bonds, on CreditWatch with negative implications. Standard & Poor's indicates that once the announced rights issue has been successfully completed, it expects to resolve the Creditwatch status and revise VINCI's outlook to stable. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, reduction or withdrawal at any time by the relevant rating agency.

**Joint Bookrunners**

**Merrill Lynch International**

**Société Générale Corporate & Investment Banking**

**Co-Managers**

**Calyon Corporate and Investment Bank**

**The Royal Bank of Scotland**

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Issuer, having taken all reasonable care to ensure that such is the case, the information contained or incorporated by reference in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Neither the delivery of this Prospectus nor the offering, sale or delivery of any Bonds issued by the Issuer shall in any circumstances imply that any information contained herein is correct at any time subsequent to the date hereof.

In connection with the issue and sale of the Bonds, no person is authorised to give any information or to make any representation not contained in or not consistent with this Prospectus, and if given or made, such information or representation must not be relied upon as having been authorised by the Issuer and neither the Issuer nor any of the Managers (as defined in "Subscription and Sale" below) accepts responsibility therefor.

This Prospectus does not constitute an offer to sell, or the solicitation of any offer to buy Bonds, and may not be used for the purposes of an offer or solicitation to or by anyone in any jurisdiction in which such offer or solicitation is not authorised, or to or by any person to or by whom it is unlawful to make such offer or solicitation. No action is being taken to permit an offering of the Bonds or the distribution of this Prospectus in any jurisdiction where any such action is required except as specified herein. The Issuer does not represent that this Prospectus may be lawfully distributed, or that the Bonds may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering.

The distribution of this Prospectus and the offering of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer to inform themselves about, and to observe such restrictions.

The Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and, subject to certain exceptions, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")).

A further description of the restrictions on offers and sales of the Bonds in the United States to, or for the benefit of, U.S. persons, and in certain other jurisdictions, is set forth below under "Subscription and Sale".

In connection with the issue of the Bonds, Société Générale will act as stabilising manager (the "**Stabilising Manager**"). The Stabilising Manager may over-allot Bonds (provided that the aggregate principal amount of Bonds allotted does not exceed 105 per cent. of the aggregate nominal amount of the Bonds) or effect transactions with a view to supporting the market price of the Bonds at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the Bonds is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Bonds and 60 days after the date of the allotment of the Bonds.

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## SUMMARY OF THE TERMS AND CONDITIONS OF THE BONDS

The following summary is qualified in its entirety by the more detailed information included elsewhere in this Prospectus. Capitalised terms used but not defined in this summary shall bear the respective meanings ascribed to them under “Terms and Conditions of the Bonds”. Prospective investors should also consider carefully, amongst other things, the factors set out under “Risk Factors”.

<b>Description:</b>	Euro 500,000,000 Undated Deeply Subordinated Fixed to Floating Rate Bonds
<b>Joint Bookrunners:</b>	Merrill Lynch International and Société Générale
<b>Co-Managers</b>	Calyon and The Royal Bank of Scotland plc
<b>Amount:</b>	Euro 500,000,000
<b>Issue Price:</b>	98.831%
<b>Denomination:</b>	Euro 50,000
<b>Maturity:</b>	The Bonds are undated perpetual obligations in respect of which there is no fixed redemption date.
<b>Form of the Bonds:</b>	The Bonds are issued in dematerialised bearer form and title to the Bonds will be evidenced in accordance with article L.211-4 of the French <i>Code monétaire et financier</i> by book-entries in the books of Euroclear France which shall credit, upon issue, the accounts of the Account Holders. Transfer of Bonds may only be effected through registration of the transfer in such books. No physical document of title will be issued in respect of the Bonds.
<b>Status of the Bonds:</b>	<p>The Bonds are Deeply Subordinated Bonds (as defined in Condition 1 of the Terms and Conditions of the Bonds). The subordination provisions of the Bonds are governed by the provisions of article L. 228-97 of the French <i>Code de Commerce</i>, as amended in particular by law n° 2003-706 on financial security dated 1 August 2003.</p> <p>The principal and interest on the Bonds constitute direct, unconditional, unsecured and lowest ranking subordinated obligations (<i>titres subordonnés de dernier rang</i>) of the Issuer and rank and will rank <i>pari passu</i> among themselves and <i>pari passu</i> with all other present and future Deeply Subordinated Obligations (as defined in Condition 1 of the Terms and Conditions of the Bonds) of the Issuer, but shall be subordinated to the <i>titres participatifs</i> issued by, and <i>prêts participatifs</i> granted to, the Issuer, the Ordinary Subordinated Obligations and the Unsubordinated Obligations (all as defined in Condition 1 of the Terms and Conditions of the Bonds) of, or issued by, the Issuer. The Bonds shall rank in priority to any classes of Share Capital Securities (as defined in Condition 1 of the Terms and Conditions of the Bonds) issued by the Issuer.</p> <p>Upon any liquidation of the Issuer, the Bonds will become immediately due and payable at their principal amount together with accrued interest to the date of redemption. No payments will be made to holders of Share Capital Securities before all amounts due, but unpaid, to all Bondholders under the Bonds have been paid by the Issuer, however, in the event of incomplete payment of less subordinated creditors, the Issuer’s obligations with respect to the Bonds shall be terminated. See Condition 3 of the Terms and Conditions of the Bonds – <i>Status of the Bonds and Subordination</i>.</p>

<b>Negative Pledge:</b>	There will be no negative pledge in respect of the Bonds.
<b>Events of Default:</b>	There will be no events of default in respect of the Bonds.
<b>Interest:</b>	Each Bond bears interest on its principal amount (i) at a fixed rate of 6.250 per cent. per annum from, and including, the Issue Date to, but excluding, 13 November 2015 and shall be payable annually (except in the case of the first payment of interest, which shall be in respect of a period of less than one year) in arrear on 13 November in each year, commencing on 13 November 2006, and (ii) thereafter at a floating rate of 3.75 per cent. per annum above the European inter-bank offered rate for three-month deposits in Euro (“EURIBOR”) payable quarterly in arrear on 13 February, 13 May, 13 August and 13 November in each year, commencing on 13 February 2016, as more fully described in Condition 4 of the Terms and Conditions of the Bonds.
<b>Payment of Interest:</b>	<p>Payment of interest will be optional on any Interest Payment Date (as defined in Condition 1 of the Terms and Conditions of the Bonds) in relation to which (i) the Issuer has not at the general meeting of shareholders of the Issuer immediately preceding such Interest Payment Date declared a dividend, or more generally since the date of such general meeting and prior to such Interest Payment Date declared or made a payment, on or in respect of any Equity Securities (as defined in Condition 1 of the Terms and Conditions of the Bonds), unless such payment was a compulsory interest payment required by the terms of any Deeply Subordinated Obligation (as defined in Condition 1 of the Terms and Conditions of the Bonds) of the Issuer other than the Bonds and (ii) the Issuer has not redeemed, repurchased, repaid or otherwise acquired any Equity Securities at any time during the 6-month period prior to such Interest Payment Date, nor have any of its Subsidiaries (as defined in the Terms and Conditions) purchased or otherwise acquired any Equity Securities during such period, other than in connection with the satisfaction by the Issuer of its obligations under any existing or future benefit plan, share option plan, or free share allocation plan reserved for directors, officers and/or employees of the Issuer, or any associated hedging transaction.</p> <p>On any Optional Interest Payment Date (as described in the preceding paragraph and defined in Condition 4(e) of the Terms and Conditions of the Bonds), the Issuer may, following a decision of its <i>Conseil d’Administration</i> or its <i>Directeur Général</i>, elect not to pay interest in respect of the Bonds accrued to that date. Any interest not paid on such date shall be forfeited and no longer be due and payable by the Issuer.</p>
<b>Early Redemption (including at the option of the Issuer):</b>	<p>The Bonds are undated perpetual obligations in respect of which there is no fixed redemption date. However, the Bonds may be redeemed (in whole but not in part) at their Early Redemption Amount (as defined in Condition 5(c)) on the Interest Payment Date falling on 13 November 2015 or on any Floating Rate Interest Payment Date thereafter, at the option of the Issuer. See Condition 5(b) of the Terms and Conditions of the Bonds.</p> <p>The Issuer will also have the right to redeem the Bonds (in whole but not in part), for certain taxation or accounting reasons (including if interest on the Bonds was but is no longer tax deductible by the Issuer for French corporate income tax purposes). In certain circumstances for tax reasons, the Issuer will be required to redeem the Bonds, as more fully described in Condition 5(c)(B) of the Terms and Conditions of the Bonds.</p>

<b>Taxation:</b>	The Bonds will, upon issue, benefit from an exemption from deduction of French tax at source. If French law shall require any such deduction, the Issuer shall, to the extent permitted by law and subject to certain exceptions, pay additional amounts. See Condition 7 of the Terms and Conditions of the Bonds.
<b>Representation of Bondholders:</b>	The Bondholders will be grouped automatically for the defence of their respective common interests in a <i>masse</i> governed by the provisions of the French <i>Code de commerce</i> and by French <i>décret</i> no. 67-236 of 23 March, 1967 as amended, subject to certain exceptions and provisions. See Condition 9 of the Terms and Conditions of the Bonds.
<b>Use of proceeds:</b>	The net proceeds of the issue of the Bonds amount to Euro 491,155,000 and will be used for the Issuer's general corporate purposes.
<b>Governing Law:</b>	French law
<b>Initial Delivery of the Bonds:</b>	At least one Paris business day before the issue date of the Bonds, a <i>Lettre Comptable</i> relating to the Bonds shall be deposited with Euroclear France as central depository.
<b>Clearing Systems:</b>	The Bonds have been accepted for clearance through Euroclear France and Clearstream, Luxembourg and Euroclear.
<b>Listing:</b>	Application has been made for the Bonds to be listed and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange.
<b>Fiscal Agent, Principal Paying Agent and Calculation Agent:</b>	Société Générale Bank & Trust
<b>Paying Agent in France:</b>	Société Générale
<b>Selling Restrictions:</b>	There are restrictions on the sale of the Bonds and the distribution of offering material in various jurisdictions, including the United States and the EEA (including the United Kingdom, France and Italy). See further "Subscription and Sale" below.
<b>Ratings:</b>	The Bonds have been assigned a rating of Baa3 by Moody's Investors Service and BBB- by Standard & Poor's Ratings Services, a division of the McGraw Hill Companies. Standard & Poor's has placed VINCI's long term debt rating and consequently, the Bonds, on CreditWatch with negative implications. Standard & Poor's indicates that once the announced rights issue has been successfully completed, it expects to resolve the Creditwatch status and revise VINCI's outlook to stable. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, reduction or withdrawal at any time by the relevant rating agency.

## RISK FACTORS

*The following is a description of certain risk factors relating to the offering of the Bonds of which prospective investors should be aware. Prior to making an investment decision, prospective investors should consider carefully all of the information set out in this Prospectus, including in particular the risk factors described below. This description is not intended to be exhaustive and prospective investors should make their own independent evaluations of all investment considerations and should also read the detailed information set out elsewhere in this Prospectus. Terms defined in "Terms and Conditions of the Bonds" below shall have the same meaning where used below.*

### RISK FACTORS RELATING TO THE ISSUER

#### 1 Operating risk

The group is exposed directly or indirectly through its subsidiaries to various risks pertaining to the performance of contracts entered into in the course of its operational activities in the fields of construction works, concession operations and/or the supply of goods and services.

In order to monitor these risks, VINCI has implemented a selective order taking policy and set up risk control procedures aimed at monitoring contractual undertakings as well as budgetary procedures and reporting and internal control systems. These procedures enable – both within the holding company and within the subsidiaries - a regular, usually monthly, monitoring of key management indicators and a periodic review of each entity's results.

The Group's business is characterised by a large number of small contracts (around 250,000 a year), such contracts being entered into by about 2,500 profit centres. Risks are thus well spread between business lines, countries and customers.

As regards large infrastructure construction projects carried out by the VINCI Construction Grands Projets division (which accounts for around 3% of the Group's turnover), the Group's policy is to focus on projects with high technical added value which allows the Group to make the most of its expertise in countries that it knows well. These large projects are generally carried out in consortia involving several other third party companies in order to limit the Group's risk exposure.

As regards infrastructure concessions, the projects are systematically submitted for approval to the VINCI Risk Committee. In order to achieve an efficient allocation of financial and technical risks, such projects are generally carried out jointly with third party companies and financial institutions taking part in the financing which is, as a general rule, organised on a non recourse or limited recourse basis.

As regards real estate, the projects are systematically submitted for approval to the VINCI Risk Committee. The projects which are carried out mainly by VINCI Immobilier (and account for about 2% of the Group's turnover) are located primarily in France (in Paris and some other large cities) in Belgium, and in Luxembourg.

As regards acquisitions, the Group's policy is to acquire a majority interest and to have operational control over the target because it considers that an acquisition is more likely to be successful and risks more easily controlled if its own management principles are introduced into the newly acquired company. Any new proposed acquisition or disposal is submitted to the VINCI Risk Committee and the largest are also submitted to the Board of Directors' Investments Committee.

#### 2 Market Risks

VINCI is subject to liquidity risk (discussed on pages 44 to 46 of the 2005 Half Year Report and pages 202 to 204 of the 2004 Annual Report) and to interest rate and foreign exchange risks, in respect of which it has put in place a certain number of hedging programmes, as described on pages 46-48 of the 2005 Half Year Report and pages 204-207 of the 2004 Annual Report.

In addition, as described on pages 54 and 55 of this Prospectus, VINCI has undertaken to acquire the French State's 50.4% stake in ASF (Autoroutes du Sud de la France). This acquisition is subject to the authorisation of the competent antitrust authorities and the publication of a decree. Together with the subsequent standing market offer for the acquisition of the outstanding capital, the transaction will represent a maximum amount of 9.1 billion euros. The financing sources for this transaction include:

- a 7-year dedicated floating rate acquisition loan of EUR 4.2 billion. From 31 December 2006, the margin shall vary according to the level of (i) consolidated net financial indebtedness of the Group (less the consolidated net financial indebtedness of the concessionaire subsidiaries) plus the debt contracted by the concessionaire subsidiaries with VINCI to (ii) the consolidated cash flow from operations of the Group (less the consolidated cash flow from operations of the concessionaire subsidiaries) plus the dividends received from the concessionaire subsidiaries. This ratio is also the basis of a covenant, the breach of which constitutes an event of default.
- a EUR 2.3 billion floating rate bridge loan. From 30 September 2006, its margin shall vary according to the level of the above-mentioned ratio. There are no financial covenants on this bridge loan.

The remaining part of the transaction amount will be funded through the use of existing resources (available cash and medium-term facilities).

### **3 Risk pertaining to raw materials and supply sources**

The Group is potentially exposed to a rise in the prices of some raw materials used in the construction and road activities of VINCI Construction, Eurovia and VINCI Energies. However, the Group believes that such increases are unlikely to have a significant impact on its results. This is because many of the Group's construction contracts include clauses providing for price revision during the life of the contract, to reflect movements in commodity prices. Furthermore, the Group's construction related activities are carried out via a great number of contracts, mostly short-term. Even if they do not include price revision clauses, their short duration curtails the impact of a rise in prices of raw materials.

Given the nature of VINCI's business lines and the way they are organised, which is driven by the local characteristics of the markets in which the Group operates, the Group considers that overall it is not dependent on a small number of suppliers or subcontractors.

For its construction related activities, the group can rely on a large number of suppliers of raw materials (cement, sand, steel, oil products, etc...) and equipment. In the area of road construction, the group owns numerous quarries and binder and coating plants which ensure competitive access to these supplies. The Group has also implemented an active materials recycling policy. Lastly, within the Group there is no subcontracting of a structural or permanent nature, as Group companies use subcontractors as called for by their workload.

### **4 Risks pertaining to customers**

The Group is not dependent on a small number of customers, since the Group's activities are carried out through a large number of contracts, executed as part of a wide range of business lines and spread between a noteworthy number of geographical locations. In 2005, no single client accounted for more than 5% of consolidated net sales. However, in the field of concessions in France, the Group is dependent on governmental authorities which enjoy, under French administrative law, the right to modify the terms and conditions of on-going public service contracts but have an obligation to pay compensation in respect thereof.

### **5 Industrial and environmental risks**

Overall, VINCI has low industrial and environmental risk exposure. Some of Eurovia's activities may however be exposed to limited and clearly identified risks.

#### *Binder and coating plants*

Risks are related to the use or production of products that are potentially dangerous for the environment. These sites are monitored continuously and are subject to in-house assessment carried out by Eurovia's QSE (Quality Safety Environment) managers. Additional regular and unscheduled external inspections, focusing principally on product analysis and the measurement of volumes stored, are performed to verify site conformity.

#### *Quarries*

The risks identified relate to noise, vibration and dust emissions. External audits are carried out on site once a year by certified bodies. Dust emissions are reported once a year to the French government's regional department for industry, research and the environment (DRIRE).

### **6 Technological risks**

VINCI companies have no facilities classified under Article L. 515-8 of the French Environment Code, so they are not directly concerned by technological risks. They may however be indirectly exposed, particularly when their business units operate on an occasional or long-term basis in the vicinity of facilities classified as presenting such risks. All such companies are obliged to comply with current legislation. For instance, they are not allowed to engage in any activity that could result in an increase in the number of people working near a classified site. VINCI Energies is sometimes called upon to work in classified facilities where the operations rules require that it takes all necessary measures, especially as regards employee evacuation.

### **7 Legal risks**

Given the diversity of its activities and site locations, the Group operates within the complex legal and regulatory environment of the countries and sectors in which it provides its services. Of particular importance are regulations relating to public and private sectors contracts, antitrust and competition law, economic, financial and stock exchange laws. These activities may give rise to civil and criminal liability, especially that of construction contractors, both in France and abroad. In order to mitigate the financial risks pertaining to the possible civil liability incurred by the Group's companies, third party insurance policies have been entered into within the framework of the group's insurance policy as described under '*Report of the Board – Risk Management – Insurance*' on pages 164 to 165 in the 2004 Annual Report.

### **8 Risks pertaining to assets**

The Group's physical assets are comprised of real estate, equipment and plants which may be subject to damage, theft or destruction. In addition, concession operation involves a potential exposure of the Group to damage to assets under concession. The corresponding risks are covered on a case by case basis by insurance policies, the framework of which is described under '*Report of the Board – Risk Management – Insurance*' on pages 164 to 165 in the 2004 Annual Report.

## **RISK FACTORS RELATING TO THE BONDS**

### **Deeply Subordinated Obligations**

The Issuer's obligations under the Bonds are deeply subordinated obligations of the Issuer and are the most junior debt instruments of the Issuer, subordinated to and ranking behind the claims of all other unsubordinated and subordinated creditors of the Issuer, lenders in relation to *prêts participatifs* granted to the Issuer and holders of *titres participatifs* issued by the Issuer. The Issuer's obligations under the Bonds rank in priority only to the Share Capital Securities (as defined in "Terms and Conditions of the Bonds – Definitions") of the Issuer.

### **Undated Securities**

The Bonds are undated securities, with no specified maturity date. The Issuer is under no obligation to redeem the Bonds at any time, except as provided in "Terms and Conditions of the Bonds – Redemption and Purchase – Liquidation" and "Terms and Conditions of the Bonds – Redemption and Purchase – Redemption for Taxation Reasons". See also "Early Redemption at the Issuer's Option" below.

The Bondholders have no right to require redemption of the Bonds. If a judgment is issued for the judicial liquidation (*liquidation judiciaire*) of the Issuer or, following an order of *redressement judiciaire*, the sale of the whole of the business (*cession totale de l'entreprise*) of the Issuer, or in the event of the voluntary dissolution of the Issuer or if the Issuer is liquidated for any other reason, the rights of the Bondholders will be calculated on the basis of the principal amount of the Bonds together with accrued interest and to the extent that all other creditors of the Issuer (including Unsubordinated Creditors, Ordinary Subordinated Creditors, lenders in relation to *prêts participatifs* granted to the Issuer and holders of *titres participatifs* issued by the Issuer) ranking in priority to the Bondholders have been or will be fully reimbursed, as ascertained by the liquidator. See "Terms and Conditions of the Bonds – Status of the Bonds" and "Terms and Conditions of the Bonds – Redemption and Purchase – Liquidation".

### **Early Redemption at the Issuer's Option**

The Bonds may be redeemed in whole (but not in part), at the option of the Issuer, at their Early Redemption Amount (i) on the Interest Payment Date (as defined and described in "Terms and Conditions of the Bonds – Interest and Interest Interruption – General") falling on 13 November 2015 or on any Floating Rate Interest Payment Date thereafter, or (ii) at any time for certain taxation or accounting reasons. See "Terms and Conditions of the Bonds – Redemption and Purchase". Investors may only be able to reinvest monies they receive upon such early redemption in securities with a lower yield than the redeemed Bonds.

### **Interest Interruption**

The Issuer has the option to decide not to pay interest on the Bonds on any Interest Payment Date provided it has not at the general meeting of shareholders of the Issuer immediately preceding such Interest Payment Date declared a dividend or more generally since the date of such general meeting and prior to such Interest Payment Date declared or made a payment of any nature, on its Equity Securities, and provided, at any time during the 6-month period prior to such Interest Payment Date, the Issuer has not redeemed, repurchased, repaid or otherwise acquired, nor has any of its Subsidiaries purchased or otherwise acquired, any Equity Securities (subject to exceptions), as more fully described in "Terms and Conditions of the Bonds – Interest and Interest Interruption". The interest payment provisions of the Bonds are non-cumulative. Accordingly, any interest not paid on the Bonds as a result of the valid exercise by the Issuer of such option will be forfeited and accordingly will no longer be due and payable by the Issuer.

### **Equity Securities under IFRS**

The definition of Equity Securities in Condition 1 of the Bonds is based upon the treatment of such securities as equity for accounting purposes under IFRS in the Issuer's consolidated financial statements. Certain securities falling within such definition might be treated as equity or debt in the Issuer's non-consolidated accounts. Similarly, certain securities classified as equity in the Issuer's non-consolidated accounts may be classified as debt under IFRS. For example, certain redeemable preference shares (if issued by VINCI in the future) would form part of the Issuer's share capital in the Issuer's non-consolidated accounts under current French GAAP, but may be treated as debt in the Issuer's consolidated financial statements under IFRS. Such accounting treatment does not affect the legal status of the Bonds in relation to Share Capital Securities, which is described in Condition 3 of the Bonds.

### **No voting rights**

The Bonds do not give the Bondholders the right to vote at meetings of the shareholders of the Issuer.

### **No Prior Market for the Bonds**

There is no existing market for the Bonds, and there can be no assurance that any market will develop for the Bonds or that holders of the Bonds will be able to sell their Bonds in the secondary market in which case the market or trading price and liquidity of the Bonds may be adversely affected.

**Fixed Rate Interest Periods**

Subsequent changes in interest rates where the Bonds bear interest at the Fixed Rate of Interest may adversely affect the value of the Bonds.

**Floating Rate Interest Periods**

Investors will not be able to calculate in advance their rate of return on the Bonds in respect of Floating Rate Interest Periods.

A key difference between the Floating Rate of Interest and the Fixed Rate of Interest under the Bonds is that interest income in respect of Floating Rate Interest Periods cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield on the Bonds in respect of Floating Rate Interest Periods. As the terms and conditions of the Bonds provide for quarterly interest payment dates in respect of the Floating Rate of Interest, investors are exposed to reinvestment risk if market interest rates decline.

**No limitation on the Issuer to incur additional indebtedness ranking senior or pari passu with the Bonds**

The Issuer has not entered into any restrictive covenants in connection with the issuance of the Bonds regarding its ability to incur additional indebtedness ranking *pari passu* or senior to the obligations under or in connection with the Bonds. The incurrence of any such additional indebtedness may increase the likelihood of a deferral of interest payments under the Bonds and/or may reduce the amount recoverable by Bondholders in the event of an insolvency or liquidation of the Issuer.

**No Events of Default**

The terms of the Bonds do not contain any events of default provisions.

## DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read in conjunction with the following documents which have been previously published and/or which have been filed with the CSSF and are incorporated in, and form part of, this Prospectus:

- (i) the audited and consolidated financial statements of the Issuer together with the notes thereto, the summary audited parent company financial statements, and the related audit reports for the financial year ended 31 December 2003, as contained in the Issuer's 2003 Annual Report (the "**2003 Annual Report**");
- (ii) the audited consolidated financial statements of the Issuer together with the notes thereto, the summary audited parent company financial statements and the related audit reports for the financial year ended 31 December 2004, as contained in the Issuer's 2004 Annual Report (the "**2004 Annual Report**");
- (iii) the unaudited consolidated interim financial statements of the Issuer for the six-month period ended 30 June 2005 together with the notes thereto and related auditors' limited review report as contained in the Issuer's 2005 half year report (the "**2005 Half Year Report**"); and
- (iv) the IFRS Financial Statements of the Issuer at 31 December 2004; the Accounting Policies and Measurement Methods; the Main Impacts of IFRS on the Key Indicators and Group Shareholders' Equity at 31 December 2004; the Reconciliation of the Financial Statements at 31 December 2004 (French GAAP against IFRS); and the auditors' special report on the IFRS Financial Information at 31 December 2004, each as published in the update of the Issuer's 2004 Registration Document (*Document de Référence*) dated 28 July 2005 (the "**2004 Update**"),

save that any statement contained in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Copies of each of the documents incorporated by reference in this Prospectus can be obtained from the Issuer's registered office as set out at the end of this Prospectus. In addition, such documents will be available, free of charge, from the principal office in Luxembourg of the Luxembourg Paying Agent set out at the end of this Prospectus and will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

## CROSS REFERENCE TABLE OF INFORMATION INCORPORATED BY REFERENCE

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(ii) Consolidated statement of income	Page 134 in 2003 Annual Report
(iii) Consolidated cash flow statement	Page 136 in 2003 Annual Report
(iv) Consolidated statement of changes in shareholders' equity	Page 137 in 2003 Annual Report
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<i>Summary audited parent company financial statements for the financial year ended 31 December 2003:</i>	
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<i>Unaudited consolidated interim financial statements of the Issuer for the six-month period ended 30 June 2005:</i>	
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<b>Transition to IFRS</b>	
<i>IFRS Financial Statements at 31 December 2004</i>	Pages 7 to 9 in 2004 Update
<i>Accounting Policies and Measurement Methods re: First-Time Application of IFRS</i>	Pages 10 to 22 in 2004 Update
<i>Main Impacts of IFRS on Key Indicators and Group Shareholders' Equity at 31 December 2004</i>	Page 23 in 2004 Update
<i>Reconciliation of the Financial Statements at 31 December 2004 (French GAAP against IFRS)</i>	Pages 24 to 41 in 2004 Update
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<b>3.1 Risk factors</b>	
<i>Report of the Board – Risk Management - Insurance</i>	Pages 164 to 165 in 2004 Annual Report

Information contained in the documents incorporated by reference other than the information listed in the above table is for information purposes only and does not form part of this Prospectus.

## TERMS AND CONDITIONS OF THE BONDS

The issue outside the Republic of France of the €500,000,000 Undated Deeply Subordinated Fixed to Floating Rate Bonds (the "**Bonds**") of VINCI (the "**Issuer**") has been authorised pursuant to a decision of the *Directeur Général* of the Issuer dated 9 February 2006 acting pursuant to a resolution of the *Conseil d'administration* of the Issuer dated 9 January 2006. The Bonds are issued with the benefit of an agency agreement (the "**Agency Agreement**") dated 10 February 2006 between the Issuer, Société Générale Bank & Trust as fiscal agent and principal paying agent (the "**Fiscal Agent**", which expression shall, where the context so admits, include any successor for the time being as Fiscal Agent) and as calculation agent (the "**Calculation Agent**", which expression shall, where the context so admits, include any successor for the time being as Calculation Agent) and the other paying agents named therein (together, the "**Paying Agents**", which expression shall, where the context so admits, include the Fiscal Agent and any successors for the time being of the Paying Agents or any additional paying agents appointed thereunder from time to time). Reference below to the "**Agents**" shall be to the Fiscal Agent, the Paying Agents and/or the Calculation Agent, as the case may be. Copies of the Agency Agreement are available for inspection at the specified offices of the Paying Agents. References below to "**Conditions**" are, unless the context otherwise requires, to the numbered paragraphs below.

### 1 Definitions

For the purposes of these Conditions:

"**Deeply Subordinated Bonds**" means any bonds or notes of the Issuer (including the Bonds) which constitute direct, unconditional, unsecured and lowest ranking subordinated obligations (*titres subordonnés de dernier rang*) of the Issuer and which rank and will rank *pari passu* among themselves and *pari passu* with all other present and future Deeply Subordinated Obligations, but junior to the *titres participatifs* issued by, and *prêts participatifs* granted to, the Issuer, and junior to the Ordinary Subordinated Obligations and Unsubordinated Obligations of the Issuer.

"**Deeply Subordinated Obligations**" means any Deeply Subordinated Bonds or other lowest ranking Obligations (*engagements subordonnés de dernier rang*) of the Issuer which rank, or are expressed to rank, *pari passu* with the Bonds.

"**Equity Securities**" means (i) any Share Capital Securities, (ii) any Deeply Subordinated Obligations and (iii) any other securities issued by the Issuer, in each case which are classified under IFRS as equity capital of the Issuer in its consolidated financial statements (other than bonds issued by, and convertible into shares of, the Issuer, and not otherwise constituting Deeply Subordinated Obligations of the Issuer).

"**First Call Date**" means the Interest Payment Date falling on 13 November 2015.

"**Fixed Rate Interest Period**" means the period beginning on (and including) the Issue Date and ending on (but excluding) the first Fixed Rate Interest Payment Date (as defined in Condition 4(a)) and each successive period beginning on (and including) a Fixed Rate Interest Payment Date and ending on (but excluding) the next succeeding Fixed Rate Interest Payment Date.

"**Floating Rate Interest Period**" means the period beginning on (and including) the Interest Payment Date falling on 13 November 2015 and ending on (but excluding) the first Floating Rate Interest Payment Date (as defined in Condition 4(a)) and each successive period beginning on (and including) a Floating Rate Interest Payment Date and ending on (but excluding) the next succeeding Floating Rate Interest Payment Date.

"**IFRS**" means the International Financial Reporting Standards, as amended from time to time.

"**Interest Payment Date**" means a Fixed Rate Interest Payment Date or a Floating Rate Interest Payment Date, as the case may be.

"**Interest Period**" means a Fixed Rate Interest Period or a Floating Rate Interest Period, as the case may be.

"**Bondholders**" means the holders of the Bonds, as evidenced by entries in the books of Euroclear France Account Holders (as defined in Condition 2) in accordance with Condition 2.

"**Obligations**" means, in respect of any person, any financial obligation expressed to be assumed by or imposed on it under or arising as a result of any contract, agreement, guarantee, document, instrument, conduct or relationship or directly by law.

"**Ordinary Subordinated Creditors**" means any person(s) to whom/which the Issuer owes an Ordinary Subordinated Obligation.

"**Ordinary Subordinated Obligations**" means any Obligations of the Issuer which constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and which rank and will rank *pari passu* among themselves and *pari passu* with all other present and future Ordinary Subordinated Obligations, but in priority to the *prêts participatifs* granted to, and *titres participatifs* issued by, the Issuer and Deeply Subordinated Obligations.

"**Share Capital Securities**" means any ordinary shares (*actions ordinaires*) or preference shares (*actions de préférence*) issued by the Issuer.

"**Subsidiary**" means, in relation to any person or entity at any time, any other person or entity (whether or not now existing) as defined in Article L.233-1 of the French Code of Commerce.

"**TARGET Business Day**" means a day on which the TARGET System is operating.

"**TARGET System**" means the Trans European Automated Real Time Gross Settlement Express Transfer System or any successor thereto.

"**Unsubordinated Creditors**" means any person(s) to whom/which the Issuer owes an Unsubordinated Obligation.

"**Unsubordinated Obligation**" means any Obligation of the Issuer which is unsubordinated.

## **2 Form, Denomination and Title**

The Bonds are issued in dematerialised bearer form (au porteur) in the denomination of €50,000. Title to the Bonds will be evidenced in accordance with Article L.211-4 of the French *Code monétaire et financier* by book entries (*inscription en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier* will be issued in respect of the Bonds.

The Bonds will, upon issue, be inscribed in the books of Euroclear France which shall credit the accounts of the Account Holders. For the purpose of these Conditions, "**Account Holder**" shall mean any authorised financial intermediary institution entitled to hold accounts, directly or indirectly, on behalf of its customers with Euroclear France, and includes the depository banks for Euroclear Bank S.A./N.V. as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**").

Title to the Bonds shall be evidenced by entries in the books of Euroclear France Account Holders and will pass upon, and transfer of Bonds may only be effected through, registration of the transfer in such books.

## **3 Status of the Bonds and Subordination**

The Bonds are Deeply Subordinated Bonds. The subordination provisions of the Bonds are governed by the provisions of Article L. 228-97 of the French *Code de Commerce*, as amended in particular by law no. 2003-706 on financial security dated 1 August 2003.

The principal and interest on the Bonds constitute direct, unconditional, unsecured and Deeply Subordinated Obligations of the Issuer and rank and will rank *pari passu* among themselves and *pari passu* with all other present and future Deeply Subordinated Obligations of the Issuer, but shall be subordinated to the *titres participatifs* issued by, and *prêts participatifs* granted to, the Issuer, to Ordinary Subordinated Obligations and to Unsubordinated Obligations of, or issued by, the Issuer.

The Bonds shall rank in priority to any classes of Share Capital Securities issued by the Issuer.

If any judgment is issued by any competent court for the judicial liquidation (*liquidation judiciaire*) of the Issuer or, following an order of *redressement judiciaire*, the sale of the whole of the business (*cession totale de l'entreprise*) of the Issuer or in the event of the voluntary dissolution of the Issuer or if the Issuer has been liquidated for any other reason, the rights of the Bondholders will be calculated on the basis of the principal amount of the Bonds together with accrued interest and to the extent that all other creditors of the Issuer (including Unsubordinated Creditors, Ordinary Subordinated Creditors, lenders in relation to *prêts participatifs* granted to the Issuer and holders of *titres participatifs* issued by the Issuer) ranking in priority to the Bondholders have been or will be fully reimbursed, as ascertained by the liquidator.

On a liquidation of the Issuer, no payments will be made to holders of Share Capital Securities before all amounts due, but unpaid, to all Bondholders under the Bonds have been paid by the Issuer.

In the event of incomplete payment of less subordinated creditors, the Issuer's obligations with respect to the Bonds shall be terminated.

#### **4 Interest and Interest Interruption**

##### **(a) General**

Each Bond bears interest on its principal amount at a fixed rate of 6.250 per cent. per annum (the "**Fixed Rate of Interest**") from (and including) 13 February 2006 (the "**Issue Date**") to (but excluding) 13 November 2015, payable annually (except in the case of the first payment of interest, which shall be in respect of a period of less than one year) in arrear on 13 November in each year commencing on 13 November 2006 (each a "**Fixed Rate Interest Payment Date**"), and thereafter at the Floating Rate of Interest (as defined in Condition 4(d)(i) below), payable quarterly in arrear on 13 February, 13 May, 13 August and 13 November in each year, commencing on 13 February 2016 (each a "**Floating Rate Interest Payment Date**"), provided that if any Floating Rate Interest Payment Date is not a TARGET Business Day, it shall be postponed until the next following day which is a TARGET Business Day unless the next such day falls in the next calendar month in which case such Floating Rate Interest Payment Date shall be brought forward to the immediately preceding day which is a TARGET Business Day, and in each case subject as provided in Condition 4(e) (*Interruption of Interest*).

##### **(b) Interest Payments**

Interest payments will be made subject to and in accordance with Condition 6. In the case of redemption as provided in Condition 5, interest will cease to accrue on each Bond on the Early Redemption Date (as defined in Condition 5(c)) or, as the case may be, the Liquidation Redemption Date (as defined in Condition 5(d)), unless, upon such date, payment of the relevant Early Redemption Amount (as defined in Condition 5(c)) or, as the case may be, the amount due on the Liquidation Redemption Date is improperly withheld or refused or if default is otherwise made in respect of payment thereof. In such event, such Bond shall continue to bear interest in accordance with this Condition 4 (as well after as before judgment) until the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant Bondholder.

##### **(c) Fixed Rate of Interest**

The amount of interest payable on the Bonds on each Fixed Rate Interest Payment Date will be an amount equal to the product of the principal amount of the Bonds multiplied by the Fixed Rate of Interest calculated for the relevant Fixed Rate Interest Period on an Actual/Actual-ICMA annual basis (the "**Fixed Rate Interest Amount**").

For the purpose of these Conditions:

**"Actual/Actual-ICMA"** means the number of days in the Calculation Period divided by the number of days in such Fixed Rate Interest Period.

**"Calculation Period"** means any period of time (from and including the first day of such period to but excluding the last) in respect of the calculation of an amount of interest on any Bond.

**(d) Floating Rate of Interest**

*(i) Method of determination of the Floating Rate of Interest*

The Floating Rate of Interest applicable in respect of the Bonds (the “**Floating Rate of Interest**”) will be determined by the Calculation Agent on the following basis:

- (A) On the second TARGET Business Day before the beginning of each Floating Rate Interest Period (the “**Interest Determination Date**”) the Calculation Agent will obtain the European inter-bank offered rate for three-month deposits in Euro (“**EURIBOR**”), as calculated by Bridge Information Systems on behalf of the European Banking Federation and the International Foreign Exchange Dealers Association and published on Reuters Page EURIBOR 01 (or such other page or service as may replace it for the purposes of displaying European inter-bank offered rates of leading reference banks for deposits in euro) (the “**EURIBOR Page**”), as at 11.00 am (Brussels Time) on such Interest Determination Date. The Floating Rate of Interest for such Floating Rate Interest Period shall be the aggregate of 3.75 per cent. per annum and the rate which so appears as determined by the Calculation Agent.
- (B) If, for any reason, on any Interest Determination Date, no rate is calculated and is published on the EURIBOR Page, the Calculation Agent will request any four major banks selected by it in the European inter-bank market (the “**Reference Banks**”) to provide it with their respective quotations of the rates offered by such banks at approximately 11.00 am (Brussels time) on such Interest Determination Date, to prime banks in the European inter-bank market for three-month deposits for Euro in an amount that is, in the reasonable opinion of the Calculation Agent, representative for a single transaction in the relevant market at the relevant time. The Rate of Interest for such Interest Period shall be the aggregate of 3.75 per cent. per annum and the arithmetic mean (rounded if necessary, to the nearest second decimal place, with 0.005 being rounded upwards) of the rates so quoted.
- (C) If only two or three rates are so quoted on any Interest Determination Date, the Calculation Agent will determine the arithmetic mean (rounded, if necessary, to the nearest second decimal place, with 0.005 being rounded upwards) of the rates so quoted and the Floating Rate of Interest for such Floating Rate Interest Period shall be the aggregate of 3.75 per cent. per annum and such arithmetic mean. If fewer than two rates are so quoted on any Interest Determination Date, the Floating Rate of Interest in respect of such Floating Rate Interest Payment Date shall be the Floating Rate of Interest already in effect on such Interest Determination Date.

*(ii) Determination of Floating Rate of Interest and Calculation of Floating Rate Interest Amount by the Calculation Agent*

The Calculation Agent will, as soon as practicable after 11.00 a.m. (Paris time) on each Interest Determination Date, determine the Floating Rate of Interest and calculate the amount of interest payable in respect of each Bond (the “**Floating Rate Interest Amount**”) for the relevant Floating Rate Interest Period. The Floating Rate Interest Amount in respect of the Bonds shall be calculated by applying the Floating Rate of Interest to the aggregate principal amount of the Bonds and multiplying such product by the actual number of days in the Floating Rate Interest Period concerned divided by 360 (rounded to the nearest half cent, with half a cent being rounded upwards).

*(iii) Publication of Floating Rate of Interest and Floating Rate Interest Amount*

The Calculation Agent will cause the Floating Rate of Interest, the Floating Rate Interest Amount for each Floating Rate Interest Period and the relevant Floating Rate Interest Payment Date to be notified to the Issuer, the Fiscal Agent and the Luxembourg Stock Exchange and any other stock exchange on which the Bonds may for the time being be

listed and the Calculation Agent will cause publication thereof in accordance with Condition 10 as soon as possible after their determination but in no event later than the fourth TARGET Business Day thereafter. The Floating Rate Interest Payment Date (as defined and described in Condition 4(a)) so published may subsequently be amended (or appropriate arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Floating Rate Interest Period. If the Bonds become due and payable under Conditions 5(b), 5(c) or 5(d) other than on a Floating Rate Interest Payment Date, the accrued interest and the Floating Rate of Interest payable in respect of the Bonds shall nevertheless continue to be calculated as previously by the Calculation Agent in accordance with this Condition 4 but no publication of the Floating Rate of Interest or the Floating Rate Interest Amount so calculated need be made.

**(e) Interruption of Interest**

On any Optional Interest Payment Date, the Issuer may, at its option, pay interest in respect of the Bonds accrued to that date, pursuant to the provisions of Condition 4(a), in respect of the Interest Period ending immediately prior to such Optional Interest Payment Date, but the Issuer shall have, subject to such election and decision of non-payment having been made by its *Conseil d'administration* or its *Directeur Général* and subject further to notice of election of non-payment to the Bondholders as provided below, no obligation to make such payment and any such failure to pay shall not constitute a default by the Issuer under the Bonds or for any other purpose.

Notice of non-payment of any interest under the Bonds on any Optional Interest Payment Date shall be given to the Bondholders in accordance with Condition 10 at least ten (10) business days prior to such Optional Interest Payment Date. So long as the Bonds are listed on the Regulated Market of the Luxembourg Stock Exchange and the rules of such stock exchange so require, notice of any such non-payment shall be given as soon as reasonably practicable to such stock exchange.

Any interest not paid on an Optional Interest Payment Date as provided by this Condition 4(e) will be forfeited and accordingly will no longer be due and payable by the Issuer.

On each Interest Payment Date which is not an Optional Interest Payment Date, the Issuer shall pay interest in respect of the Bonds accrued to that date with respect to the Interest Period ending immediately prior to such Interest Payment Date.

For the purposes of these Conditions:

**"Optional Interest Payment Date"** means each Interest Payment Date in relation to which :

- (i) the Issuer has not at the general meeting of shareholders of the Issuer immediately preceding such Interest Payment Date declared a dividend (whether in cash, shares or any other form) or more generally since the date of such general meeting and prior to such Interest Payment Date declared or made a payment of any nature, on or in respect of any Equity Securities, unless such payment was a compulsory interest payment required by the terms of any Deeply Subordinated Obligation of the Issuer other than the Bonds; and
- (ii) at any time during the 6-month period prior to such Interest Payment Date, neither has the Issuer redeemed, repurchased, repaid or otherwise acquired, nor has any of its Subsidiaries purchased or otherwise acquired, any Equity Securities other than in connection with the satisfaction by the Issuer of its obligations under any existing or future benefit plan, share option plan, or free share allocation plan reserved for directors, officers and/or employees of the Issuer, or any associated hedging transaction.

**5 Redemption and Purchase**

**(a) No Final Redemption**

The Bonds may not be redeemed otherwise than in accordance with this Condition 5.

The Bonds are undated perpetual obligations in respect of which there is no fixed redemption date.

**(b) General Call Option of the Issuer**

On the First Call Date and on any Floating Rate Interest Payment Date thereafter, the Issuer, subject to having given not less than 30, and not more than 45, calendar days' prior notice to the Bondholders (which notice shall be irrevocable) in accordance with Condition 10, may redeem all, but not some only, of the Bonds at their Early Redemption Amount. The Luxembourg Stock Exchange will be informed of any such redemption.

**(c) Redemption for Taxation or Accounting Reasons**

- (A) If, by reason of a change in the laws or regulations of the Republic of France, or any political subdivision therein or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a judgment by a court of competent jurisdiction), becoming effective on or after the Issue Date, the Issuer would on the occasion of the next payment of principal or interest due in respect of the Bonds, not be able to make such payment without having to pay additional amounts as specified under Condition 7, the Issuer may, at any time, subject to having given not more than 45 nor less than 30 days' prior notice to the Bondholders (which notice shall be irrevocable), in accordance with Condition 10, redeem all, but not some only, of the Bonds outstanding at their Early Redemption Amount provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal and interest without withholding for French taxes or, if such date has passed, as soon as practicable thereafter;
- (B) If the Issuer would on the next payment of principal or interest in respect of the Bonds be prevented by French law from making payment to the Bondholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 7, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall upon giving not less than seven days' prior notice to the Bondholders in accordance with Condition 10, redeem all, but not some only, of the Bonds then outstanding at their Early Redemption Amount provided that the due date for redemption of which notice hereunder shall be given shall be no earlier than the latest practicable date on which the Issuer could make payment of the full amount of principal and interest payable without withholding for French taxes or, if such date has passed, as soon as practicable thereafter;
- (C) If, by reason of any change in the laws or regulations of the Republic of France, or any political subdivision therein or any authority thereof or therein having power to tax, any change in the application or official interpretation of such laws or regulations (including a judgment by a court of competent jurisdiction), or any other change in the tax treatment of the Bonds, becoming effective on or after the Issue Date, interest payments under the Bonds were but are no longer tax-deductible by the Issuer for French corporate income tax (*impôts sur les bénéfices des sociétés*) purposes, the Issuer may, at its option, at any time, subject to having given not more than 45 nor less than 30 days' notice to Bondholders (which notice shall be irrevocable) in accordance with Condition 10, redeem all, but not some only, of the Bonds at their Early Redemption Amount provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make such payment with interest payable being tax deductible for French corporate income tax (*impôts sur les bénéfices des sociétés*) purposes.

Before the publication of any notice of redemption pursuant to this Condition 5(c)(C), the Issuer shall deliver to the Fiscal Agent a certificate signed by the *Directeur Général* or a member of the *Conseil d'administration* of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of the facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred;

- (D) If an Accounting Event shall occur, the Issuer may, at its option, at any time, subject to having given not more than 45 nor less than 30 days' notice to Bondholders (which notice shall be irrevocable) in accordance with Condition 10, redeem all, but not some only, of the Bonds at their Early Redemption Amount.

Before the publication of any notice of redemption pursuant to this Condition 5(c)(D), the Issuer shall deliver to the Fiscal Agent a certificate signed by the *Directeur Général* or a member of the *Conseil d'administration* of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of the facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred.

For the purposes of Condition 5(c):

**"Accounting Event"** means that an opinion of a recognised accountancy firm has been delivered to the Fiscal Agent, stating that the funds raised through the issuance of the Bonds must not or must no longer be recorded as "equity" pursuant to IFRS or any other accounting standards that may replace IFRS for the purposes of the annual consolidated financial statements of the Issuer.

**"Adjusted Yield"** means the Bond Yield plus 0.75 per cent.

**"Bond Yield"** means the rate per annum equal to the annual yield to maturity of the Comparable Bond Issue, assuming a price equal to the Comparable Bond Price for the Calculation Date.

**"Calculation Date"** means the fourth TARGET Business Day prior to the Early Redemption Date.

**"Comparable Bond Issue"** means, with respect to any Early Redemption Date, the Euro benchmark security selected by the Calculation Agent, after consultation with the Issuer, as having a maturity comparable to the remaining term of the Bonds to the First Call Date that would be used, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the First Call Date.

**"Comparable Bond Price"** means (a) the average of five Reference Bond Dealer Quotations, after excluding the highest and lowest such Reference Bond Dealer Quotations, or (b) if the Calculation Agent obtains fewer than five such Reference Bond Dealer Quotations, the average of all such Reference Bond Dealer Quotations.

**"Early Redemption Amount"** means an amount payable in respect of each Bond on the date set for redemption (the **"Early Redemption Date"**), which shall be (x) in respect of any redemption falling prior to the First Call Date other than pursuant to Conditions 5(c)(A) or (B), the greater of (i) its principal amount together with any interest accrued (but not interrupted) to the Early Redemption Date and (ii) its Make Whole Amount, or (y) in the case of any redemption falling (i) at any time pursuant to Conditions 5(c)(A) or (B), or (ii) on or following the First Call Date, its principal amount together with any interest accrued to the Early Redemption Date.

**"Make Whole Amount"** means an amount in Euro rounded to the nearest cent (half a cent being rounded upwards), as determined by the Calculation Agent, equal to the sum of (x) the then present value of the principal amount and (y) the then present values of the scheduled interest amounts, calculated on the basis of the principal amount, from (and including) the First Call Date to the Early Redemption Date. The present values of (x) and (y) shall be calculated by discounting the principal amount and the scheduled interest amounts from the First Call Date to the Early Redemption Date at the Adjusted Yield on an Actual/Actual-ICMA annual basis.

**"Primary Bond Dealer"** means any credit institution or financial services institution that regularly deals in bonds and other debt securities.

**"Reference Bond Dealer"** means either the Calculation Agent, or any other Primary Bond Dealer selected by the Calculation Agent after consultation with the Issuer.

**"Reference Bond Dealer Quotations"** means the average, as determined by the Calculation Agent, of the bid and ask prices for the Comparable Bond Issue (expressed in each case as a percentage of

its principal amount) quoted in writing to the Calculation Agent by such Reference Bond Dealer at 11:00 am (Paris time) on the Calculation Date.

**(d) Liquidation**

In accordance with Condition 3, if any judgment is issued by any competent court for the judicial liquidation (*liquidation judiciaire*) of the Issuer or, following an order of *redressement judiciaire*, the sale of the whole of the business (*cession totale de l'entreprise*) of the Issuer or in the event of the voluntary dissolution of the Issuer or if the Issuer is liquidated for any other reason, then the Bonds will become immediately due and payable at their principal amount together with accrued interest to the date of redemption (the "**Liquidation Redemption Date**").

**(e) Purchases**

The Issuer may at any time purchase all or some of the Bonds, in the open market or otherwise or by means of an *offre publique d'achat* (a public cash-tender offer bid) or an *offre publique d'échange* (a public exchange tender offer), in accordance with applicable laws and regulations.

**(f) Cancellation**

All Bonds which are purchased or redeemed by the Issuer pursuant to paragraphs (b) to (e) of this Condition 5 will cease to be considered to be outstanding and shall be cancelled and accordingly may not be reissued or sold.

Given the Issuer's intention that the equity content of the Bonds forms a permanent part of its capital structure, the Issuer intends to fund any redemption of the Bonds from the proceeds of the sale of common equity or issue of securities (ranking *pari passu* with or junior to the Bonds and with same terms and conditions regarding maturity, deferral, timing and amount of step-up and replacement provision language, and having equal or greater equity content) issued on, or within a period of 6 months prior to, the relevant redemption date of the Bonds.

## **6 Payments and Calculations**

**(a) Method of Payment**

Payments in respect of principal and interest on the Bonds will be made in Euro by credit or transfer to a Euro denominated account (or any other account to which Euro may be credited or transferred) specified by the payee with a bank in a city in which banks have access to the TARGET System. Such payments shall be made for the benefit of the Bondholders to the Account Holders (including the depositary banks for Euroclear and Clearstream, Luxembourg) and all payments validly made to such Account Holders in favour of Bondholders will be an effective discharge of the Issuer and the Fiscal Agent, as the case may be, in respect of such payments.

**(b) Payment Subject to Fiscal Laws**

Payments in respect of principal and interest on the Bonds will, in all cases, be made subject to any fiscal or other laws and regulations or orders of courts of competent jurisdiction applicable in respect of such payments but without prejudice to the provisions of Condition 7. No commission or expenses shall be charged by the Issuer, the Fiscal Agent or any Paying Agent to the Bondholders in respect of such payments.

**(c) Payments on business days**

If the due date for payment of any amount of principal or interest in respect of any Bond is not a business day (as defined below), payment shall not be made of the amount due and credit or transfer instructions shall not be given in respect thereof until the next following business day and the relevant Bondholder shall not be entitled to any interest or other sums in respect of such postponed payment.

For the purposes of these Conditions, "**business day**" means any day, not being a Saturday or a Sunday, (i) on which foreign exchange markets and commercial banks are open for business in Paris

and Luxembourg, (ii) on which Euroclear France, Euroclear and Clearstream, Luxembourg are operating and (iii) which is a TARGET Business Day.

**(d) Fiscal Agent, Paying Agents and Calculation Agent**

The name and specified office of the initial Fiscal Agent, Paying Agents and the Calculation Agent are as follows:

**FISCAL AGENT, PRINCIPAL PAYING AGENT AND CALCULATION AGENT**

**Société Générale Bank & Trust**

11, avenue Emile Reuter  
L-2420 Luxembourg

**PARIS PAYING AGENT**

**Société Générale**

17 cours Valmy  
92987 Paris  
La Défense

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, Paying Agent(s), Calculation Agent and/or appoint a substitute Fiscal Agent, Paying Agent, Calculation Agent and additional or other Paying Agents, provided that there will at all times be (i) a Fiscal Agent having a specified office in a European city, (ii) so long as the Bonds are listed on the Regulated Market of the Luxembourg Stock Exchange and the rules of that stock exchange so require, a Paying Agent having a specified office in Luxembourg (which may be the Fiscal Agent), and (iii) so long as any Bond is outstanding, a Calculation Agent for the purposes of the Bonds having a specified office in a European city. If the Calculation Agent is unable or unwilling to continue to act as such or if the Calculation Agent fails to make any calculations in relation to the Bonds, the Issuer shall appoint some other leading European bank engaged in the Euro inter-bank market (acting through its principal Paris office) to act in its place, subject to having given notice to the Bondholders in accordance with Condition 10 not more than 45 nor less than 30 days prior to such appointment. The Calculation Agent may not resign its duties without a successor having been so appointed. Any notice of a change in Fiscal Agent, Paying Agent, Calculation Agent or their specified office shall be given to Bondholders as specified in Condition 10.

**(e) Certificates to be final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purpose of the provisions of these Conditions whether by the Calculation Agent or the Reference Banks (or any of them) shall (in the absence of wilful default or manifest error) be binding on the Issuer, the Calculation Agent, the Paying Agents, the Fiscal Agent, the Reference Banks, and all the Bondholders. All calculations and determinations carried out by the Calculation Agent pursuant to these Conditions must be made in good faith. No Bondholder shall (in the absence as aforesaid) be entitled to proceed against the Calculation Agent or the Reference Banks or any of them in connection with the exercise or non-exercise by them of their powers, duties and discretions.

**7 Taxation**

**(a) Withholding Tax Exemption**

The Bonds (which constitute *obligations*), being denominated in Euro and deemed issued outside the Republic of France, interest and other revenues in respect of the Bonds benefit under present law (as interpreted in the *Instruction of the Direction Générale des Impôts* 5 I-11-98 dated 30 September 1998) from the exemption provided for in Article 131 *quater* of the *Code Général des Impôts* (General Tax Code) from withholding tax on interest payments set out under Article 125A III of the *Code*

*Général des Impôts*. Accordingly, such payments do not give the right to any tax credit from any French source.

**(b) Additional Amounts**

If French law should require that payments of principal or interest in respect of any Bond be subject to deduction or withholding in respect of any present or future taxes, duties, assessments or other governmental charges of whatever nature imposed or levied by or on behalf of the Republic of France or any authority therein or thereof having power to tax, the Issuer shall, to the fullest extent then permitted by law, pay such additional amounts as may be necessary in order that each Bondholder, after such deduction or withholding, will receive the full amount then due and payable thereon in the absence of such deduction or withholding; provided, however, that the Issuer shall not be liable to pay any such additional amounts in respect of any Bond to a Bondholder (or beneficial owner (*ayant droit*)):

- (i) who is subject to such taxes, duties, assessments or other governmental charges in respect of such Bond by reason of his having some present or former connection with the Republic of France other than the mere holding of such Bond; or
- (ii) more than 30 days after the Relevant Date (as defined below), except to the extent that the holder thereof would have been entitled to such additional amounts on the last day of such period of 30 days; or
- (iii) where such deduction or withholding is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC of 3 June 2003 or any other European Union Directive implementing the conclusion of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive.

For the purpose of this Condition 7, "**Relevant Date**" in relation to any Bond means whichever is the later of (A) the date on which the payment in respect of such Bond first becomes due and payable, and (B) if the full amount of the moneys payable on such date in respect of such Bond has not been received by the Fiscal Agent on or prior to such date, the date on which notice is given in accordance with Condition 10 to Bondholders that such moneys have been so received.

References in these Conditions to principal and interest shall be deemed also to refer to any additional amounts which may be payable under the provisions of this Condition 7.

**8 No Events of Default**

For the avoidance of doubt, there are no events of default in respect of the Bonds.

**9 Representation of the Bondholders**

The Bondholders will be grouped automatically for the defence of their respective common interests in a *masse* (hereinafter referred to as the "**Masse**").

The *Masse* will be governed by the provisions of the French Commercial Code (with the exception of the provisions of Articles L. 228-48 and L. 228-59 thereof) and by French *décret* no. 67-236 of 23 March 1967, as amended (with the exception of the provisions of Articles 222, 224 and 226 thereof) as amended by the provisions set out below and provided that notices calling for any general assembly of the Bondholders, resolutions passed at any general assembly and any other decision to be published pursuant to French legal and regulatory provisions will be published as provided under Condition 10.

**(a) Legal Personality**

The *Masse* will be a separate legal entity, by virtue of Article L.228-46 of the French Commercial Code acting in part through one representative (hereinafter called "**Representative**") and in part through a general assembly of the Bondholders.

The *Masse* alone, to the exclusion of all individual Bondholders, shall exercise the common rights, actions and benefits which now or in the future may accrue respectively with respect to the Bonds.

**(b) Representative**

The office of Representative may be conferred on a person of any nationality who agrees to perform such function. However, the following persons may not be chosen as Representative:

- (i) the Issuer, the members of the Board of Directors (*Conseil d'administration*), its general managers (*directeurs généraux*), its statutory auditors, its employees and their ascendants, descendants and spouse; or
- (ii) companies guaranteeing all or part of the obligations of the Issuer, their respective managers (*gérants*), general managers (*directeurs généraux*), members of their Board of Directors (*Conseil d'administration*), Executive Board (*Directoire*), or Supervisory Board (*Conseil de Surveillance*), their statutory auditors, or employees as well as their ascendants, descendants and spouse; or
- (iii) companies of which the Issuer possesses at least 10 per cent. of the share capital or, companies possessing at least 10 per cent. of the share capital of the Issuer; or
- (iv) persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing an enterprise in whatever capacity.

The following person is designated as Representative:

**Association de représentation des masses de titulaires de valeurs mobilières**  
**Centre Jacques Ferronnière**  
**32, rue du Champ de Tir, B.P. 81236**  
**44312 Nantes Cedex 3**

represented by its President, Mr. Alain Foulonneau domiciled at the same address.

The Representative shall carry out its functions until its dissolution, resignation, termination of its appointment by a general assembly of the Bondholders or until it becomes unable to act or has a conflict of interest.

The Representative shall receive remuneration in the amount of €610 per annum, payable by the Issuer on 13 February of each year beginning in 2006.

The appointment of the Representative shall terminate automatically on the date of final redemption in full of the Bonds. Such appointment shall, if applicable, be automatically extended until the final resolution of any proceedings in which the Representative may be involved and the enforcement of any judgments or settlements relating thereto.

All interested parties will at all times have the right to obtain the name and address of the Representative at the head office of the Issuer and at the offices of any of the Paying Agents.

**(c) Powers of the Representative**

The Representative shall, in the absence of any decision to the contrary of the general assembly of Bondholders, have the power to take all acts of management to defend the common interests of the Bondholders.

All legal proceedings against the Bondholders or initiated by them, must be brought against the Representative or by it.

The Representative may not interfere in the management of the affairs of the Issuer.

**(d) General Assemblies of Bondholders**

General assemblies of the Bondholders may be held at any time, on convocation either by the Issuer or by the Representative. One or more Bondholders, holding together at least one-thirtieth of outstanding Bonds may address to the Issuer and the Representative a demand for convocation of the general assembly. If such general assembly has not been convened within two months from such

demand, such Bondholders may commission one of themselves to petition the competent court in Paris to appoint an agent (*mandataire*) who will call the meeting.

Notice of the date, hour, place, agenda and any quorum requirements of any general assembly of Bondholders will be published as provided under Condition 10.

Each Bondholder has the right to participate in general assemblies in person, by proxy, correspondence, or, if the *statuts* of the Issuer so specify<sup>1</sup>, videoconference or any other means of telecommunication allowing the identification of the participating Bondholders. Each Bond carries the right to one vote.

**(e) Powers of General Assemblies of Bondholders**

A general assembly of Bondholders is empowered to deliberate on the fixing of the remuneration of the initial and alternate Representatives and their dismissal and replacement, and also may act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the Bonds, including authorising the Representative to act as plaintiff or defendant.

A general assembly of Bondholders may further deliberate on any proposal relating to the modification of these Conditions including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, it being specified, however, that a general assembly may not increase amounts payable by Bondholders, nor authorise or accept a postponement in the maturity for the payment of interest or a modification of the terms of repayment or of the rate of interest on the Bonds, nor establish any unequal treatment between the Bondholders, nor decide to convert the Bonds into shares.

Meetings of a general assembly may deliberate validly on first convocation only if Bondholders present or represented hold at least one fifth of the Bonds then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a two-third majority of votes cast by the Bondholders attending such meeting or represented thereat.

Decisions of the general assemblies of Bondholders must be published in accordance with the provisions set forth in Condition 10.

**(f) Information to the Bondholders**

Each Bondholder or representative thereof will have the right, during the 15-day period preceding the holding of each general assembly, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the general assembly, which will be available for inspection at the registered office of the Issuer, at the specified offices of the Paying Agents and at any other place specified in the notice of the general assembly given in accordance with Condition 10.

**(g) Expenses**

The Issuer will pay all expenses incurred in the operation of the *Masse*, including expenses relating to the calling and holding of general assemblies and the expenses which arise by virtue of the remuneration of the Representative, and more generally all administrative expenses resolved upon by a general assembly of the Bondholders, it being expressly stipulated that no expenses may be imputed against interest payable on the Bonds. Accordingly, the second sentence of the first paragraph of Article L.228-71 of the French Commercial Code shall not apply to the Bonds.

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<sup>1</sup> At the date of this Prospectus the *statuts* of the Issuer do not contemplate the right for a Bondholder to participate in a general assembly by videoconference or any other means of telecommunication allowing the identification of the participating Bondholders.

## **10 Notices**

Any notice to the Bondholders will be valid if published, so long as the Bonds are listed on the Regulated Market of the Luxembourg Stock Exchange and the rules of that stock exchange so require, in a leading daily newspaper having general circulation in Luxembourg (which is expected to be the *d'Wort* or the *Tageblatt*) or on the Luxembourg Stock Exchange website ([www.bourse.lu](http://www.bourse.lu)). If any such publication is not practicable, notice shall be validly given if published in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which such publication is made.

## **11 Prescription**

Claims against the Issuer for the payment of principal and interest in respect of the Bonds shall become prescribed 10 years (in the case of principal) and 5 years (in the case of interest) from the due date for payment thereof.

## **12 Further Issues**

The Issuer may from time to time, without the consent of the Bondholders, issue further Bonds to be assimilated (*assimilables*) with the Bonds as regards their financial service, provided that such further Bonds and the Bonds shall carry rights identical in all respects (or in all respects except for the first payment of interest thereon) and that the terms of such further Bonds shall provide for such assimilation. In the event of such assimilation, the Bondholders and the holders of any assimilated (*assimilables*) Bonds will for the defence of their common interests be grouped in a single *Masse* having legal personality.

## **13 Governing Law and Jurisdiction**

The Bonds are governed by, and shall be construed in accordance with, the laws of the Republic of France. Any legal action or proceeding arising out of or in connection with the Bonds will be irrevocably submitted to the jurisdiction of the competent courts in Nanterre.

## **USE OF PROCEEDS**

The net proceeds of the issue of Bonds amount to €491,155,000 and will be used for the Issuer's general corporate purposes.

## DESCRIPTION OF VINCI

### General Overview

VINCI is incorporated as a *société anonyme* with limited liability in the Republic of France and is registered with the commercial registry of Nanterre under number 552 037 806. Its registered office is located at 1, cours Ferdinand-de-Lesseps, 92851 Rueil-Malmaison Cedex, France.

VINCI (formerly known as Société Générale d'Entreprises – SGE) merged with Groupe GTM at the end of 2000, and as a result of such merger, has become the world's leading company in concessions, construction and related services.<sup>1</sup> VINCI had at year end 2004 about 128,000 employees worldwide (of which 72,000 in France).

The Group's activities are structured along four main business lines which are operated by the following companies:

- **VINCI Concessions**, which operates, under long term contracts, infrastructure projects including toll roads (through Cofiroute, ASF and a number of companies abroad), bridges and tunnels, car parks (through VINCI Park), airport concessions and services (through VINCI Airports), and the *Stade de France*.

- **VINCI Energies**, which is the leader in France<sup>2</sup> and a major player in the rest of Europe in the fields of energy transportation and information technology services (electrical engineering and works, information and communication technology, telecom infrastructure, climate engineering, insulation, fire protection).

- **Eurovia**, which is one of the world's major road works and materials recycling companies, and the biggest French producer of road aggregates.<sup>3</sup>

- **VINCI Construction**, which is the leader in France<sup>4</sup> and a world major in building, civil engineering and hydraulic works and related services (facility management).

In 2004, VINCI Concessions accounted for 10 % of total revenues and 44 % of total EBITDA whilst VINCI Construction accounted for 42 % of total sales and 26 % of total EBITDA.

### History of VINCI

Société Générale d'Entreprises (SGE – now VINCI) was created in 1908 and developed its activities in electricity, building and civil engineering.

In 1970, SGE developed motorway concessions and was one of the founders of Cofiroute, along with GTM.

During the period from 1996 to 1999, SGE reorganised its activities around four core businesses : concessions, energy, roads and construction. Over the same period, the group pursued a policy of external growth, focusing on recurring and value added businesses: in 1999, the group thus launched a successful friendly takeover bid on Sogeparc, the then French market leader in car park concessions.

In 2000, Vivendi Universal (formerly Compagnie Générale des Eaux) sold most of its shares in SGE to institutional investors, keeping only 17% of the capital stock. SGE changed its name to VINCI and launched a friendly takeover bid for Groupe GTM, and the subsequent merger of VINCI and GTM in December 2000 gave rise to the world's leader in concessions, construction and services.

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<sup>1</sup> Source : *Moniteur* magazine, November 2005 (basis : 2004 net sales).

<sup>2</sup> Source : *Moniteur* magazine, November 2005 (basis : 2004 net sales).

<sup>3</sup> Source : Internal study (basis : 2004 production).

<sup>4</sup> Source : *Moniteur* magazine, November 2005 (basis : 2004 net sales).

In 2001, Vivendi Universal and Suez, Groupe GTM's former majority shareholder, both withdrew from VINCI's capital. Sogeparc and Parcs GTM were merged to form VINCI Park, the largest car park operator in Europe.<sup>1</sup>

In 2002, VINCI entered the CAC 40 index on the Paris Stock Exchange and acquired 17% of ASF when the French government decided to sell 49% of ASF's shares to the public.

In 2003 and 2004, VINCI raised its stake in ASF to 23% and in December 2005, the French government accepted the Group's offer to acquire its 50.4% interest. With this acquisition, VINCI will become the world's leading integrated concession and construction group.

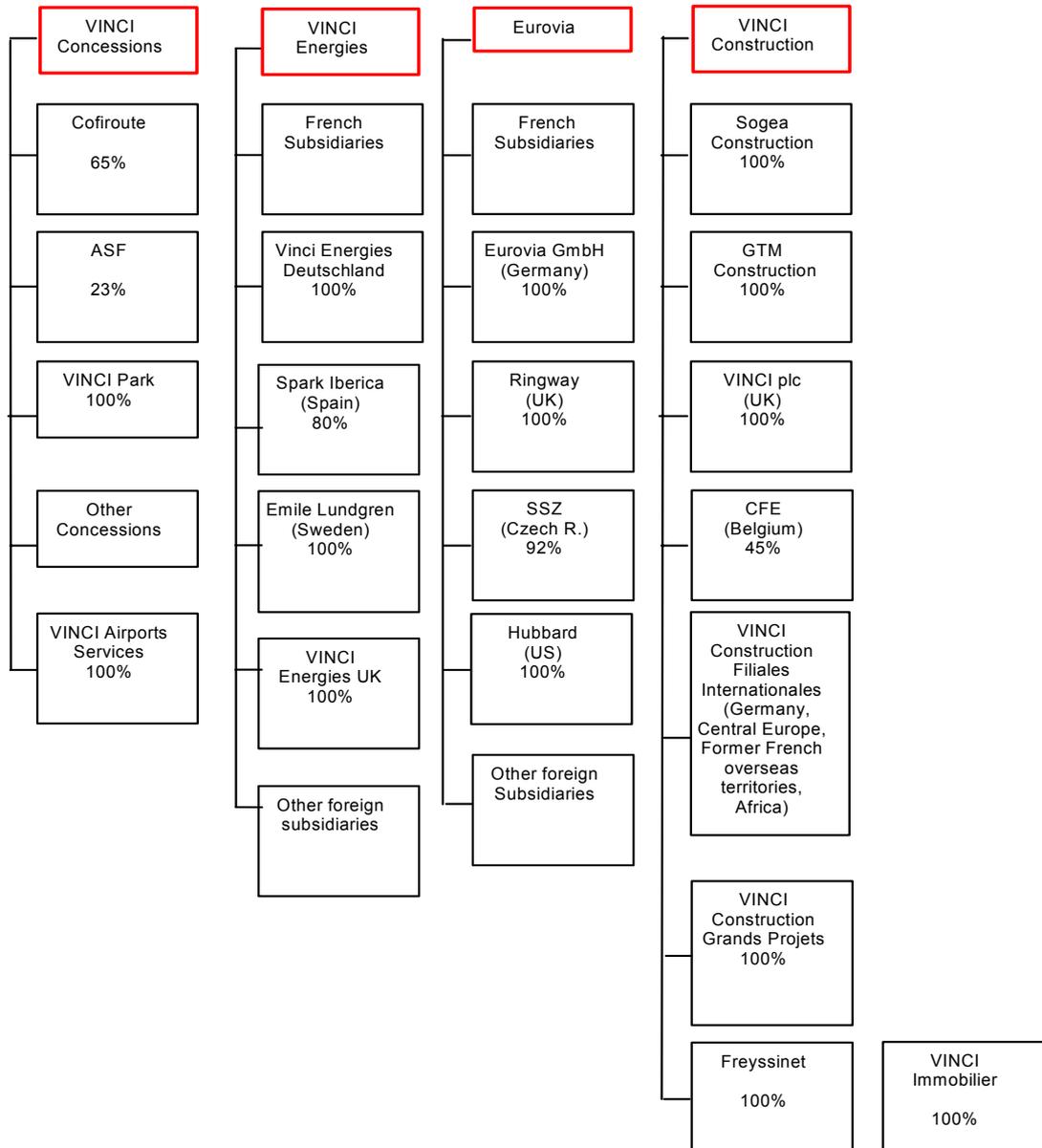
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<sup>1</sup> Source : Internal study (basis : number of places managed)

## Organisational structure

### Simplified organisational chart

The following diagram shows the main companies held directly or indirectly by VINCI at 31 December 2005:



## Business overview

### VINCI Concessions

VINCI Concessions, with 19,000 employees at year end 2004, is a leading concession builder-operator in Europe: it is both a specialist in the construction of major public assets under innovative forms of contracts (concessions, build-operate-transfer (or “**BOT**”), Private Finance Initiative (or “**PFI**”)) and an experienced operator of public-service concessions under long- term contracts.

VINCI Concessions recorded a revenue of EUR 1.9 billion in 2004, mainly in France (76% of 2004 sales).

The main business lines include:

- Road and motorway infrastructure:

VINCI Concessions manages 986 km of toll roads in France through Cofiroute (with a further 105 km under construction and the concession for the A86 tunnels west of Paris) and 370 km in other countries, 6 bridges (Portugal, UK, Greece and Canada) and the Prado Carénage tunnel in Marseille. In addition, Arcour, a subsidiary of VINCI Concessions, was awarded in 2005 the concession for the 101km long A19 Ardenay-Courtenay motorway, which it will finance, build and operate under a 65-year contract. The roadworks will begin in summer 2006 and the A19 should open in 2009.

- Car parks:

With approximately 800,000 on-street or off street car parking spaces in 12 countries managed on behalf of public and private clients, VINCI Park is the largest car park operator in Europe.

- Airports:

VINCI operates in two complementary businesses:

- VINCI Airports, active in airport management with 4 airports processing over 2.5 million passengers a year in Cambodia (Phnom Pehn, Siem Reap) and France (Grenoble, Chambéry)
- WFS (acquired in 2001) active in airport support services (3rd largest service provider worldwide) and cargo handling services.
- Stade de France (67% interest), an 80,000 seat stadium near Paris

The table below sets out the main infrastructure operations of VINCI Concessions and ASF at year end 2005:

Structure	Description	Country	% held	Consolidation method	Residual term of contract (in years) as of 31/12/2005
<b>Motorways</b>					
	<b>Network under concession</b>				
Cofiroute's intercity network	1 091 km	France	65%	Full consolidation	25
A86 tunnels (1)	17.5 km	France	65%	Full consolidation	70 years after full opening
ASF network	2 660 km	France	23%	Equity method	27
Escota network	459 km	France	23%	Equity method	21
Puymorens Tunnel	5.5 km	France	23%	Equity method	32
A19 (1)	101 km	France	100%	Full consolidation	65
Chillan-Collipulli	160 km	Chile	83%	Full consolidation	Approximately 18(2)
Newport bypass	10 km	UK	50%	Proportionate consolidation	37
Fredericton-Moncton	200 km	Canada	12%	Unconsolidated minority interests	23
<b>Bridges and Tunnels</b>					
Rion-Antirion bridge	Peloponnese - Mainland	Greece	53%	Full consolidation	34
Tagus River crossings	2 bridges in Lisbon	Portugal	31% (3)	Equity method	25
Prado-Carénage tunnel	Marseille	France	32%	Equity method	20
Severn crossings	2 bridges on the Severn	UK	35%	Equity method	11
Confederation bridge	Prince Edward Island - Mainland	Canada	50%	Proportionate consolidation	27

Structure	Description	Country	% held	Consolidation method	Residual term of contract (in years) as of 31/12/2005
<b>Parking</b>	<b>Number of Spaces</b>				
VINCI Park	790 000	France and rest of Europe; Canada, Hong Kong	100%	Full consolidation	Approximately 30 (4)
<b>Airports</b>	<b>2005 Traffic (passengers)</b>				
2 airports in Cambodia	2.1 million	Cambodia	70%	Proportionate consolidation	15
Chambéry-Aix-les-Bains airport	190 000	France	50%	Proportionate consolidation	6
Grenoble airport	270 000	France	50%	Proportionate consolidation	3
<b>Stade de France</b>	80 000 seats	France	67%	Proportionate consolidation	19

(1) Under construction.

(2) The length of the concession is variable according to the level of traffic

(3) Of which 3.48% transferred by Hagen pursuant to the share purchase agreement dated 16 October 2000 (the completion of which is outstanding)

(4) Excluding service contracts and fully owned car parks

### **VINCI Construction**

With 45,000 employees at year end 2004 and revenue of over EUR 8.3 billion in 2004 (56 % in France, 34 % in the rest of Europe, and 10 % in the rest of the world), VINCI Construction is the leader in France and a world major in building, civil engineering and hydraulic works and related services.

VINCI Construction's business is organised along three main markets:

- France, with two independent multi-service networks (Sogea Construction and GTM Construction), each with a large number of local subsidiaries focused on local markets.
- Local markets outside France, covered by networks of subsidiaries providing a full range of construction activities: VINCI plc in the UK; CFE (45% interest) in Belgium; VINCI Construction Filiales Internationales in Germany, Central and Eastern Europe, the former French overseas territories and Africa.
- Major structures, specialised civil engineering and dredging, which are worldwide activities respectively covered by VINCI Construction Grands Projets, Freyssinet and DEME (50% owned by CFE).

The Group has continuously sought to improve its margins and reduce its risk profile over the last few years, through a policy of selective order taking and risk control. As a result of these efforts, VINCI Construction margins have continuously grown in recent years.

### **Eurovia**

Eurovia is one of the world's major road works and materials recycling companies, and the biggest French producer of road aggregates. With 37,000 employees at year end 2004, Eurovia recorded a revenue of EUR 5.8 billion in 2004, out of which 90% in Western Europe (mainly France, Germany and the UK) and Central Europe. Eurovia also holds significant positions in the United States, Canada and Chile.

Eurovia is present at every stage of the road production process, through four main activities:

- Roadworks (49% of 2004 sales): design, construction, renovation and maintenance of all types of road infrastructures.

- Production of roadwork materials, to secure its supplies (17% of sales): Eurovia manages 210 quarries, 60 binder plants, 460 coating stations, and 110 recycling units. In 2004, Eurovia produced 68.5 million tonnes of aggregates, 40 million tonnes of coating, 0.7 million tonnes of binder and recycled 7.8 million tonnes of waste.
- Environment-related activities (26% of sales): including deconstruction, installation of noise and pollution barriers, water distribution networks, etc.
- Services (8% of sales): upstream (design and coordination, consultancy on infrastructure projects), and downstream (on-site maintenance, IT network management, winter maintenance).

***VINCI Energies (electrical engineering and works, energy & information technology services)***

With 27,000 employees at year end 2004 in some 20 countries, mostly in Western and Northern Europe, VINCI Energies is the market leader in France and a major player in Europe in electrical installation and energy and information technologies services. It operates in 4 main areas:

- Energy infrastructure (21% of 2004 sales): works and services related to the transmission, transformation and distribution of electrical energy, urban lighting and traffic lights.
- Industry (42%): works and services related to energy networks, control and command systems, climate engineering, fire protection.
- Service sector (27%): installation and maintenance of power supply networks, air conditioning, fire protection, security and building automation systems.
- Communications and telecommunications (10%): installation and maintenance of infrastructure and voice-data-image business communications and telecommunications.

VINCI Energies business is made up of a large number of small and recurrent contracts, operated by a network of around 700 business units with strong roots in their local markets. It achieved sales of EUR 3.4 billion in 2004, of which 72% in France.

**Management**

***Statutory changes approved by the General Shareholders Meeting***

The General Shareholders Meeting of 28 April 2005 adopted the following resolutions:

- The duration of appointments of directors made or renewed as of 1 January 2005 is reduced to 4 years and the maximum age of directors at the time of their appointment is fixed at 75 years (21<sup>st</sup> resolution).
- the nominal value of VINCI shares having been reduced by the division of each share into two (19<sup>th</sup> resolution), the minimum number of shares required to be held by each director is now 500.

***Reorganisation of the management of VINCI***

At the meeting of the Board of Directors of VINCI held on 14 June 2005, the Chairman Antoine Zacharias announced to the Board his decision to cease acting as Chief Executive Officer as of 9 January 2006, and to retain the office of Chairman of the Board only and proposed to the Board that Mr Xavier Huillard be appointed to act as Chief Executive Officer.

The Board of Directors acknowledged Mr Zacharias' decision, and, in accordance with article 15bis of VINCI's by-laws, approved the separation of the offices of Chairman and Chief Executive Officer with effect from 9 January 2006. The Board confirmed Mr Zacharias in his role as Chairman and accepted the Chairman's proposal to name Mr Huillard as Chief Executive Officer, effective the same date, and to co-opt Mr Huillard as Director with effect from the same date, in the place of Mr Saint Olive, who had tendered his resignation to the Board.

On 9 January 2006, the Board of Directors, on the proposal of Mr Xavier Huillard, named Mr Roger Martin as Deputy Chief Executive Officer.

As proposed by the Chairman, the Board has redefined its tasks and reorganised the various committees charged with performing those tasks. The changes are aimed at taking into account the group's new dimension following the possible upcoming integration of ASF and guaranteeing continuity in its operation and corporate strategy.

To that end, the Board appointed Antoine Zacharias Chairman of two newly created committees: the Strategy and Investments Committee and the Nominations Committee.

These two posts, together with that of Chairman of the Board of Directors, will enable him to give Xavier Huillard, CEO, the maximum support in the operation of the Group as regards corporate strategy and the appointment of senior managers.

### **Composition of the Board of Directors**

The Board of Directors has 15 members. The following table shows the composition of the Board of Directors as of 9 January 2006, as well as the offices held and functions exercised by each of the Directors both within and outside VINCI.

<b>Name, Business Address and Office(s) held within VINCI Group</b>	<b>Effective Date</b>	<b>Expiration<sup>(1)</sup></b>	<b>Office(s) held outside VINCI Group</b>
<u>Antoine Zacharias</u> VINCI 19 rue Balzac 75008 Paris  Chairman of the Board  Director   Chief Executive Officer  Chairman of VINCI Concessions  Since 13 December 2005, Chairman of the Strategy and Investments Committee and Chairman of the Nominations Committee	          <u>17/12/1990</u>          <u>17/12/1990</u>	          <u>2008</u>          <u>9/1/2006</u>	Director of <i>Martiniquaise des Eaux</i> and Nexity and Member of the Supervisory Board of <i>Veolia Eau -Compagnie Générale des Eaux</i> .  <i>Mr. Antoine Zacharias acted as Director of Nexity Topco until April 2004, when the company was absorbed by Nexity; he was a member of the Supervisory Board of Nexity until September 2004, when this company was transformed into a société anonyme à conseil d'administration.</i>
<u>Xavier Huillard</u> VINCI 1 Cours Ferdinand de Lesseps 92851 Rueil Malmaison  Director Chief Executive Officer   Chairman of VINCI Construction since 1/12/2005  Chairman of VINCI Energies until 9/12/2005  Mr Huillard was co-opted as Director for the remainder of the appointment of Mr Saint Olive. His appointment as Director will be proposed at the next General Meeting.	          <u>9/1/2006</u> <u>9/1/2006</u>	          <u>2006</u> <u>2010</u>	Director of Soletanche

Name, Business Address and Office(s) held within VINCI Group	Effective Date	Expiration <sup>(1)</sup>	Office(s) held outside VINCI Group
<p><u>Bernard Huvelin</u> VINCI 19 rue Balzac 75008 Paris</p> <p>Vice-Chairman of the Board</p> <p>Director</p> <p>Adviser to the Chairman of VINCI</p> <p>Chairman and CEO of Stade de France</p> <p>As of 13 December 2005, member of Accounts Committee, Strategy and Investments Committee and Nominations Committee</p>	<p><u>25/10/1999</u></p>	<p><u>2009</u></p>	<p>Director of the <i>Société d'Economie Mixte Locale de Rueil 2000</i>, Electro Banque, Cofido, and of the SAS Soficot, Mr. Bernard Huvelin is also president of the professional union <i>Entreprises Générales de France – BTP</i> (EGF-BTP).</p>
<p><u>Dominique Bazy</u> UBS Investment Bank 65 rue de Courcelles 75008 Paris</p> <p>Director</p> <p>Chairman of Accounts Committee</p>	<p><u>25/6/1996</u></p>	<p><u>2008</u></p>	<p>Vice chairman of UBS Investment Bank.</p> <p>Director of Atos Origin</p> <p><i>Mr Dominique Bazy held the positions of Chairman and CEO of UBS Holding France SA, Chairman of the Board of UBS Securities France SA and Director of GrandVision until 2004.</i></p>
<p><u>François David</u> COFACE 12 cours Michelet La Défense 10 - Cedex 51</p> <p>Director</p> <p>Until 13 December 2005 : Member of Investments Committee</p> <p>Since 13 December 2005 : Member of Accounts Committee</p>	<p><u>14/5/2003</u></p>	<p><u>2009</u></p>	<p>Chairman of Coface S.A., AK Coface (Germany) and Viscontea Coface (Italy), Director of Rexel and EADS.</p>
<p><u>Quentin Davies</u> House of Commons London SW1A 0AA Great Britain</p> <p>Director</p> <p>Chairman of Remunerations Committee</p> <p>Until 13 December 2005 : Member of Accounts Committee</p> <p>Since 13 December 2005 : Member of Nominations Committee</p>	<p><u>14/5/2003</u></p>	<p><u>2008</u></p>	<p>Member of Parliament in the House of Commons of the Parliament of the United Kingdom.</p> <p>Director of Lloyds of London</p>
<p><u>Guy Dejouany</u> Générale des Eaux 52 rue d'Anjou 75008 Paris</p> <p>Director</p>	<p><u>25/5/2000</u></p>	<p><u>2006</u></p>	<p>Honorary Chairman of Vivendi Universal</p> <p>Member of Supervisory Boards of Dalkia and <i>Compagnie des Eaux et de l'Ozone</i></p>

Name, Business Address and Office(s) held within VINCI Group	Effective Date	Expiration <sup>(1)</sup>	Office(s) held outside VINCI Group
<p><u>Alain Dinin</u> Nexity 1 terrasse Bellini TSA 48200 La Défense 11 92919 Paris La Défense Cedex</p> <p>Director</p> <p>Member of Remunerations Committee</p> <p>Since 13 December 2005 : Member of Strategy and Investments Committee</p>	<p><u>18/6/1997</u></p>	<p><u>2008</u></p>	<p>Chairman and CEO of Nexity</p> <p>Mr Alain Dinin is also Chairman of the Board of Nexity Initiale; Chairman of <i>Compagnie Générale d'Immobilier George V</i> and of <i>George V USA</i> ; Chairman of the Board of <i>Crédit Financier Lillois</i>, subsidiary of <i>CGI George V</i>; Chairman of the Supervisory Board of Saggel Management; Vice-Chairman of the Supervisory Board of Saggel Holding; Manager of Nexity Management, <i>Critère, Clichy Europe 4</i> and of <i>Société d'Aménagement et d'Investissements Fonciers</i>; Director of <i>George V</i>, Nexity Belgium, Nexity España, Sea Oaks GP; member of the Supervisory Board of Parcoval; Representative of <i>SIG 31 Participations</i> on the boards of NexiBel 1, NexiBel 2 and Nexity IG; Representative of <i>SIG 30 Participations</i> on the Board of Directors of City Garden Real Estate; legal or permanent representative of several companies within the Nexity group in the administrative, management or controlling organs of numerous other companies within the same group.</p> <p>Mr Alain Dinin is also Director of the <i>Fédération Nationale des Promoteurs Constructeurs</i> and of the <i>École supérieure de commerce de Lille</i>.</p> <p><i>Mr Alain Dinin held the office of Chairman of the Board of Nexity España until April 2004, that of Chairman of the Board of Nexity Topco until May 2004 and that of Chairman of the Board of Nexity Holding until September 2004</i></p>
<p><u>Patrick Faure</u> Renault F1 Team API: RSV F1 1/15 avenue du president Kennedy 91177 Viry Chatillon</p> <p>Director</p> <p>Since 13 December 2005 : Member of Strategy and Investments Committee</p>	<p><u>18/6/1993</u></p>	<p><u>2009</u></p>	<p>Chairman and CEO of Renault Sport and Chairman of the Board of Renault F1 Team Ltd.</p> <p>Mr Patrick Faure is also Chairman of the Board of Ertico and a Director of AB Volvo, Renault Agriculture, Grigny UK Ltd and of Cofiroute.</p> <p><i>Mr Patrick Faure held the offices of directeur général adjoint and Member of the Executive Committee of Renault until 1 January 2005.</i></p>
<p><u>Dominique Ferrero</u> Merrill Lynch Capital Markets 112 avenue Kléber BP 2002-16 75761 Paris</p> <p>Director</p> <p>Member of Remunerations Committee</p> <p>Until 13 December 2005 : Chairman of the Investments Committee</p>	<p><u>25/5/2000</u></p>	<p><u>2006</u></p>	<p>Vice Chairman of Merrill Lynch Europe.</p> <p>Mr Dominique Ferrero is also a Director of <i>Assurances Générales de France</i>.</p>
<p><u>Serge Michel</u> Soficot 103 boulevard Haussmann 75008 Paris</p> <p>Director</p>	<p><u>17/12/1990</u></p>	<p><u>2008</u></p>	<p>Chairman of Soficot, Groupe Epicure and <i>Société Gastronomique de l'Etoile</i></p> <p>Mr Serge Michel is also Chairman of SAS CIAM and of <i>SAS Carré des Champs-Élysées</i>; Chairman of the Supervisory Board of Segex; a Director of Eiffage, Veolia Environnement, Infonet Services, LCC, SARP Industries; a Member of the Supervisory Board of <i>Compagnie des Eaux de Paris</i> and of <i>Trouville Deauville et Normandie</i>; Permanent Representative of CEPH on the Board of Directors of Sedibex and Permanent Representative of Edrif on the Supervisory Board of <i>Compagnie Générale des Eaux</i>.</p> <p><i>Mr Serge Michel held the office of Director of DB Logistique, Fomento de Construcciones y Contratas SA, FCC Construcción SA, Cementos Portland until 2004, and was a Director of VINCI Construction until July 2004, when the company was transformed into an SAS.</i></p>

Name, Business Address and Office(s) held within VINCI Group	Effective Date	Expiration <sup>(1)</sup>	Office(s) held outside VINCI Group
<p><u>Alain Minc</u> Soci�te AM Conseil 10 avenue Georges V 75008 Paris</p> <p>Director</p> <p>Since 13 December 2005 : Member of the Nominations Committee</p>	<u>11/9/2000</u>	<u>2006</u>	<p>Chairman and CEO of <i>AM Conseil</i> and Chairman of the Supervisory Board of <i>Le Monde</i>.</p> <p>Mr Alain Minc is also Honorary Chairman and Director of the <i>Soci�t� des lecteurs du Monde</i>, and a Director of Valeo and of Fnac</p> <p><i>Mr Alain Minc held the office of Director of Ingenico and was a Member of the Supervisory Board of Pinault Printemps Redoute until 2004.</i></p>
<p><u>Yves-Thibault de Silguy</u> Suez 16 rue de la Ville l'Ev�que 75008 Paris</p> <p>Director</p> <p>Until 13 December 2005 : Member of the Investments Committee</p>	<u>11/9/2000</u>	<u>2006</u>	<p>Executive Vice-President of Suez</p> <p>Mr Yves-Thibault de Silguy is also Chairman of the board of Aguas Argentinas; Chairman of the Board of Sino French Holdings; Director of <i>Degr�mont</i>, <i>Suez Environnement</i>, Elyo and Suez Tractebel; Chairman of the Board or Director of subsidiaries of the Suez Group in New Caledonia, French Polynesia, Monaco and in China and Vanuatu, and a Member of the Supervisory Boards of <i>M�tropole T�l�vision-M6</i> and of Sofisport.</p> <p>Mr Yves-Thibault de Silguy also acts as Chairman of the France-Algeria Committee and as Vice Chairman of the France-China Committee of Medef.</p>
<p><u>Denis Vernoux</u> VINCI Construction Grands Projets 5 cours Ferdinand de Lesseps 92851 Rueil Malmaison</p> <p>Director representing employee shareholders</p> <p>Since 13 December 2005 : Member of Strategy and Investments Committee</p>	<u>6/6/2002</u>	<u>2008</u>	None

(1) Termination effective upon the holding of the shareholders' meeting to approve the accounts for the preceding financial year.

In order to permit the co-opting of Mr Xavier Huillard, Mr Henri Saint Olive resigned his position as Director on 9 January 2006, and his appointment as Director will be proposed at the next General Meeting. His offices and functions are as follows:

Name and Office(s) held within VINCI Group	Effective Date	Expiration <sup>(1)</sup>	Office(s) held outside VINCI Group
<p><u>Henri Saint Olive</u> Banque Saint Olive 84 rue Duguesclin 69458 Lyon Cedex 06</p> <p>Director</p> <p>Until 9 January 2006: Member of Accounts Committee</p>	<u>25/5/2000</u>	<u>9/1/2006</u>	<p>Chairman of the Board of <i>Banque Saint Olive</i></p> <p>Mr Henri Saint Olive is also Chairman of the Supervisory Board of <i>Saint Olive et Cie</i> and of <i>Saint Olive Gestion</i>; Chairman of the Board of Enyo; Manager of <i>CF Participations</i> and of Segipa; Member of the Supervisory Boards of Eurazeo, Prodith, <i>Monceau G�n�rale Assurances</i> and ANF; Director of the <i>Mutuelle Centrale de R�assurance</i>, of the <i>Compagnie Industrielle d'Assurance Mutuelle</i>, of the <i>Centre Hospitalier Saint-Joseph et Saint-Luc</i> and of the <i>Association de l'H�pital Saint-Joseph</i>.</p> <p><i>Mr Henri Saint Olive acted as Chairman of the Board of CIARL and Director of Monceau Assurances Mutuelles Associ�es de Rue Imp�riale and of Groupe Monceau-Mutuelles Associ�es until 2004.</i></p>

(1) Termination effective upon the holding of the shareholders' meeting to approve the accounts for the preceding financial year.

### **Deputy Chief Executive Officer**

<b>Name and Office(s) held within VINCI Group</b>	<b>Effective Date</b>	<b>Expiration<sup>(1)</sup></b>	<b>Office(s) held outside VINCI Group</b>
<u>Roger Martin</u> Eurovia 18 place de l'Europe 92851 Rueil Malmaison  Deputy Chief Executive Officer  Chairman and CEO of Eurovia	<u>9/1/2006</u>	<u>2010</u>	Chairman of the Supervisory Board of <i>Financière Eurinter</i> and Eurinter.

(1) Termination effective upon the holding of the shareholders' meeting to approve the accounts for the preceding financial year.

### **Share ownership of VINCI Directors and Officers**

In accordance with the Company's by-laws, and pursuant to the 19<sup>th</sup> resolution approved by the General Shareholders Meeting of 28 April 2005, each Director must hold at least 500 VINCI shares, which, on the basis of the price at the end of December 2005, represents a minimum investment of €36,325 in VINCI shares. At 31 December 2005, the 15 members of the Board of Directors held 3,887,030 VINCI shares between them.

The following table shows the number of shares held by VINCI's Directors and Officers as of 31 December 2005:

<b>Name of Director or Officer</b>	<b>Number of VINCI shares held as of 31/12/05</b>
Antoine Zacharias	2 322 672
Bernard Huvelin	1 468 832
Dominique Bazy	850
François David	500
Quentin Davies	1 010
Guy Dejouany	74 800
Alain Dinin	670
Patrick Faure	2 000
Dominique Ferrero	500
Serge Michel	872
Alain Minc	500
Henri Saint Olive	12 748
Yves-Thibault de Silguy	576
Willy Stricker	500
Denis Vernoux	-
Xavier Huillard	139 100
Roger Martin	30 250

### **Directors' Conflicts of Interest**

The following section addresses the potential for conflicts of interest to arise between the duties of members of the Board of Directors to VINCI and their private interests and/or other duties.

There are no family ties between the members of the Board of Directors and the other principal managers of VINCI.

Four Directors are connected with VINCI and therefore cannot be considered as independent:

- Antoine Zacharias, who is Chairman of the Board and resigned his appointment as Chief Executive Officer in January 2006;
- Xavier Huillard, who is Chief Executive Officer;

- Bernard Huvelin, who resigned his appointment as Deputy Chief Executive Officer of VINCI in January 2005. Bernard Huvelin remains Chairman and CEO of Consortium Stade de France (a 66.66% subsidiary of VINCI), and has several other appointments inside the VINCI Group. He also advises the Chairman of VINCI; and
- Denis Vernoux, who represents VINCI's employee shareholders through the corporate mutual funds.

The other Directors are prominent persons from industry and finance, from outside the Group. Although strict application of the Bouton report criteria could lead to some of them not being regarded as “independent directors”, the Board of Directors considers that each of its members has skills and professional experience that are useful to VINCI as well as complete freedom and independence of judgment.

These Directors, whose appointments outside the Group are listed in the table above, are:

- Dominique Bazy, who is Vice-Chairman of UBS Investment Bank, a financial institution that can be involved in transactions with VINCI or its subsidiaries; in particular, VINCI has retained UBS to assist and advise it in connection with the acquisition by VINCI of the French State's equity holding in Autoroutes du Sud de la France (“**ASF**”). UBS also provides financial services to VINCI.
- François David, who is Chairman of Coface, which provides credit insurance on contracts entered into by VINCI subsidiaries;
- Quentin Davies, who is a member of the UK parliament and can be considered as a fully independent Director;
- Guy Dejouany, who was Chairman of Compagnie Générale des Eaux and SGE. He is now retired, and is therefore a fully independent Director;
- Alain Dinin, who is Chairman and Chief Executive Officer of Nexity, a property group that could at some time enter into agreements with VINCI subsidiaries in connection with property transactions;
- Patrick Faure, who has management duties or is a Director in automobile manufacturing companies that could at some time enter into contracts for construction work or services or for the supply of goods or services with VINCI subsidiaries;
- Dominique Ferrero, who is Vice-Chairman of Merrill Lynch Europe, a financial institution that can be involved in transactions with VINCI or its subsidiaries; in particular, VINCI has retained Merrill Lynch to assist and advise it in connection with the acquisition by VINCI of the French State's equity holding in ASF. Merrill Lynch also provides financial services to VINCI.
- Serge Michel, who is Chairman of a company that could have a business relationship with VINCI or its subsidiaries at some time. A consultancy agreement has been entered into between this company and VINCI;
- Alain Minc, who is Chairman and Chief Executive Officer of a consultancy company that has entered into a consultancy agreement with VINCI. He is also Chairman of the Supervisory Board of a media group and Director of companies that could at some time have business relationships with VINCI or its subsidiaries;
- Henri Saint Olive, who is Chairman of the Board of a financial institution that could at some time be involved in transactions with VINCI or its subsidiaries;
- Yves Thibault de Silguy, who has management duties within the Suez Group, which is no longer a VINCI shareholder but which could at some time have business relationships with VINCI or its subsidiaries;
- Willy Stricker, who is senior adviser in a financial institution that could at some time be involved in transactions with VINCI or its subsidiaries.

The Board of Directors' internal rules, adopted on 14 May 2003, set out the rules applicable to the functioning of the Board and its committees, and the behaviour expected of each of its members.

In this respect, the rules provide in particular for:

- an obligation on all Directors to maintain, under all circumstances, their independence in analysing, making judgments, taking decisions, and acting, and to reject all pressure, whether direct or indirect, under which they may come and that may come from other Directors, particular groups of shareholders, creditors, suppliers and in general any outside parties, and to advise the Board of any conflicts of interest, even if they are potential or future, that they have or may have;
- an obligation on the Board to examine the position of each of its members as regards their independence, a Director being considered independent whenever there is no commercial or financial relationship (other than that of an insignificant shareholder) with VINCI, the VINCI Group or its Management, that could compromise the free exercise of judgement;
- an obligation on each Officer or Director of VINCI to declare all transactions entered into by them directly or through another person in relation to VINCI's shares or derivative instruments.

#### ***Internal Regulation of the Board of Directors***

At the meeting of the Board of Directors of VINCI held on 13 December 2005, Chairman Zacharias proposed amendments to the internal regulation of the Board in order to reflect recent legislative and regulatory changes, as well as changes approved by the Meeting of VINCI shareholders held on 28 April 2005 relating to securities transactions involving company representatives, the term of directors' appointments and the reduction of the nominal value of VINCI shares by the splitting of such shares. The Board of Directors approved each of these proposals at its meeting of 13 December 2005.

#### ***Board Committees***

The VINCI Board of Directors, at its meeting of 13 December 2005, approved Chairman Zacharias' proposal to create two new board committees, a Nominations Committee and a Strategy and Investments Committee, which will now function alongside the existing Remunerations Committee and Accounts Committee.

#### ***Strategy and Investments Committee***

This committee, established by the Board of Directors on 13 December 2005, is charged with aiding the Board to establish the Group's strategy. The committee will examine, prior to their submission to the Board, any proposed contracts, investments and divestitures which may have a significant impact on VINCI's scope, business, results or share price.

In particular, this committee is charged with:

- reviewing the Group's 3-year plan
- preparing the Board's recommendations regarding Group strategy
- providing opinions for the benefit of the management regarding acquisitions or divestitures involving assets having a value in excess of EUR 50 million.

*Presided by Antoine Zacharias, this committee is composed of Mr Alain Dinin, Mr Patrick Faure, Mr Bernard Huvelin and Mr Denis Vernoux.*

#### ***Accounts Committee***

This committee's mandate includes:

- the review of annual and semi-annual consolidated and non-consolidated accounts of VINCI and of the Group prior to their submission to the Board, to ensure the relevance and consistency of accounting methods and principles, to report any derogation from such rules and to ensure the quality of information provided to shareholders;

- the review of budgets and budgetary revisions throughout the fiscal year prior to their presentation to the Board;
- with respect to external control of VINCI, the consideration of proposals for the appointment of statutory auditors and their remuneration, the consideration with the statutory auditors of their procedures, their conclusions and recommendations, as well as the actions to be taken on the basis of such conclusions and recommendations;
- as regards internal control of VINCI, the consideration, together with management, of the internal control systems of the Group, the review of internal audit procedures and practices, the conclusions and recommendations made on the basis of such procedures and determination of the actions to be taken on the basis of such conclusions and recommendations;
- as concerns risk management, ensuring that risks are appropriately evaluated by VINCI, and in particular performing regular reviews of the status of provisions for risks and off-balance sheet commitments.

*Presided by Mr Dominique Bazy, this committee is composed, since 13 December 2005, of Mr François David, Mr Bernard Huvelin and Mr Henri Saint Olive (until 9 January 2006).*

### **Nominations Committee**

Established by the Board of Directors at its meeting of 13 December 2005, this committee's mandate includes:

- the preparation of Board opinions concerning its assessment of the management of the company;
- to review, in a consulting capacity, Board proposals concerning the appointment and revocation of appointments of principal managers within the VINCI Group (branch managers, operating managers);
- to formulate proposals for the selection of directors;
- to consider candidacies for directorships and to formulate advice and/or recommendations for the Board on the basis of such candidacies;
- to prepare, in a timely manner, advice and recommendations concerning the appointment or succession of the Chairman of the Board, the Chief Executive Officer and the Deputy Chief Executive Officers

This committee is apprised of the policies established by the executive management with regards to the Group's managers.

*Presided by Mr Antoine Zacharias, this committee is composed of Mr Quentin Davies, Mr Bernard Huvelin, and Mr Alain Minc.*

### **Remunerations Committee**

The duties of the Remunerations Committee are:

- to propose to the Board the fixing of a global envelope of free shares, share subscription rights and/or share purchase options to be allocated, as well as the general and specific conditions applicable to such allocation;
- to make recommendations to the Board regarding the compensation, retirement and contingency plan, the benefits in kind and various pecuniary rights, including, as the case may be, the allocation of free shares, share subscription rights and/or share purchase options, of the Chairman, the CEO, the Deputy Chief Executive Officers, as well as any salaried members of the Board;
- to formulate advice on Board proposals concerning the number of persons to whom free shares, share subscription rights and/or share purchase options may be allocated;
- to propose to the Board a global amount to be paid as directors' *per diem* fees as well as their method of distribution among Board members.

Presided by Mr Quentin Davies, this committee is composed of Mr Alain Dinin and Mr Dominique Ferrero.

### Executive Committee

The following table shows the composition of the Executive Committee of VINCI as of 9 January 2006:

<b>Xavier Huillard</b> , Chief Executive Officer of VINCI Chairman of VINCI Construction (since 1/12/2005)	<b>Roger Martin</b> , Deputy Chief Executive Officer of VINCI Chairman and CEO of Eurovia.	
<b>Pierre Coppey</b> , Executive Vice President Director of Communication, Human Resources and Synergies of the Group.	<b>Christian Labeyrie</b> , Executive Vice President Chief Financial Officer of the Group.	<b>Philippe Ratynski</b> , Executive Vice President Chairman of VINCI Construction (until 1/12/2005)
<b>David Azéma</b> Chief Executive Officer of VINCI Concessions	<b>Jean Yves Le Brouster</b> Chairman and Chief Executive Officer of VINCI Energies	

### Share Capital and Major Shareholders

#### Stock Split

The Combined General Shareholders Meeting of 28 April 2005 by its 19<sup>th</sup> resolution, approved the division by two of the nominal value of VINCI shares and the consequent doubling of their number. At 31 December 2005, the share capital of VINCI amounted to 983,181,370 euros, consisting of 196,636,274 shares, each with a nominal value of 5 euros, fully paid and of the same class.

#### Distribution of capital and voting rights

As of 30 June 2005, the date of the most recent review performed by VINCI of its shareholding, the distribution of capital and voting rights of VINCI was as follows:

	Number of shares	% of share capital	Number of voting rights	% of voting rights	Number of shareholders
Employees (FCPE)	17 872 493	10.4%	17 872 493	10.8%	47 706
Self-ownership <sup>(1)</sup>	7 286 156	4.2%	-	-	-
<b>Total non floating</b>	<b>25 158 649</b>	<b>14.6%</b>	<b>17 872 493</b>	<b>10.8%</b>	<b>47 706</b>
Company Officers and Directors	4 034 434	2.4%	4 034 434	2.4%	17
Other individual shareholders (France)	13 834 794	8.0%	13 834 794	8.4%	81 309
Other individual shareholders (outside France)	224 568	0.1%	224 568	0.2%	936
<b>Total individual investors<sup>(2)</sup></b>	<b>18 093 796</b>	<b>10.5%</b>	<b>18 093 796</b>	<b>11.0%</b>	<b>82 262</b>
Institutional investors (France)	42 570 200	24.7%	42 570 200	25.8%	116
Institutional investors (outside France)	86 575 511	50.2%	86 575 511	52.4%	279
<b>Total institutional investors<sup>(2)</sup></b>	<b>129 145 711</b>	<b>74.9%</b>	<b>129 145 711</b>	<b>78.2%</b>	<b>395</b>
<b>TOTAL</b>	<b>172 398 156</b>	<b>100.0%</b>	<b>165 112 000</b>	<b>100.0%</b>	<b>130 363</b>

(1) Own shares held by VINCI SA. There are no self-controlling shares (ie own shares held by a company in which VINCI holds, directly or indirectly, a greater than 50% interest).

(2) Estimates as of 30 June 2005 on the basis of registered shareholding, statement of identifiable bearer shares and a survey of institutional investor shareholders.

### Changes in Share Capital since 1 January 2005

	Share capital increases (decreases) (eur)	Issue, contribution or merger premium amounts (eur)	Number of shares issued or cancelled	Number of shares comprising share capital	Amount of share capital (in €)
<b>Position at 31/12/04</b>	-	-	-	<b>167 627 606</b>	<b>838 138 030</b>
Capital decrease	-12 500 000	-112 613 432	-2 500 000	165 127 606	825 638 030
Group savings plan	22 221 105	136 222 479	4 444 221	169 571 827	847 859 135
Exercise of share subscription rights	22 452 345	89 460 904	4 490 469	174 062 296	870 311 480
Conversion of Oceane 2001-2007 bonds	57 341 310	458 730 480	11 468 262	185 530 558	927 652 790
Conversion of Oceane 2002-2018 bonds	55 528 580	444 228 640	11 105 716	196 636 274	983 181 370
<b>Position at 31/12/05</b>	-	-	-	<b>196 636 274</b>	<b>983 181 370</b>

### Capital Increases Reserved for VINCI employees

#### Capital Increases completed since 1 January 2005

The Board of Directors of VINCI has decided to proceed with several capital increases reserved for VINCI employees pursuant to the 14<sup>th</sup> resolution of the Combined General Shareholders Meeting of 12 December 2001. These transactions are as follows:

Date	Date of Board Decision	Subscription Price	Subscription Period	Number of Shares Issued	Capital Increase	Issue Premium
27 January 2005	4 May 2004	€ 65.06	1 September to 31 December 2004	416 789 of € 10 nominal value	€ 4 167 890	€ 22 948 402.34
27 May 2005	7 September 2004	€ 69.72 adjusted to € 34.86	1 January 2005 to 30 April 2005	€ 3 074 270 of € 5 nominal value	€ 15 371 350	€ 91 797 702.20
28 September 2005	1 March 2005	€ 90.07 adjusted to € 45.04	1 May 2005 to 31 August 2005	€ 536 373 of € 5 nominal value	€ 2 681 865	€ 21 476 374.92

#### Current Transactions

##### *Planned Share Capital Increase*

The Board of Directors of VINCI decided, at its meeting of 28 April 2005, in accordance with the 14<sup>th</sup> resolution adopted by the Combined General Shareholders Meeting of 12 December 2001, to open a subscription period from 1 September to 31 December 2005 for the benefit of employees of VINCI and of its subsidiaries in France under a « CASTOR » group savings plan reserved for such employees.

In accordance with applicable law and the aforementioned resolution, the proposed subscription price, not exceeding 80% of the average opening trading price of VINCI shares during the 20 stock market sessions preceding the date of the Board meeting, rounded up to the nearest centime, was fixed at € 45.14, of which €5.00 representing par value and €40.14 representing the issue premium. The new shares will carry full dividend rights as of 1 January 2005.

The resulting capital increase will be effected at the end of January 2006.

### *Current Subscriptions*

The Board of Directors of VINCI decided, at its meeting of 7 November 2005, in accordance with the 14th resolution adopted by the Combined General Shareholders' Meeting of 12 December 2001, to open a subscription period from 1 January to 30 April 2006 for the benefit of employees of VINCI and its subsidiaries in France under a « CASTOR » group savings plan reserved for such employees.

The subscription price has been fixed at €52.78, of which €5.00 representing par value and €47.78 representing the issue premium. The new shares will carry full dividend rights as of 1 January 2006.

### **Share Repurchase Plan**

The Combined General Meeting of VINCI held on 28 April 2005, by its 8<sup>th</sup> resolution, renewed the authorisation granted to the Board of Directors to acquire VINCI shares up to a maximum amount of 1,200 million euros.

The development perspectives resulting from the State's decision to sell its holdings in toll road concession companies led VINCI to change its share repurchase policy as described in its 2004 Reference Document. VINCI has not repurchased any of its shares since June 2005. In addition, the Board of Directors, on 6 September 2005, decided to change the allocation of own shares held by VINCI which were available for cancellation, by making such shares available for delivery as consideration in external growth transactions or for sale.

During the period from 1 January 2005 to 6 June 2005, VINCI repurchased 6,299,788 of its shares at an average price of €58.70 per share and cancelled 2,500,000 of such shares.

In addition, 1,683,478 shares were delivered upon the exercise of share purchase options between 1 January 2005 and 31 December 2005.

Taking these factors into account, VINCI held 6,835,016 of its own shares at 31 December 2005 (representing 3.5% of its capital), of which 2,059,228 shares were allocated to cover share purchase option plans. The remaining 4,775,788 shares were available to be delivered as consideration in external growth transactions or to be sold.

## Financial Information

### Historical Financial Information

The audited consolidated financial statements of VINCI, together with the notes thereto and related audit reports, as well as the summary audited parent company financial statements, together with the audit reports thereon for the financial years ended 31 December 2003 and 2004 are incorporated by reference in this prospectus. See “Documents Incorporated by Reference”.

### Interim Financial Information

The following table provides key figures (IFRS) of the Issuer for the period ended 30 June 2005 compared to the first half year 2004 as well as the full year 2004. This information is derived from the unaudited consolidated interim financial statements of the Issuer for the six-month period ended 30 June 2005, as published in the 2005 Half Year Report, which statements, together with the related notes and limited review report of the statutory auditors are incorporated by reference in this Prospectus. See “Documents Incorporated by Reference” and “Cross-Reference Table of Information Incorporated by Reference” above.

<i>(in millions of euros)</i>	2005 First half year	2004 First half year	2004 Full year
<b>REVENUE</b>	<b>10,051.1</b>	<b>9,085.6</b>	<b>19,520.2</b>
Of which revenue outside France	3,668.2	3,403.7	7,402.7
% of revenue	36.5%	37.5%	37.9%
Operating profit from ordinary activities	629.4	520.2	1,300.1
% of revenue	6.3 %	5.7 %	6.7 %
<b>NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b>	<b>356.0</b>	<b>298.2</b>	<b>731.6</b>
Earnings per share (in euros)	2.16	1.86	4.56
Dividend per share, excluding tax credit (in euros)	-	-	3.50
Equity including minority interest	3,716.3	NA	3,614.6
Provisions (current and non-current)	1,508.2	NA	1,548.2
Net financial debt	(3,115.7)	NA	(2,433.1)
<b>CASH FLOWS (USED IN) / FROM OPERATIONS</b>			
<b>before tax and financing costs and changes in WCR and current provisions</b>	<b>918.4</b>	<b>NA</b>	<b>2,018.4</b>
Net investments in operating assets	(268.9)	NA	(476.3)
Investments in concession assets	(356.7)	NA	(568.3)
Net financial investments	(24.8)	NA	(241.0)

### Transition to IFRS

The update of the Issuer's 2004 Registration Document (*Document de Référence*) relating to the IFRS financial information of the Issuer for the year ended 31 December 2004, as filed with the *Autorité des Marchés Financiers* (AMF) on 28 July 2005, together with the statutory auditors' opinion on such financial information, is incorporated by reference in this Prospectus. See “Documents Incorporated by Reference” and “Cross-Reference Table of Information Incorporated by Reference” above.

## Litigation

Neither the Issuer nor any member of the Group is or has been involved in any governmental litigation or arbitration proceedings (including such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Prospectus which may have or have had in the recent past a significant effect on the financial position or profitability of the Issuer or the Group.

In respect of the cases described below, provisions have been taken, where necessary, that the Issuer considers sufficient given the current state of affairs.

- 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 acted in the project as principal, architect and main contractor. The construction work on terminal 2E was carried out under multiple separate contracts by numerous different companies. The shells (roof) were constructed by a consortium of companies comprising several VINCI subsidiaries.

The incident is currently subject to a criminal investigation and court-ordered expert appraisal to establish the reasons for the collapse. The financial implications of the incident, in terms of, on the one hand, reconstruction costs and, on the other hand, damage caused, and the terms under which financial liability will be allocated to the various parties involved, have yet to be determined.

The Issuer considers that this incident will not have a material adverse effect on its financial situation.

- On 28 December 1998, the Grenoble Administrative Court ordered VINCI, jointly and severally with Italmiprese Industrie, an Italian company now in liquidation, to pay Nersa the sum of FF96 million (€14.6 million) in compensation for the damage caused by the collapse of the roof of a building belonging to Nersa. EDF, implicated by VINCI, was ordered to guarantee VINCI for 40% of the consequences of this event, which reduced VINCI's liability to €13.6 million in principal and interest. This sum has been settled almost entirely by VINCI's insurers. Following an appeal lodged by VINCI, the Lyon Administrative Appeal Court pronounced judgement on 16 December 2004, quashing the ruling of 28 December 1998 and ordering a new expert appraisal. The Issuer considers that this dispute will not have a material adverse effect on its financial situation.

- In 1997, SNCF lodged multiple claims with the Paris Administrative Court against a large number of construction and civil engineering companies, of which several belong to the VINCI Group, with a view to obtaining financial compensation for the damage it claims to have suffered between 1987 and 1990 during the award of contracts for the construction of the TGV Nord and Rhône-Alpes lines (and their interconnection). This claim was the consequence of the finding by the competition authority against the enterprises concerned in 1995, which the Paris Appeal Court upheld overall (making a second ruling after its 1997 decision was overturned). The Paris Administrative Court ruled on 15 December 1998 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 that are the subject of two of the petitions and the Court ordered an appraisal to establish the impact of such practices. On 22 April 2004, the Paris Court of Appeal delivered judgements confirming this ruling. Following this ruling, the Paris Administrative Court decided to resume consideration of all other proceedings on which it had not yet pronounced judgement. On 15 February 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 claims made by SNCF (€6.1 million compared with €43.1 million excluding financial expenses). In June and July 2005, the Paris Administrative Court delivered several rulings ordering further examination of some of the other proceedings. The total amount sought from consortiums in which VINCI companies have holdings amounts to €193 million, half of which corresponds to financial expenses. VINCI considers that SNCF did not suffer financial prejudice on the award of these contracts to its subsidiaries given that each contract was subject to detailed negotiation by SNCF, which is a highly experienced and qualified project owner.

VINCI considers that these disputes will not have a material adverse effect on its financial situation.

- A dispute between VINCI and the US company Global Industries was taken to the Paris Commercial Court, regarding the consequences of the failure of the sale of ETPM by GTM to Global Industries, each party claiming compensation from the other for damages resulting from the breakdown of their discussions.

On 19 November 2003, the Court ordered Global Industries to pay compensation to VINCI of US\$25 million plus interest for the period from 25 November 1999, together with an amount covering any exchange loss arising from fluctuations in the euro/dollar exchange rate. Global Industries lodged an appeal against the ruling and, despite a provisional enforcement order, failed to comply with the ruling. On 24 May 2005, the Paris Appeal Court delivered a judgement upholding all aspects of the ruling. Global Industries has not complied with the judgement and VINCI has therefore initiated enforcement proceedings in the US and will implement the procedures required to recover its claim.

- In the dispute between VINCI and Bouygues Bâtiment, as co-shareholders of Consortium Stade de France (CSDF), the Paris Appeal Court, in its judgement on 21 January 2005, dismissed the ownership transfer claim submitted by Bouygues Bâtiment in respect of CSDF and confirmed VINCI's right to retain ownership of two thirds of CSDF's equity. However, the Court considered that VINCI should have offered Bouygues Bâtiment the opportunity to acquire the disputed shares at the time of the merger between VINCI and GTM and ordered VINCI to compensate Bouygues Bâtiment for the damage suffered in this respect. The Court valued the damage at €3.7 million (after rectification of a material error). The ruling has not been challenged in the Court of Cassation and has consequently become final.
- VINCI's subsidiary CBC has been brought before the Mexican courts in several cases. One of the shareholders of Prodipe Inc. and a Mexican state organisation allege that CBC did not fulfil the terms of its contract concerning a tourist site development in Baja California, the financing of which was guaranteed up to US\$7.2 million by Coface, which was in turn counter-guaranteed by the Mexican state organisation in question. Given the current state of affairs, VINCI does not expect this dispute to have a material impact on its financial situation.
- 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 organisations initiated various legal proceedings, including one before the Paris Commercial Court, where CBC was charged with guaranteeing 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, VINCI does not expect this dispute to have a material impact on its financial situation.
- Following recourse to the French Council of State by various road-transport companies, the Council delivered a ruling on 29 June 2005 cancelling the letter of 15 January 2003 in which the Director of Tax Legislation informed the chairman of the committee for SEMCAs (public-private motorway concession companies) that motorway concession companies did not have good reason to provide amended invoices showing the value added tax paid by users between 1 January 1996 and 31 December 2000.

As a result of this ruling, which applies only to dealings between the State and road-transport companies, motorway concession companies would be obliged to provide amended invoices when requested to do so by road-transport companies for the period from 1996 to 2000. Technically, the companies would then run the risk of being obliged to pay the VAT appearing on these amended invoices by virtue of Article 283-3 of the French General Tax Code.

The Constitutional Council, by a decision dated 29 December 2005, invalidated a provision of the 2005 Financial Amendment Law (*loi de finances rectificatives*), the primary consequence of which

was to deprive road-transport companies of the right to reclaim VAT on motorway tolls for the period prior to 1 January 2001.

Cofiroute, along with the other companies in the sector, is awaiting clarification from the Ministry of the Economy, Finance and Industry regarding the practical procedures for administering this matter.

The Council of State's ruling has been the subject of third party challenges by Cofiroute and the other companies in the motorway concession sector. Cofiroute has also received a letter from the Ministry of the Economy, Finance and Industry dated 19 October 2005, confirming that "the settlement of this matter will not give rise to any new financial expenses for motorway concession companies".

In the context of this assurance given by the State, as of 31 December 2005, VINCI has maintained its decision of 30 June 2005 to make no provision in respect of this matter.

- Lastly, several VINCI Group companies are being investigated under competition law, and certain employees of VINCI Group subsidiaries are subject, on a personal basis, to judicial enquiry procedures that aim to determine whether they have participated in practices restricting competition or made inappropriate use of corporate assets for the direct or indirect benefit of political figures or parties. On 27 July 2005, the Issuer received notification of a report drawn up by the competition authority regarding the signing of various public sector contracts in the Ile de France region between 1989 and 1996. VINCI does not expect these proceedings to have a material negative impact on its financial situation in the event of an unfavourable outcome.

### **Statutory Auditors**

The statutory auditors of the Issuer are:

**Deloitte & Associes**

185 avenue Charles de Gaulle

92200 Neuilly-sur-Seine

France

Represented by: Thierry Benoit

Date of first appointment: 30 May 2001

Expiry of present appointment: at the end of the Shareholders Meeting that will approve the financial statements for 2006.

**Salustro Reydel**

**A member of KPMG International**

8 avenue Delcassé

75008 Paris

France

Represented by: Bernard Cattenoz and Benoît Lebrun

Date of first appointment: 23 June 1989

Expiry of present appointment: at the end of the Shareholders Meeting that will approve the financial statements for 2006.

**Substitute Auditors:**

**François Pavard**

8, avenue Delcassé

75008 Paris, France

Date of first appointment: 16 June 1995

Expiry of present appointment: at the end of the Shareholders Meeting that will approve the financial statements for 2006.

**BEAS SARL**

7-9 villa Houssay

92200 Neuilly Sur Seine, France

Date of first appointment: 30 May 2001

Expiry of present appointment: at the end of the Shareholders Meeting that will approve the financial statements for 2006.

The Combined General Meeting of the shareholders of VINCI held on 28 April 2005, by its 7<sup>th</sup> resolution, acknowledged the change in name of “Deloitte Touche Tomatsu Audit” to “Deloitte & Associés”.

The consolidated and non-consolidated financial statements of the Issuer for the years ended 31 December 2004 and 31 December 2003 were audited by Deloitte & Associés and Salustro Reydel. The consolidated interim financial statements of the Issuer for the six month period ended 30 June 2005 have been prepared by the Issuer and have been the subject of only a limited review by the statutory auditors of the Issuer.

The statutory auditors of the Issuer carry out their duties in accordance with the principles of the *Compagnie Nationale des Commissaires aux Comptes (CNCC)* and each is a member of the CNCC professional body.

## RECENT DEVELOPMENTS

### CONSOLIDATED REVENUE AT 31 DECEMBER 2005

VINCI's 2005 consolidated revenue amounted to €21.5 billion, a 10% increase against 2004 (€19.5 billion).

Whereas in recent years the growth in VINCI's activities was driven by the French market, this year activity increased in a comparable manner in France and abroad.

Despite the high level attained in 2004, business continued to grow at a good pace in the fourth quarter, with an overall increase of 9%. As in the previous quarters, the Roads and Construction business lines reported strong growth both in France and abroad.

This good trend was mainly due to organic growth, with the positive effects of changes in consolidation scope and currency fluctuations accounting for only 2%.

New acquisitions had a limited impact, of €380 million, partially offset by that of disposals for €100 million.

In France, revenue increased by 9.6% to €13.3 billion (by 8.4% on a like-for-like basis).

Outside France, revenue increased by 11% to €8.2 billion (by 8.2% on a like-for-like basis) and accounted for 38% of the total activity.

ASF, in which VINCI had a 23% holding at 31 December 2005, is accounted for in the Group's consolidated financial statements using the equity method. In consequence, its revenue, which amounted to €2.4 billion in 2005, is not included in the data on activity published by VINCI in respect of this period.

### **Breakdown by business lines**

**Concessions**      €2,053 million (+5.7% actual; +2.9% like-for-like)

Cofiroute's revenue increased by 3.2% to €900 million. This trend reflects the increase in toll receipts, which benefited from the combination of an 0.9% increase in traffic (of which 0.1% is accounted for by the satisfactory start of operations on the Ecommoy-Tours section of the A28, which entered service on 14 December 2005) and of price changes for 2.2%.

Following a first half year that was marked by the adverse effects of the calendar – 2004 was a leap year, Whit Monday was a working day in 2005 – light vehicle traffic has shown a favourable trend since the summer, ending the year with an 0.8% increase over the full twelve months. Heavy vehicle traffic increased regularly over the whole year, by 1.2%.

VINCI Park's revenue was €494 million, a 1.8% increase. This reflects the effects of organic growth in France (+0.9%) and a more sustained increase abroad (+4.2%), in particular due to new acquisitions.

Revenue from other infrastructure assets under concessions was strongly up, by 29%, at €161 million. This includes €41 million from a full year's operation of the Rion-Antirion bridge in Greece, which was opened in August 2004.

Airport services booked revenue of €505 million, the 7.9% increase being accounted for by the inclusion of France Handling, acquired during the year. At constant consolidation scope and exchange rates, revenue fell 2% despite a good level of activity in cargo services, as a result of the measures taken to reduce the activity in the USA.

**Energy**      €3,510 million (+5.1% actual; +3.8% like-for-like)

In France, VINCI Energies' revenue was €2.6 billion, an increase of 6.5% (6.6% like-for-like).

Activity was particularly dynamic in the telecommunication infrastructure sector, which benefited from telephone operators' investments, in the energy transport infrastructure sector and in the services sector (commercial property).

This good performance was achieved despite the unfavourable basis for comparison, the fourth quarter of 2004 having seen a peak in revenue.

Outside France, VINCI Energies' revenue remained almost stable (up 1.4%) at €942 million despite the very significant reduction from €162m to €101m in the activity of the Austrian subsidiary TMS, a 37% fall in a very badly hit automobile production engineering market.

The other foreign subsidiaries had a good year in 2005, reporting growth of approximately 10% in a European market where trading conditions were overall better.

VINCI Energies' order book at 31 December 2005 stood at €1.4 billion, up by more than 9% over 12 months.

**Roads** €6,456 million (+12.2% actual; +9.1% like-for-like)

In France, Eurovia's revenue was more than €3.6 billion, reflecting growth of 10.6% (9.7% like-for-like).

Following a difficult start to the year, marked by unfavourable weather conditions, activity was at a strong level in the second half, in particular as a result of increased workloads on several major urban infrastructure projects, such as those for the tramways in Valenciennes, Nice, Montpellier and Marseille.

Outside France, revenue was €2.8 billion, a 14.2% increase, and included the contribution by the UK company TE Beach for the first time.

Foreign subsidiaries' growth remains high on a like-for-like basis, at 8.4%. In particular this reflects the excellent performances in the Czech Republic and the United Kingdom, and a recovery in Germany (up 3.5%), where business was brisk in the second half.

Eurovia's order book stood at €4.3 billion at 31 December 2005, a 16% increase over 12 months.

**Construction** €9,371 million (+13.1% actual; +11.9% like-for-like)

In France, VINCI Construction's revenue was €5.4 billion, an increase of 14.2% (12.5% at constant consolidation scope).

Following a first half that saw very strong growth, business remained brisk in the second half of the year, but with a more moderate rate of growth. The network of Sogea Construction and GTM Construction enterprises, firmly based across the territory, benefited from growing markets, both in the Paris region and the rest of France, with in particular continuing strong demand in the building sector and prospects of new large-scale infrastructure projects. Business was also particularly dynamic in French overseas territories.

Outside France, revenue was up by 11.7% (11.2% like-for-like) at nearly €4 billion.

This good performance reflects the strong growth booked in Central and Eastern Europe and by Norwest Holst in the United Kingdom. The Belgian subsidiary CFE booked revenue of €935 million, up 13%, reflecting the good prospects of its dredging subsidiary Deme.

VINCI Construction's order book at 31 December 2005, up by more than 14% over 12 months, set a new record of €10.1 billion, which represents 13 months' average activity for this division.

VINCI

Public Limited Company ("Société Anonyme") with capital stock of 983,181,370 euros

Head Office: 1, cours Ferdinand de Lesseps - 92851 Rueil Malmaison Cedex - France

Company Register RCS Nanterre B 552 037 806

CONSOLIDATED REVENUE AT 31 DECEMBER 2005

(in millions of euros)

		31 December 2005	31 December 2004	Variation 2005/ 2004	
				actual	like-for-like
Concessions and services	1st quarter	457,8	442,5	3,5%	4,0%
	2nd quarter	496,0	491,6	0,9%	1,2%
	3rd quarter	567,7	525,2	8,1%	3,1%
	4th quarter	531,4	483,8	9,8%	3,4%
		2 052,9	1 943,1	5,7%	2,9%
Energy	1st quarter	752,2	749,3	0,4%	(1,2%)
	2nd quarter	914,5	846,8	8,0%	7,6%
	3rd quarter	866,4	790,4	9,6%	8,9%
	4th quarter	976,5	952,1	2,6%	(0,7%)
		3 509,5	3 338,5	5,1%	3,8%
Roads	1st quarter	1 030,3	999,9	3,0%	0,3%
	2nd quarter	1 764,0	1 531,2	15,2%	13,1%
	3rd quarter	1 876,3	1 642,8	14,2%	10,4%
	4th quarter	1 785,1	1 581,3	12,9%	9,6%
		6 455,7	5 755,2	12,2%	9,1%
Construction	1st quarter	2 088,1	1 806,1	15,6%	14,9%
	2nd quarter	2 475,3	2 149,4	15,2%	15,3%
	3rd quarter	2 345,8	2 101,0	11,6%	10,7%
	4th quarter	2 461,3	2 227,2	10,5%	9,1%
		9 370,5	8 283,8	13,1%	11,9%
Miscellaneous and double counts		116,3	199,6		
Total	1st quarter	4 407,7	4 045,7	8,9%	7,7%
	2nd quarter	5 643,3	5 039,9	12,0%	11,8%
	3rd quarter	5 665,7	5 138,9	10,3%	8,0%
	4th quarter	5 788,0	5 295,8	9,3%	6,6%
		21 504,8	19 520,2	10,2%	8,3%

## **MAIN TRANSACTIONS COMPLETED SINCE 30 JUNE 2005**

### **Acquisition of IDF Thermic by VINCI Energies**

VINCI Energies acquired all of the share capital of IDF Thermic, a French company specializing in refrigeration for industry and commerce. The company employs 100 people and should book net sales of around €20 million in 2005..

### **Divestment by VINCI Park of its activities in Chile and consolidation of its positions in France and in Europe**

As part of its strategy to refocus on Europe, VINCI Park sold its business in Chile (seven car parks totaling 3,150 spaces) at the end of June 2005. The company has also been increasing its portfolio of long-term car parks in Europe since the beginning of 2005, with the award of a number of contracts in various French cities as well as in Spain, the United Kingdom and Eastern and Central Europe.

### **Acquisition of two coating plants in North Carolina by Blythe Construction, a US subsidiary of Eurovia**

Following this acquisition, Blythe becomes the leading producer of asphalt mix in the Charlotte area, with five coating plants producing 1.2 million tonnes annually.

### **Award of overseas contracts to VINCI Construction**

The Centre national d'études spatiales (Cnes), the French space agency, has awarded to a Consortium led by VINCI Construction Grands Projets a contract worth 135 million euros for ground infrastructure work and mechanical engineering, as part of the Soyuz programme in French Guyana.

Important contracts are to be carried out in New Caledonia and on the Island of La Réunion: civil engineering work on Goro Nickel's ore processing plant (\$60 million), a coal-fired power station on the Goro site (€46 million), the Prony Bay port (\$75 million), and the construction of the extension to Réunion's commercial port (€73 million).

VINCI Construction will also be active in Vietnam with contracts amounting to a total in the range of € 100 million: new headquarters of Vietnam's national television broadcaster in downtown Hanoi, a civil engineering contract to build a thermal plant and a contract to consolidate a water-logged land.

### **Acquisition of France Handling, an airport services company**

In August 2005, VINCI signed an agreement to acquire full ownership of France Handling, France's leading company in cargo handling services for airline companies and freight agents which generated consolidated revenue of €91 million in 2004.

### **Withdrawal from Mexican airport operations**

In December 2005, VINCI sold its interests in SETA, which manages 13 airports in the north-east of Mexico.

The 37.25% stake was sold to ICA, the leading Mexican construction group, which is already a shareholder in SETA, for a total price of nearly \$38 million.

This divestment is the last step of VINCI's complete withdrawal from airport management in Mexico, following the sale in 2004 of its holdings in ITA, which manages airports in the south of Mexico.

## **OTHER SIGNIFICANT EVENTS**

### **Decision of the French State to sell its 50.4% stake in ASF to VINCI**

Following a tender procedure, the French State has, on December the 14<sup>th</sup> 2005, accepted VINCI's offer to purchase its 50.4% participation in the equity of ASF (*Autoroutes du Sud de la France*). The acquisition is subject to the authorization of the competent anti trust authorities and the publication of a decree. Considering that VINCI already owns 23% of ASF share capital and that it intends to launch a standing market offer in the form of a "garantie de cours" for the acquisition of the outstanding capital (26.6 %), VINCI

will have control of ASF and its subsidiary ESCOTA should the conditions precedent to the transaction be fulfilled.

Subject to the closing of this transaction, VINCI will have an unparalleled portfolio of concession operations with sales of 25 billion euros and 138,000 employees worldwide (of which 82,000 in France).

#### Price

The acquisition (77% of the equity ) will be paid cash at 50 euros per share, (representing a total amount of 8.9 billion euros) or at 51 euros per share (9.1 billion euros) should the motorway section Lyon-Balagny be integrated into the present concession contract of ASF.

#### Financing

The operation will be financed from the following sources:

- 2.6 billion euros with existing resources (available cash and medium-term credit lines),
- a 7-year dedicated acquisition loan for 4.2 billion euros,
- a 20-month bridge loan for 2.3 billion euros.

An issue of new shares for cash, in which VINCI shareholders will have preferential subscription rights, will be launched within a maximum period of 18 months depending on market conditions. for an amount not exceeding 30% of the total amount of the operation.

#### Calendar

It is expected that the acquisition should be finalised in the first half of 2006.

#### **Payment of an interim dividend**

VINCI paid an interim dividend on 20 December 2005, of € 0.70 per share (16.7% more than in 2004). The final dividend will be paid on 12 May 2006.

#### **Early redemption of the Oceane 2007**

In July 2001, with the aim of strengthening the Group's financial structure within the framework of its development policy, VINCI issued an Oceane bond (bond convertible into and / or exchangeable for new and / or existing shares).

On 22 July 2005, following the strong rise in VINCI's share price, the Group was able to initiate the early redemption of the entire bond issue.

Early redemption was scheduled for 22 August 2005 at a price of €103.19 per bond, plus €0.57 of coupon interest accrued since 1 January 2005, representing a total sum per bond of €103.76, compared with a share value of around €140 (2 shares of €70 each).

Given these conditions, almost all of the Oceane bonds (99.72%) were converted to shares, leading to the issue of 11,468,262 shares and entailing a capital increase of €57,341,310 and €458,730,480 worth of issue premium.

#### **Early Redemption of the Oceane 2018**

VINCI has decided to undertake the early redemption in full of the outstanding Oceane bonds issued on 2 May 2002, maturing January 2018.

The early redemption was scheduled for 1 January 2006 at a price of €96.52 per bond, plus €1.80 of coupon interest due on 1 January 2006, representing a total sum per bond of €98.32.

Virtually all of the bonds (99.90%) have been presented for conversion into shares, giving rise to the issue of 11,105,716 shares and entailing a capital increase of €55,528,580 and €444,228,640 worth of issue premium.

### **Rating Agencies**

In the context of the sale by the French State of its interest in the share capital of motorway concession companies, on 25 August 2005, Standard & Poor's placed VINCI's long term rating of BBB+ under negative CreditWatch (while at the same time confirming VINCI's A-2 short-term rating) and on 9 September 2005, also placed the long term rating of A and the short-term rating of A-1 of Cofiroute under negative CreditWatch.

On 14 December 2005, following the French State's decision to sell its 50.4% interest in ASF to VINCI, Standard & Poor's maintained VINCI's long term BBB+ and short term A-2 ratings. At the same time, the long term BBB+ rating remains under negative CreditWatch.

Standard & Poor's indicates that once the announced rights issue has been successfully completed, it expects to resolve the CreditWatch status and revise VINCI's outlook to stable.

Following the announcement of 14 December 2005, Standard & Poor's has also revised ASF's long term A+ rating to BBB+ and its A-1 short term rating to A-2. These ratings remain under negative CreditWatch.

Standard & Poor's indicates that ASF will remain on CreditWatch pending completion of the equity increase at the VINCI holding level. After the equity increase, the most likely outcome is a stable outlook for both companies.

For its part, on 14 December 2005, Moody's confirmed VINCI's Baa1/P-2 ratings, with stable outlook. Neither of Cofiroute or ASF is rated by Moody's.

## TAXATION

*The statements herein regarding taxation are based on the laws in force in the European Union, the Republic of France and the Grand Duchy of Luxembourg, respectively, as of the date of this Prospectus and are subject to any changes in law. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Bonds.*

**Each prospective holder or beneficial owner of Bonds should consult its tax advisor as to the European Union, France or Luxembourg tax consequences of any investment in or ownership and disposition of the Bonds.**

### **EU Directive on the Taxation of Savings Income**

On 3 June 2003, the Council of the European Union adopted a directive regarding the taxation of savings income (the “**Savings Directive**”). The Savings Directive requires Member States to provide to the tax authorities of other Member States details of payments of interest within the meaning of the Savings Directive (interest, products, premiums or other debt income) made by a paying agent located within its jurisdiction to or for the benefit of an individual in another Member State, except that Austria, Belgium and Luxembourg will instead be required, for a transitional period, to operate a withholding system in relation to such payments, unless the beneficiary elects for the exchange of specified information.

For these purposes, the term “paying agent” is defined widely and includes in particular any economic operator who is responsible for making interest payments, within the meaning of the Savings Directive, for the immediate benefit of individuals.

The rate of such withholding tax equals 15 per cent. during the first three years from the date of implementation of the Savings Directive, 20 per cent. during the subsequent three years and 35 per cent. until the end of a transitional period, which will end if and when the European Union enters into agreements on exchange of information upon request with a number of third countries and territories (including, *inter alia*, the United States, Switzerland, Liechtenstein, San Marino, Monaco and Andorra).

In relation to French taxation, the Savings Directive has been implemented in French law under Article 242 *ter* of the *Code général des impôts* (“**General Tax Code**”) and Articles 49 I *ter* to 49 I *sexies* of the Schedule III to the General Tax Code. In relation to Luxembourg taxation, see “Luxembourg Withholding Tax” below.

### **French Taxation**

The Bonds being denominated in Euro and deemed issued outside the Republic of France, interest and other revenues in respect of the Bonds benefit under present law (as interpreted in the *Instruction* of the *Direction Générale des Impôts* 5 I-11-98 dated 30 September 1998) from the exemption provided for in Article 131 *quater* of the *Code Général des Impôts* (General Tax Code) from withholding tax on interest payments set out under Article 125A III of the *Code Général des Impôts*. Accordingly, such payments do not give the right to any tax credit from any French source.

### **Luxembourg Taxation**

#### ***Withholding tax - Luxembourg non-residents***

Under Luxembourg tax law currently in effect and subject to the application of the Luxembourg laws dated 21 June 2005 (the “**Laws**”) implementing the Savings Directive and several agreements concluded between Luxembourg and certain dependent territories of the European Union, there is no withholding tax on payments of interest (including accrued but unpaid interest) made to Luxembourg non-resident

Bondholders. There is also no Luxembourg withholding tax, subject to the application of the Laws, upon repayment of principal or upon redemption, repurchase or exchange of the Bonds.

Under the Savings Directive, a Luxembourg based paying agent (within the meaning of the Savings Directive) is required since 1 July 2005 to withhold tax on interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual resident in another Member State, unless the beneficiary of the interest payments elects for an exchange of information. The same regime applies to payments to individuals resident in certain dependent territories.

The withholding tax rate is initially 15 per cent., increasing steadily to 20 per cent. and to 35 per cent. The withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain third countries.

#### ***Withholding tax - Luxembourg residents***

A 10% withholding tax has been introduced, as from 1 January 2006 on interest payments made by Luxembourg paying agents (defined in the same way as in the Savings Directive) to Luxembourg individual residents. Only interest accrued after 1 July 2005 falls within the scope of this withholding tax. Income (other than interest) from investment funds and from current accounts provided that the interest rate is not higher than 0.75% are exempt from the withholding tax. Furthermore, interest which is accrued once a year on savings accounts (short and long term) and which does not exceed €250 per person and per paying agent is exempted from the withholding tax.

#### ***Income tax on principal, interest, gains on sales or redemption***

Bondholders who are non-residents of Luxembourg and who have neither a permanent establishment nor a fixed base of business in Luxembourg with which the holding of the Bonds is connected, will not be subject to taxes (income taxes and net wealth tax) or duties in Luxembourg with respect to payments of principal or interest (including accrued but unpaid interest), payments received upon redemption, repurchase or exchange of the Bonds or capital gains realised upon disposal or repayment of the Bonds.

Bondholders will not be deemed to be resident, domiciled or carrying on business in Luxembourg solely by reason of holding execution, performance, delivery, exchange and/or enforcement of the Bonds.

Luxembourg resident corporate Bondholders, or Bondholders who have a permanent establishment in Luxembourg with which the holding of the Bonds is connected, must for income tax purposes include any interest receivable in their taxable income and will be subject to net wealth tax. They will not be liable for any Luxembourg income tax on repayment of principal.

Interest received by an individual resident in Luxembourg is subject to withholding tax (see above "*Withholding tax - Luxembourg residents*"). This withholding tax represents the final tax liability for the Luxembourg individual resident taxpayers.

Luxembourg resident individual Bondholders are not subject to taxation on capital gains upon the disposition of the Bonds, unless the disposition of the Bonds precedes the acquisition of the Bonds or the Bonds are disposed of within six months of the date of acquisition of these Bonds. Upon a redemption of the Bonds, individual Luxembourg resident Bondholders must however include the portion of the redemption price corresponding to accrued but unpaid interest in their taxable income.

Luxembourg resident corporate Bondholders which are companies benefiting from a special tax regime (such as holding companies subject to the law of 31 July 1929 and undertakings for collective investment subject to the law of 20 December 2002) are tax exempt entities in Luxembourg, and are thus not subject to any Luxembourg tax (i.e. corporate income tax, municipal business tax and net wealth tax) other than the subscription tax calculated on their share capital or net asset value.

Luxembourg net wealth tax will not be levied on a corporate Bondholder, unless (i) such Bondholder is a Luxembourg resident or (ii) the Bonds are attributable to an enterprise or part thereof which is carried on in Luxembourg through a permanent establishment.

Luxembourg net wealth tax has been abolished for individual Bondholders as from the year 2006.

***Other taxes***

No stamp, value, issue, registration, transfer or similar taxes or duties will be payable in Luxembourg by Bondholders in connection with the issue of the Bonds, nor will any of these taxes be payable as a consequence of a subsequent transfer or redemption of the Bonds.

There is no Luxembourg value added tax payable in respect of payments in consideration for the issuance of the Bonds or in respect of the payment of interest or principal under the Bonds or the transfer of the Bonds. Luxembourg value added tax may, however, be payable in respect of fees charged for certain services rendered to the Issuer, if for Luxembourg value added tax purposes such services are rendered or are deemed to be rendered in Luxembourg and an exemption from Luxembourg value added tax does not apply with respect to such services.

Bondholders not permanently resident in Luxembourg at the time of death will not be subject to inheritance or other similar taxes in Luxembourg in respect of the Bonds.

## **SUBSCRIPTION AND SALE**

### **Description of the Subscription Agreement**

Pursuant to a subscription agreement dated 10 February 2006 (the "**Subscription Agreement**"), Merrill Lynch International, Société Générale, Calyon and The Royal Bank of Scotland plc (the "**Managers**") have jointly and severally agreed with the Issuer, subject to the satisfaction of certain conditions contained therein, to subscribe and pay for the Bonds at an issue price of 98.831 per cent. of the aggregate principal amount of the Bonds less agreed commissions. The Issuer has agreed to reimburse the Managers in respect of certain of their legal and other expenses in connection with the issue of the Bonds. The Subscription Agreement entitles the Managers to be released and discharged from their obligations thereunder in certain circumstances prior to payment being made to the Issuer. The Issuer has agreed to indemnify the Managers against certain liabilities in connection with the offer and sale of the Bonds.

### **Selling Restrictions**

#### **General**

Neither the Issuer nor any of the Managers makes any representation that any action has been or will be taken that would permit a public offering of the Bonds or possession or distribution of the Prospectus or any other offering material relating to the Bonds in any country or jurisdiction where action for that purpose is required. Neither the Issuer nor any of the Managers represents that Bonds may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction or pursuant to any exemption available thereunder or assumes any responsibility for facilitating such sale.

Each Manager has represented and agreed that it has complied and will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Bonds or has in its possession or distributes this Prospectus or any other offering material and neither the Issuer nor any other Manager shall have responsibility therefor.

#### **United States**

The Bonds have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act.

Each of the Managers has agreed that, except as permitted by the Subscription Agreement, it will not offer or sell the Bonds (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Issue date, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Bonds during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Bonds within the United States or to, or for the account or benefit of, U.S. persons.

The Bonds are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of the Bonds, an offer or sale of the Bonds within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

#### **Republic of France**

Each of the Managers and the Issuer has acknowledged that the Bonds are being issued outside the Republic of France and, accordingly each of the Managers and the Issuer has represented and agreed that (i) it has not offered or sold and will not offer or sell, directly or indirectly, any Bonds to the public in the Republic of France and (ii) offers and sales of Bonds in the Republic of France will be made only to providers of investment services relating to portfolio management for the account of third parties and/or

qualified investors (*investisseurs qualifiés*) as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*.

In addition, each of the Managers and the Issuer has represented and agreed that, it has not distributed or caused to be distributed and will not distribute or cause to be distributed in the Republic of France, the Prospectus or any other offering material relating to the Bonds other than to those investors (if any) to whom offers and sales of Bonds in the Republic of France may be made as described above.

### **United Kingdom**

Each of the Managers has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of the Bonds in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

### **Republic of Italy**

The offering of the Bonds has not been registered with the *Commissione Nazionale per la Società e la Borsa* ("**CONSOB**") (the Italian securities exchange commission) pursuant to the Italian securities legislation and, accordingly, the Bonds cannot be offered, sold or distributed nor can any copies of the Prospectus or any other document relating to the Bonds be distributed in the Republic of Italy ("**Italy**") in a solicitation to the public at large (*sollecitazione all'investimento*), and the Bonds in Italy shall only be:

- (i) offered or sold to professional investors (*operatori qualificati*), as defined in Article 31, second paragraph of CONSOB Regulation No 11522 of 1 July 1998 (the "**Regulation No 11522**"), as amended, and effected in compliance with the terms and procedures provided therein; or
- (ii) offered or sold in circumstances which are exempted from the rules of solicitation of investments pursuant to Article 100 of Legislative Decree No 58 of 24 February 1998 (the "**Financial Services Act**") and Article 33, first paragraph, of CONSOB Regulation No 11971 of 14 May 1999 (the "**Regulation No 11971**"), and shall in any event be effected in accordance with all relevant Italian securities, tax and exchange control and other applicable laws and regulations.

Moreover and subject to the foregoing, the Bonds may not be offered, sold or delivered and neither the Prospectus nor any other material relating to the Bonds may be distributed or made available in Italy unless such offer, sale or delivery of Bonds or distribution or availability of copies of the Prospectus or any other material relating to the Bonds in the Republic of Italy is:

- (a) made by investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with the Financial Services Act, Legislative Decree No 385 of 1 September, 1993 (the "**Italian Banking Act**"), the Regulation No 11522, the Regulation No 11971 and any other applicable laws and regulations; and
- (b) in compliance with Article 129 of the Italian Banking Act and the implementing instructions of the Bank of Italy, pursuant to which the issue, trading or placement of securities (e.g., Bonds) in Italy is subject to prior notification to the Bank of Italy, unless an exemption, depending *inter alia* on the amount of the issue and the characteristics of the securities, applies; and
- (c) in compliance with any other applicable requirement or limitation which may be imposed from time to time by CONSOB or the Bank of Italy.

Insofar as the requirements above are based on laws which are superseded at any time pursuant to the implementation of the Prospectus Directive, such requirements shall be replaced by the applicable requirements under the Prospectus Directive.

## GENERAL INFORMATION

1. This Prospectus is available on the Luxembourg Stock Exchange website (*www.bourse.lu*).
2. The Bonds have been accepted for clearance through Euroclear France, Clearstream, Luxembourg and Euroclear with the Common Code number 024432106. The International Securities Identification Number (ISIN) for the Bonds is FR0010289496. The address of Euroclear France is 115, rue Réaumur, 75081 Paris Cedex 02 France; the address of Clearstream, Luxembourg is 42 avenue JF Kennedy, L-1855 Luxembourg; and the address of Euroclear is 1, boulevard du Roi Albert II, B-1210 Brussels, Belgium.
3. The issue of the Bonds has been authorised pursuant to a decision of the *Directeur Général* of the Issuer dated 9 February 2006, acting pursuant to a resolution of the *Conseil d'Administration* of the Issuer dated 9 January 2006.
4. There has been no material adverse change in the prospects of the Issuer or the Group since 31 December 2004 and, with the exception of the conversion of the Oceane 2018 bonds disclosed on page 55 of this Prospectus, no significant change in the financial or trading position of the Issuer or the Group since 30 June 2005.
5. Neither the Issuer nor any member of the Group is or has been involved in any governmental litigation or arbitration proceedings (including such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Prospectus which may have or have had in the recent past a significant effect on the financial position or profitability of the Issuer or the Group.
6. With the exception of its undertaking in respect of the acquisition of the 50.4% stake in ASF owned by the French State, which was accepted by the latter on 14 December 2005 (as described on pages 54 to 55 of this Prospectus), the Issuer has not entered into any contracts outside the ordinary course of the Issuer's business, which could result in the Issuer or any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to the holders of any Bonds.
7. The present auditors of the Issuer are Deloitte & Associés and Salustro Reydel. The Issuer publishes (i) audited annual consolidated and non-consolidated accounts and (ii) semi-annual unaudited consolidated accounts. The Issuer does not currently publish semi-annual non-consolidated accounts. The consolidated and non-consolidated financial statements of the Issuer for the years ended 31 December 2004 and 31 December 2003 were audited by Deloitte & Associés and Salustro Reydel. The consolidated interim financial statements of the Issuer for the six month period ended 30 June 2005 have been prepared by the Issuer and have been the subject of only a limited review by the statutory auditors of the Issuer. The auditors carry out their duties in accordance with the principles of the *Compagnie Nationale des Commissaires aux Comptes (CNCC)* and each is a member of the CNCC professional body.
8. So long as any of the Bonds are outstanding, the following documents will be available during usual business hours on any weekday (except Saturdays, Sundays and public holidays) for inspection and in the case of documents listed at (ii) and (iii), collection, free of charge, at the specified office of each of the Paying Agents:
  - (i) the Subscription Agreement;
  - (ii) the Agency Agreement;
  - (iii) this Prospectus and each of the documents incorporated by reference herein; and
  - (iv) the *statuts* of the Issuer.

In addition, each of the foregoing documents will be published on the website of the Luxembourg Stock Exchange (*www.bourse.lu*).

9. The telephone number of the Issuer at its registered office is +33 (0)1 47 16 35 00.
10. The estimated total expenses related to the admission of the Bonds to trading are €14,500.

**REGISTERED OFFICE OF THE ISSUER**

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**Co-Managers**

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