



# **Joint Shareholders' Meeting**

**October 25th, 1999**

# **Purposes of the Joint Ordinary and Extraordinary Meeting of Shareholders**

- **To provide SGE with the financial resources needed to finance its development**
- **To keep up with changes in SGE's shareholding (transparency, fidelity, stability)**
- **To adapt the composition and the functioning of the Board of Directors**

## Financial resources

- **Issuance of common bonds and comparable securities, namely redeemable, subordinated or indefinite term securities (2nd resolution)**
- **Issuance, with or without preferential subscription rights, of marketable securities giving access to a proportion of the capital stock (9th and 10th resolutions)**

## Shareholding

- **Institution of double voting rights for registered shares held for at least two years (6th resolution)**
- **Obligation to declare the crossing of the threshold of 2% or a multiple of this fraction (15th resolution)**
- **Capital stock increases set aside for employees within the framework of the Savings Plans (13th resolution)**
- **Stock subscription or purchase options (14th resolution)**

## Shareholding

- **Corporate share buy-back (1st resolution)**
- **Authorisation to issue marketable securities as authorised by the 9th and 10th resolutions in the event of one or several public take-over bids or exchange offers (11th resolution)**
- **Capital stock increases by capitalisation of paid-in capital, reserves, profits or other amounts (12th resolution)**

## **The Board of Directors**

- **Election of Mr. Bernard HUVELIN as a Director (3rd resolution)**
- **Election of a Director from among shareholding salaried employees (7th resolution)**
- **Increase of the number of shares that must be held by each of the Company's Directors (8th resolution)**
- **Increase of the annual amount of fees paid to Directors (4th resolution)**

## **Reminder of the financial statements at June 30, 1999**

- **A half-yearly net income level never reached previously :  
42.8 million euros (up by 36 million euros over the 1st half of 1998)**
- **Strong improvement in operating income :  
43.4 million euros (up by 45 million euros over the 1st half of 1998)**
- **All lines of business contribute to the higher operating income**
- **The good results in the 1st half of 1999 reflect :**
  - **the efforts made in recent years to restructure and re-orient the business portfolio**
  - **a better market environment**

## **Return to a growth-oriented policy**

- **Acquisitions are part of the strategy as announced**
  - **Reduction of cyclical swings via increased income from recurrent activities**
  - **Emphasis on high value added businesses**
  - **Development in Europe**



## Return to a growth-oriented policy

- **SGE has completed several major external growth operations over the last 12 months**
  - **Specialized civil engineering : T.A.I, MENARD SOLTRAITEMENT**
  - **Roadworks : TEERBAU, companies in Central Europe**
  - **Fire protection : CALANBAU, MECATISS**
  - **Car parks : SOGEPARC**
  
- ➔ ***Total investment (debt included) of 875 million euros***
  
- ➔ ***Additional sales\* of 1.2 billion euros***
  
- ➔ ***Additional operating income\* of 80 million euros (6.7% of sales)***

## **SGE leading car park operator**

### **Successful take-over bid on SOGEPARC :**

- **97.7 % of capital stock and voting rights**
- **Investment of 595 million euros**

### **SOGEPARC is the no.1 car park group in France and the no.2 in Europe :**

- **200 million euros in sales**
- **almost 340,000 parking spaces of which 120,000 outside France**

# **The acquisition of SOGEPARC is consistent with strategic, industrial and financial objectives**

## **STRATEGIC**

- **change in the business portfolio balance to the benefit of less cyclical lines of business generating cash flow and recurrent income**

## **INDUSTRIAL**

- **synergies between SGE's network businesses in France and elsewhere in Europe and SOGEPARC's know-how as a concession holder**

## **FINANCIAL**

- **a stronger recurrent income base and a reduced risk profile, which is expected to improve the valuation of SGE's shares**

# Yearly accounts of SOGEPARC

<i>(in millions of euros)</i>	1998-99		1997-98		Variation
	% sales		% sales		
<b>Consolidated net sales</b>	<b>200</b>		<b>186</b>		<b>+7.3%</b>
<b>% outside France</b>	<b>19%</b>		<b>18%</b>		
<b>Gross operating surplus</b>	<b>71</b>	<b>35%</b>	<b>65</b>	<b>35%</b>	<b>+8.4%</b>
<b>Operating income</b>	<b>46</b>	<b>23%</b>	<b>43</b>	<b>23%</b>	<b>+6.3%</b>
<b>Net income</b>	<b>23</b>	<b>11%</b>	<b>20</b>	<b>11%</b>	<b>+11.9%</b>
<b>Earnings per share</b> <i>(in euros)</i>	<b>3.2</b>		<b>2.9</b>		<b>+11.6%</b>
<b>Dividend per share excluding tax credit</b> <i>(in euros)</i>	<b>2.6</b>		<b>2.4</b>		<b>+6.6%</b>

# TEERBAU

- **With the acquisition of TEERBAU, SGE group strengthens its position as the number two roadwork group in Europe**
  - **TEERBAU is the leading German roadwork company, with about 6% of its national market, the largest in Europe**
  - **TEERBAU combines the activities of production and application of surfacing material (143 hot mix plants accounting for 15% of Germany's production)**
  - **TEERBAU is diversified in various niche markets : noise barriers, waterproofing of civil works, recycling, soil decontamination ...**

# TEERBAU

(in millions of euros)	1998	1999	2000
• <b>Net sales</b>	700	720	↗
• <b>Operating income</b>	5	6	↗ ↗
<b>% sales</b>	0.7%	0.8%	>1%

## TEERBAU

- **Synergies with EUROVIA will make it possible to bring TEERBAU's operating income up to almost 1.5% of net sales in the year 2000**
  - **EUROVIA's and TEERBAU's establishments in Germany are geographically complementary**
  - **Optimisation of production, purchasing and R&D terms and conditions**
  - **Structural savings through regrouping of functional support services**
  - **Better prospects for development in Central Europe and in new lines of business (recycling of materials, soil decontamination, noise barriers, etc.)**

# SGE group's proforma balance sheet with Teerbau and Sogeparc included

(in millions of euros)

	forecast 31/12/99 before Sogeparc take-over bid	forecast 31/12/99 with Sogeparc Included proforma	Sogeparc 30/06/99 restated
<b>Fixed assets</b>	<b>1,640</b>	<b>2,394</b>	<b>423</b>
<i>of which Goodwill</i>	<i>278</i>	<i>602</i>	<i>5</i>
<b>Working capital requirement (surplus)</b>	<b>(197)</b>	<b>(237)</b>	<b>(37)</b>
<b>Capital employed</b>	<b>1,443</b>	<b>2,157</b>	<b>386</b>
<b>Shareholders' equity and minority interests</b>	<b>560</b>	<b>574</b>	<b>268</b>
<b>Provisions</b>	<b>1,361</b>	<b>1,380</b>	<b>18</b>
<b>Long term resources</b>	<b>1,921</b>	<b>1,954</b>	<b>286</b>
<b>Net financial surplus (debt)</b>	<b>478</b>	<b>(203)</b>	<b>(100)</b>



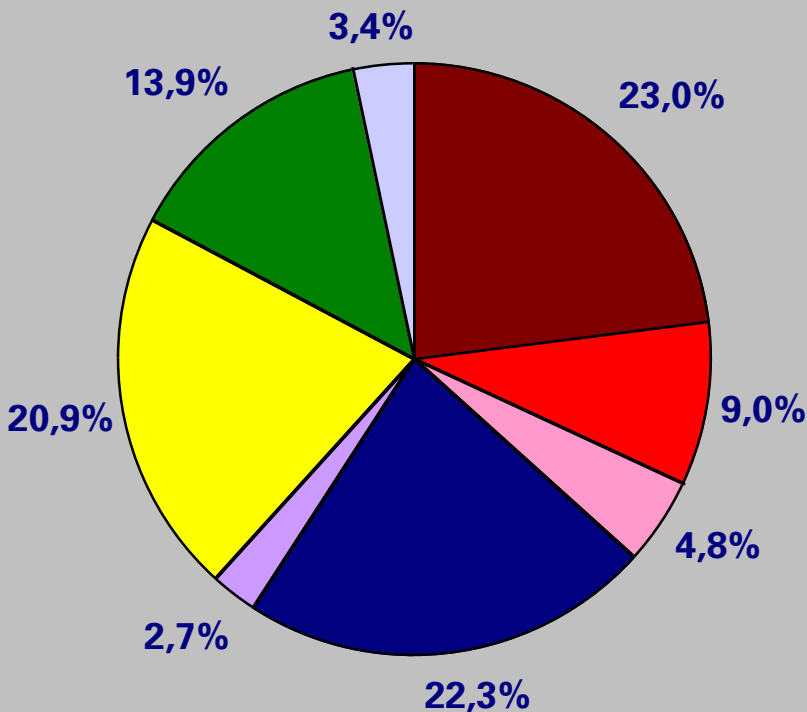
## Redirecting the sales mix

<i>(in millions of euros)</i>	1996	1997	1998	1999 forecast	2000 forecast
<b>Construction</b>	<b>4,889</b>	<b>5,326</b>	<b>5,189</b>	<b>5,750</b>	
Building and civil engineering	3,190	3,551	3,404	3,350	↘
Freyssinet	181	218	226	350	↗
Roadworks	1,518	1,557	1,559	2,050	↗ ↗
<b>Equipment and facilities</b>	<b>1,680</b>	<b>2,802</b>	<b>2,783</b>	<b>2,800</b>	
Electrical engineering and works	459	1,703	1,735	1,750	=
Thermal / Mechanical activities	1,221	1,099	1,047	1,050	↗
<b>Concessions <i>(prorata)</i></b>	<b>206</b>	<b>222</b>	<b>275</b>	<b>400</b>	
Concessions	185	200	251	270	↗
Car parks	21	22	24	130	↗ ↗
<b>ECONOMIC TURNOVER, group share</b>	<b>6,737</b>	<b>8,340</b>	<b>8,262</b>	<b>9,000</b>	<b>9,600</b>
<b><i>of which consolidated sales</i></b>	<b>6,553</b>	<b>8,140</b>	<b>8,012</b>	<b>8,750</b>	<b>9,350</b>

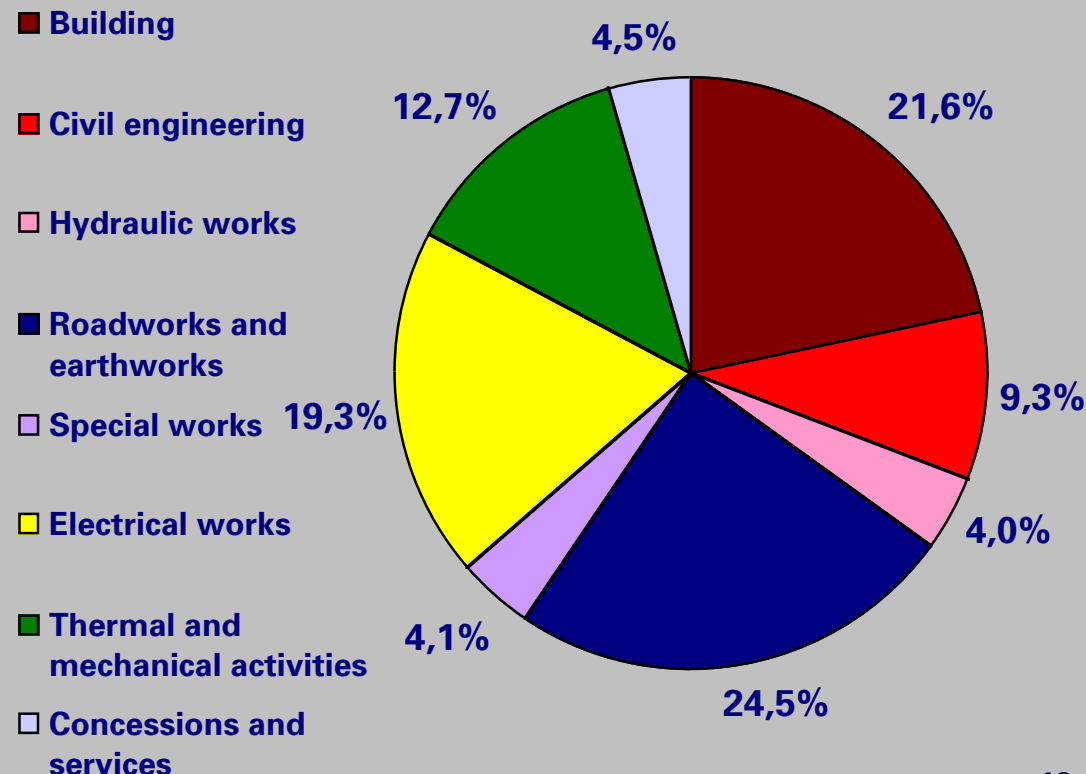
## Breakdown of net sales by lines of business

SGE now presents a reduced risk profile as a result of the shift in its business portfolio balance in favour of less cyclical lines of business

**1998**



**forecast 1999**



# Consolidated statement of income

*(in millions of euros)*

**1996      1997      1998      1999  
forecast**

<b>Net sales</b>	<b>6,553</b>	<b>8,140</b>	<b>8,011</b>	<b>8,750</b>
<b>Gross operating surplus</b>	<b>202</b>	<b>268</b>	<b>310</b>	
<b>Operating income (expense)</b>	<b>(14)</b>	<b>43</b>	<b>124</b>	<b>&gt;175</b>
<b>Net financial income</b>	<b>82</b>	<b>28</b>	<b>20</b>	
<b>Operating income plus net financial income</b>	<b>68</b>	<b>71</b>	<b>143</b>	
<b>Net exceptional items</b>	<b>(130)</b>	<b>(8)</b>	<b>(41)</b>	
<b>Income taxes and employee profit-sharing</b>	<b>(13)</b>	<b>(30)</b>	<b>(10)</b>	
<b>Goodwill amortisation</b>	<b>(15)</b>	<b>(21)</b>	<b>(36)</b>	
<b>Net profit (loss)</b>	<b>(57)</b>	<b>47</b>	<b>92</b>	<b>&gt;125</b>

# Operating income

<i>(in millions of euros)</i>	1996	1997	1998	1999 forecast	2000 forecast
<b>Construction</b>	<b>- 36</b>	<b>12</b>	<b>43</b>	<b>75</b>	
Building and civil engineering	- 41	- 11	3	↗↗	↗↗
Freyssinet	7	10	8	↗↗	↗
Roadworks	-2	13	32	↗↗	↗↗
<b>Equipment and facilities</b>	<b>13</b>	<b>25</b>	<b>75</b>	<b>70</b>	
Electrical engineering and works	7	56	*72	↗ **	↗
Thermal / Mechanical activities	6	- 31	3	↗↗	↗↗
<b>Concessions <i>(prorata)</i></b>	<b>38</b>	<b>44</b>	<b>46</b>	<b>80</b>	
Concessions	33	37	39	↗↗	↗
Car parks	5	7	7	↗↗	↗↗
<b>Miscellaneous</b>	<b>4</b>	<b>- 1</b>	<b>- 1</b>		
<b>OPERATING INCOME</b>	<b>19</b>	<b>80</b>	<b>163</b>	<b>&gt;225</b>	<b>↗↗</b>
<b><i>of which consolidated</i></b>	<b>-14</b>	<b>43</b>	<b>124</b>	<b>&gt;175</b>	<b>↗↗</b>

\* of which non recurrent items ~ 20

\*\* with comparable consolidation scope

# Outlook

**SGE is harvesting the fruits of its restructuring efforts**

**SGE is committed to a growth strategy**



**A strategy with focus on the long term**



# **Annexes**

## Half-yearly accounts

### Redirecting the sales mix

<i>(in millions of euros)</i>	<i>1st half 97</i>	<i>1st half 98</i>	<i>1st half 99</i>	<i>Variation 99/98</i>
<b>Construction</b>				
Building and civil engineering	1,722	1,730	1,624	- 6.1 %
Freyssinet	109	95	167	+ 76 %
Roadworks	655	682	742	+ 8.7 %*
<b>Equipment and facilities</b>				
Electrical engineering and works	838	869	856	- 1.4 %**
Thermal / Mechanical activities	527	493	494	=
<b>Concessions (<i>prorata</i>)</b>				
Cofiroute	91	100	107	+ 6.7 %
Car parks	11	12	33	ns
<b>Miscellaneous and double counts</b>	18	- 2	47	ns
<b>ECONOMIC TURNOVER, group share</b>	<b>3,971</b>	<b>3,980</b>	<b>4,070</b>	<b>+2.3 %</b>
<b><i>of which consolidated sales</i></b>	<b>3,880</b>	<b>3,880</b>	<b>3,944</b>	<b>+1.6 %</b>

\* not including Teerbau

\*\* with comparable consolidation scope +2%

# Half-yearly accounts

## Consolidated statement of income

### Substantial increase in operating and net income

*(in millions of euros)*

*1st half. 97    1st half 98    1st half 99*

<b>Gross operating surplus</b>	<b>49.2</b>	<b>41.8</b>	<b>113.9</b>
<b>Operating income (expense)</b>	<b>(25.8)</b>	<b>(2.0)</b>	<b>43.4</b>
<b>Net financial income</b>	<b>9.3</b>	<b>15.2</b>	<b>6.0</b>
<b>Operat. plus financ. income</b>	<b>(16.5)</b>	<b>13.2</b>	<b>49.4</b>
<b>Net exceptional items</b>	<b>41.2</b>	<b>0</b>	<b>(3.2)</b>
<b>Tax, profit-sharing and goodwill</b>	<b>(20.6)</b>	<b>(21.6)</b>	<b>(22.6)</b>
<b>Equity method companies</b>	<b>13.3</b>	<b>15.8</b>	<b>21.0</b>
<b>Net income</b>	<b>19.2</b>	<b>6.3</b>	<b>42.8</b>



## Half-yearly accounts

# Major improvement in operating profits, all lines of business contributing to the improvement

*(in millions of euros)*

1st half 97      1st half 98      1st half 99      99/98

### Operating income :

- **Construction**

– Building and civil engineering	- 9.9	- 0.5	+ 20.8	+ 21.3
– Roadworks	- 31.4	- 22.0	- 3.7	+ 18.3

- **Equipment and facilities**

– Electrical engineering and works	+ 27.3	+ 30.6	+ 29.6	ns
– Thermal / Mechanical activities	- 14.0	- 9.0	- 2.7	+ 6.3

- **Miscellaneous**

	+ 2.2	- 1.1	- 0.6	+ 0.5
--	-------	-------	-------	-------

---

	- 25.8	- 2	+ 43.4	+ 45.4
--	--------	-----	--------	--------

<b>Net income of concessions</b>	<b>+ 13.0</b>	<b>+ 15.7</b>	<b>+ 21.0</b>	<b>+ 5.3</b>
----------------------------------	---------------	---------------	---------------	--------------

# Prospects 1999/2000

## CONSTRUCTION

**Continued  
improvements in  
profitability**

**No volume  
objectives**

### Roadworks

**Teerbau integration**

**Development in Europe and North America**

### Building and civil engineering

**Selectivity**

**Risk control**

### Specialized civil engineering

**A niche strategy**

# Prospects 1999/2000

## **EQUIPMENT and FACILITIES**

**Redeployment to  
lines of business with  
high added value**

**Priority given to  
industrial clients**

**Development of the  
maintenance  
business**

**In-house start-ups**

**Electrical engineering and works**

**European development**

**Information and communication**

**Industrial processes**

**Thermal and mechanical activities**

**A niche strategy**

**Disengagement from unprofitable lines of  
business**

**Targeted external growth**

**Fire protection**

# Prospects 1999/2000

## CONCESSIONS

**Increase in the  
recurrent share of net  
sales and income**

**Optimisation of  
existing contracts**

**Positioning on the  
airport market**

### Car parks

**Sogeparc integration**

**European development**

### Motorways

**A 86**

**Development of Cofiroute**

### Civil Engineering Works

**Targeted tenders**

**Acquisitions**

## Prospects 1999/2000

# Cash flow statement

*(in millions of euros)*

	1996	1997	1998	1999 forecast	2000 forecast
Cash flow from operations *	193	197	254	317	↗↗
Net capital expenditure	(114)	(128)	(196)	(207)	↗
Net cash flow available	79	69	58	110	↗↗
Net financial investments	152	130	(83)	(845)	↘↘
Dividends paid	-	(2)	(28)	(54)	↗↗
Other financial items	49	34	47	40	↘
Cash flows for the financial year	280	231	(6)	(749)	↗↗

\* including dividends received from equity method companies

# Commercial data at the end of September 1999

## AWARDS

*(in millions of euros)*

	<i>1998</i>	<i>1999</i>	<i>Variation</i>
<b>Total</b>	<b>6,033</b>	<b>6,637</b>	<b>+ 10%</b>

### By lines of business :

<b>Building and civil engineering</b>	<b>+ 5%</b>
<b>Roadworks</b>	<b>+ 11%</b>
<b>Electrical engineering and works</b>	<b>+ 10%</b>
<b>Thermal and Mechanical activities</b>	<b>+ 14%</b>

# Commercial data at the end of September 1999

## WORKLOAD

*(in millions of euros)*

	<i>1998</i>	<i>1999</i>	<i>Variation</i>
<b>Total</b>	<b>4,396</b>	<b>4,881</b>	<b>+ 11%</b>

### By lines of business :

<b>Building and civil engineering</b>	<b>- 3%</b>	<b>(A86 not included)</b>
<b>Roadworks</b>	<b>+ 15%</b>	
<b>Electrical engineering and works</b>	<b>+ 37%</b>	
<b>Thermal and Mechanical activities</b>	<b>+ 22%</b>	

# Commercial data at the end of September 1999

## TURNOVER

*(in millions of euros)*

	1998	1999	Variation actual consolidation	Variation like-to-like consolidation
<b>Total</b>	<b>37,815</b>	<b>41,414</b>	<b>+10%</b>	<b>+3%</b>
- of which France	24,673	25,729	+ 4%	+ 5%
- of which outside France	13,142	15,685	+ 19%	- 1%

## BY LINES OF BUSINESS (like-to-like consolidation scope) :

	Total	France	outside France
<b>Building and civil engineering</b>	<b>stable</b>	<b>+ 2%</b>	<b>- 2%</b>
<b>Roadworks</b>	<b>+ 6%</b>	<b>+ 6%</b>	<b>+ 8%</b>
<b>Electrical engineering and works</b>	<b>+ 6%</b>	<b>+ 5%</b>	<b>+ 7%</b>
<b>Thermal and Mechanical activities</b>	<b>- 2%</b>	<b>stable</b>	<b>- 3%</b>