

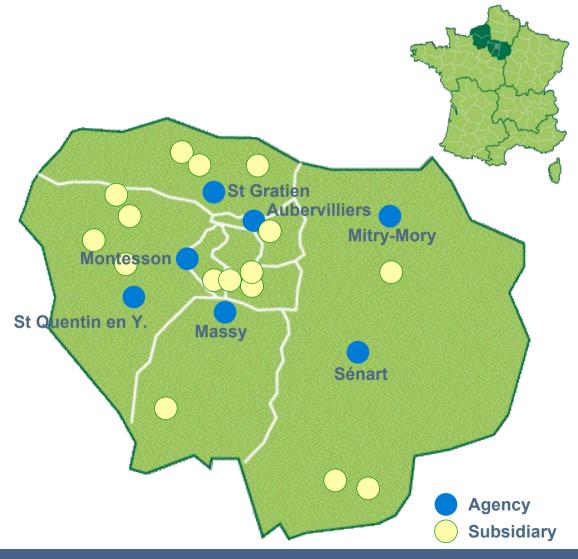




### An autonomous operational entity which:

- runs its own sales
- conducts all projects it has negotiated
- guarantees its own results
- manages its own staff
- has its own equipment

## Saint-Quentin-en-Yvelines Agency The Site





## Saint-Quentin-en-Yvelines Agency: The Team

- 170 members of the team:
  - ◆ 4 departments: work projects, design, equipment, administration
  - **◆** 117 operational workers, 40 supervisors & employees and 13 executives
- A team with genuine commitment to training and safety policies
  - **◆ 2003: expenditure on training amounted to 2.35% of the total payroll**
  - ◆ 75% of training programmes led to qualifications; 25% were for safety.
  - The Agency was awarded a "Louis d'Or" on February 19, 2004, in recognition of 311 working days without an accident.

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## Saint-Quentin-en-Yvelines Agency Facilities

#### Mot Mix Plant

- Capacity: 160 metric tons/hour
- Average production: 90,000 metric tons/year
- System fitted for use with recycled materials

#### Rail branch line

Aggregate supply, with 80% from Chailloué quarry

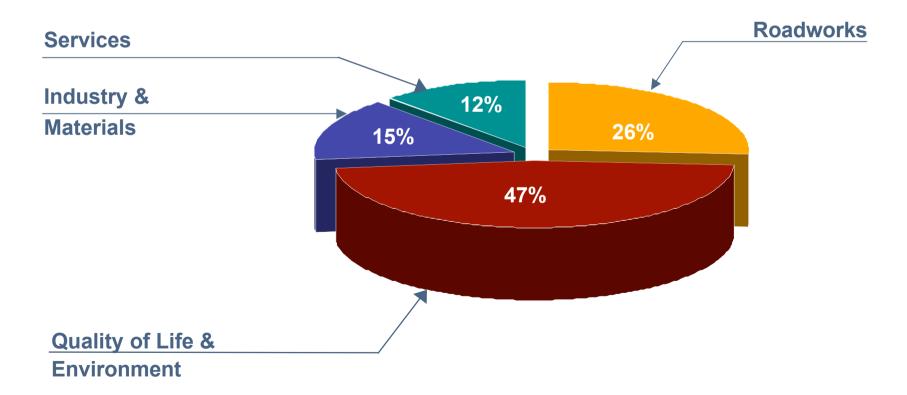
#### © Equipment:

- 3 pavers
- 3 rollers
- 1 emulsion spreader
- 10 hydraulic shovels
- 1 trax
- 20 light-duty vehicles
- 37 vans and pick-ups
- 22 trucks



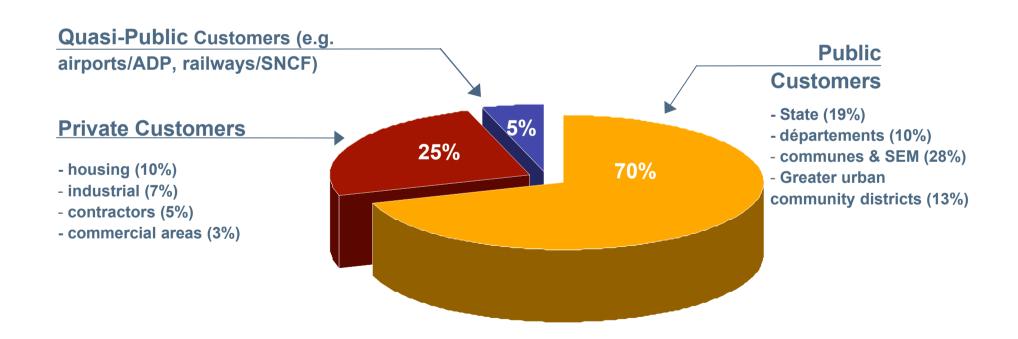
# Saint-Quentin-en-Yvelines Agency The Market: Business

Agency business is in four main areas:





# Saint-Quentin-en-Yvelines Agency The Market: Customers





#### Saint-Quentin-en-Yvelines **Agency Some Current Projects**

- RN 286: 3-lane dual carriageway between Épi d'Or and Pont Colbert: 15 million euros.
- Road maintenance contract for the St-Quentin-en-Yvelines community district
- Winter service contract for the St-Quentin-en-Yvelines community district.
- Palace of Versailles: combined orders amounting to 600,000 euros.
- Sewerage work: rue de Paris, Versailles: 475,000 euros.
- Motor coach terminal: Bonnières Commune: 790,000 euros.





### Saint-Quentin-en-Yvelines Agency

**The Market: Competition** 

#### © Competitors:

- Road building subsidiaries in the Bouygues group, including three based in the Yvelines département:
  - Colas, Greater Paris Region, Normandy
  - Screg, Greater Paris Region, Normandy
  - Sacer
- Eiffage Group
  - Appia, Greater Paris Region, North
- SMEs
- Market shares in the Yvelines département:

Eurovia: 45%,

Bouygues Group: 30%

Eiffage Group: 7%

• SMEs: 18%



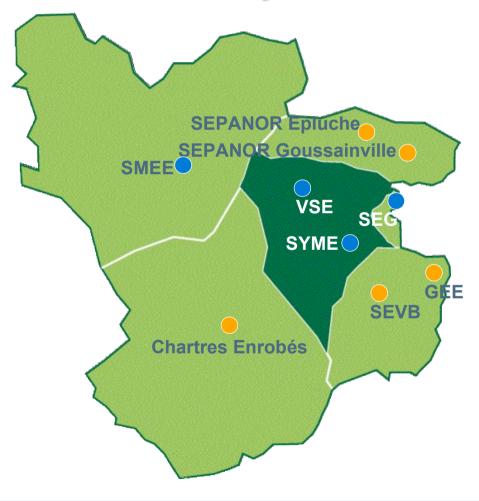
© Eurovia lays 45% of the 380,000 metric tons of mix which comprise the total Yvelines market.

#### **Surfacing plants**

Eurovia

Interest

## Saint-Quentin-en-Yvelines Agency The Market: Industry & Materials





## Saint-Quentin-en-Yvelines Agency Highlights

- Professionalism
- © Corporate identity
- Prominent & long-standing presence with customers
- Regular recurring business
- © Complementary areas of expertise
- Substantial striking power, through:
  - the teams
  - extensive operational cover from Eurovia in the Greater Paris Region
  - substantial production facilities (mix plants, plants for natural & treated or recycled materials, for quarries and for class 3 landfill).

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## Saint-Quentin-en-Yvelines Agency Results

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	2001	2002	2003	
Net Sales (thousands of euros)	25,800	23,500	23,500	
Operating Income	800	900	825	
As % of net sales	3.1%	3.8%	3.5%	
Net income after normative tax	450	550	500	
As % of net sales	1.7%	2.3%	2.1%	

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## Saint-Quentin-en-Yvelines Agency Objectives

- Improve margins
- © Continue to take on young recruits and support their integration
- Develop public service or private contracts
- Pursue efforts undertaken for safety
- © Embark on new initiatives to further our quality policy

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### Eurovia



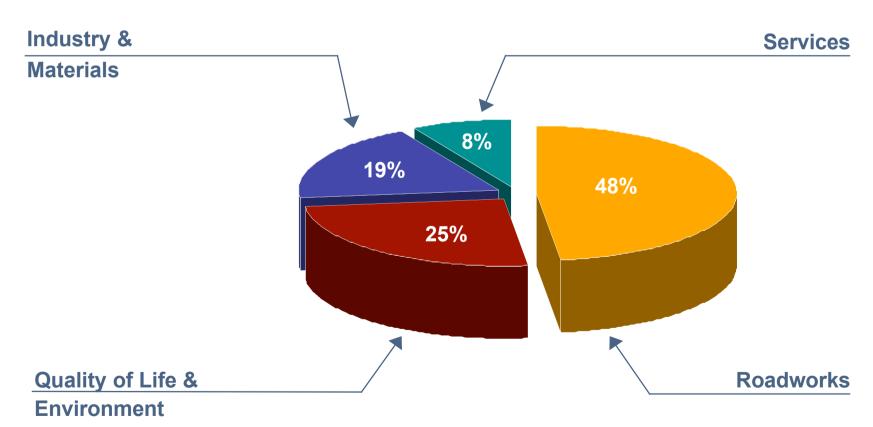


#### **Table of Contents**

- © Lines of Business
- © Corporate features & their impact on lines of business
- Finances
- © Contracts & Markets
- © Growth strategies
- © Eurovia in 2006



#### **Lines of Business**



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#### Roadworks

- Design, construction and maintenance of roads and road surfaces
  - Roads & motorways
  - Airport runways
  - Industrial flooring, car parks, shopping malls
  - Industrial & commercial platforms



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#### **Industry & Materials**

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- Quarries, binder plants, mix plants
- © Recycling and re-use platforms
  - Waste from public works & civil engineering (e.g. concrete, mixes)
  - Municipal waste incineration bottom ash
  - Blast furnace slag, black stone
  - Fly ash & other industrial by-products

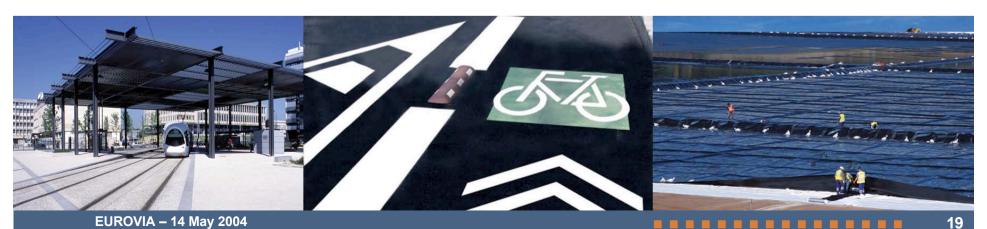


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#### **Quality of Life & Environment**

- Urban & qualitative development, on-site transportation
  - Urban road networks
  - Decorative & sports flooring: paving, tiling, coloured asphalt, coloured and patterned mixes
  - Cycle paths, tram platforms, bus lanes
- Securing transport infrastructures
  - Fixed and transferable roadway lane dividers, horizontal & vertical markings
  - Road differentiation: coloured mixes, skid-resistance, draining facilities etc.
- Protecting the natural environment
  - Demolition, deconstruction, decommissioning industrial sites, soil decontamination
  - Noise & pollution-prevention screens
  - Leak-proofing civil engineering works and solid and liquid waste storage sites
  - Drainage/sewerage, water supply, hydraulic engineering



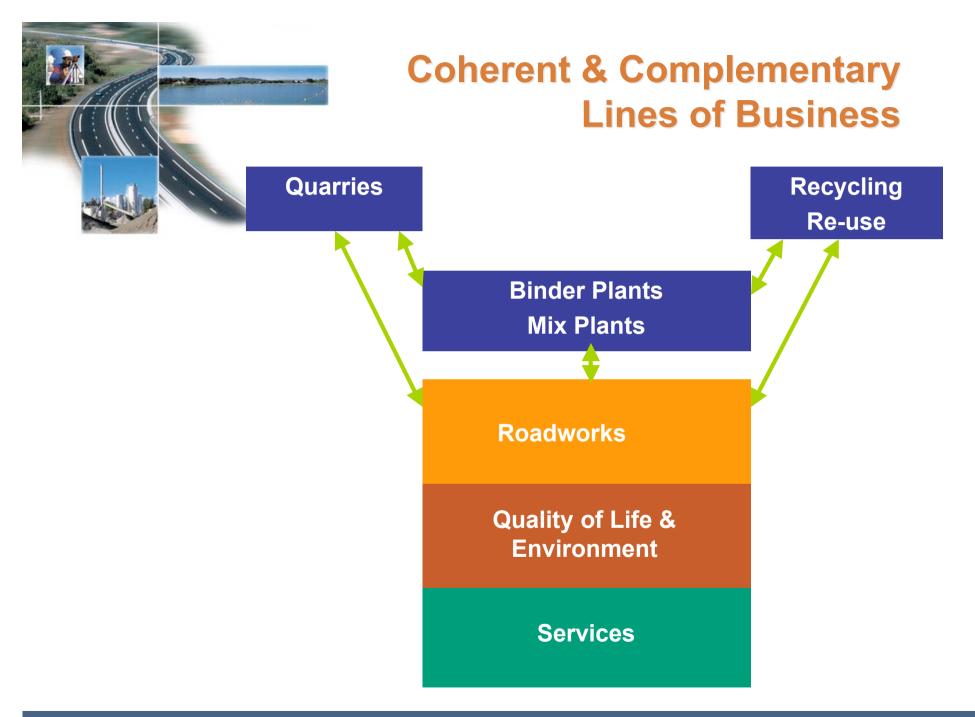


#### **Services**

- Design, coordination
- Technical assistance, licensing agreements, technology transfers
- © Long-term maintenance, system management
- Winter services, cleaning
- Marking, emergency operations







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#### **Eurovia: Key Figures**

- 35,000 employees for 60,000 works projects per year
- 330 agencies and subsidiaries (270 consolidated companies)
- 150 quarries: 67 million metric tons of aggregate (47 million tons for the group)
- **62 binder plants: 670,000 tons (430,000 tons for the group)**
- 455 mix plants: 41 million tons of mix(23 million tons for the group)
- 105 recycling facilities: 7 million tons of construction waste and incineration bottom ash (4 million tons for the group)
- 1.6 billion tons of reserves of materials

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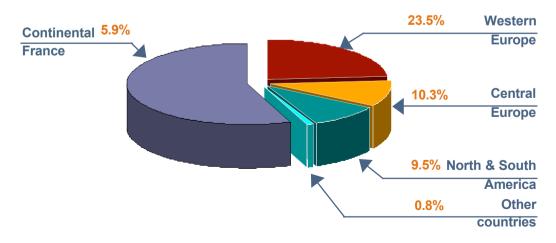
### **Key Features**

International Scene

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- 17 countries
- 44% of sales
- © Leader in:
  - Germany
  - United Kingdom (LTMC)
  - Czech Republic
  - Quebec
  - Florida
  - North Carolina





### **Key Features**

- International Scene
- Achievements

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- In 2003, Eurovia implemented a road safety plan named "Vigiroute".
- © On March 27, 2003, Eurovia signed a Partnership Charter Agreement with the Department of Road Traffic & Safety, giving an undertaking that the number of road accidents involving Eurovia staff would be cut by 30% within three years.
- By the end of 2003, Vigiroute had already reduced the rate by 21% in one year.

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### **Key Features**

- International Scene
- Achievements
- Innovation

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#### **Computerised Project Report**

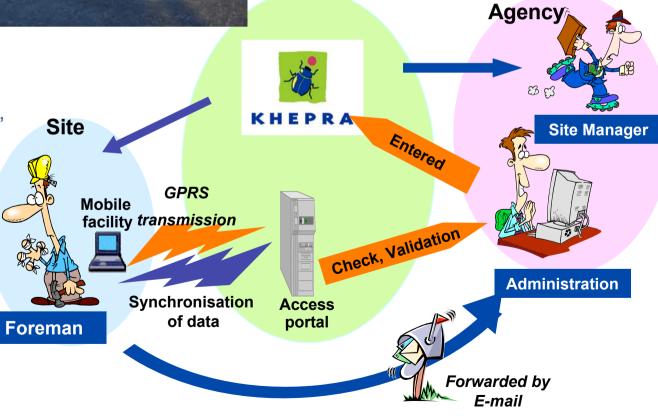




- Enter data on site
- Direct & immediate transmission

#### © Goals:

- Cost-cutting, transparency, speed
- For foremen: interest & motivation
   Working via intranet
   & e-mail
- For site managers: greater availability





### Research & Development Centre in Bordeaux

- Investment: €6 million
- 37 test rooms, 100 test machines , 160 trials (half set up by Eurovia)
- R & D Programme:
  - Protecting the natural environment
  - Safety
  - Managing road assets
  - Materials & structures
- Organisation:
  - 30 engineers & technicians10 students
  - 20 joint projects conducted with universities, institutes and laboratories both French and international

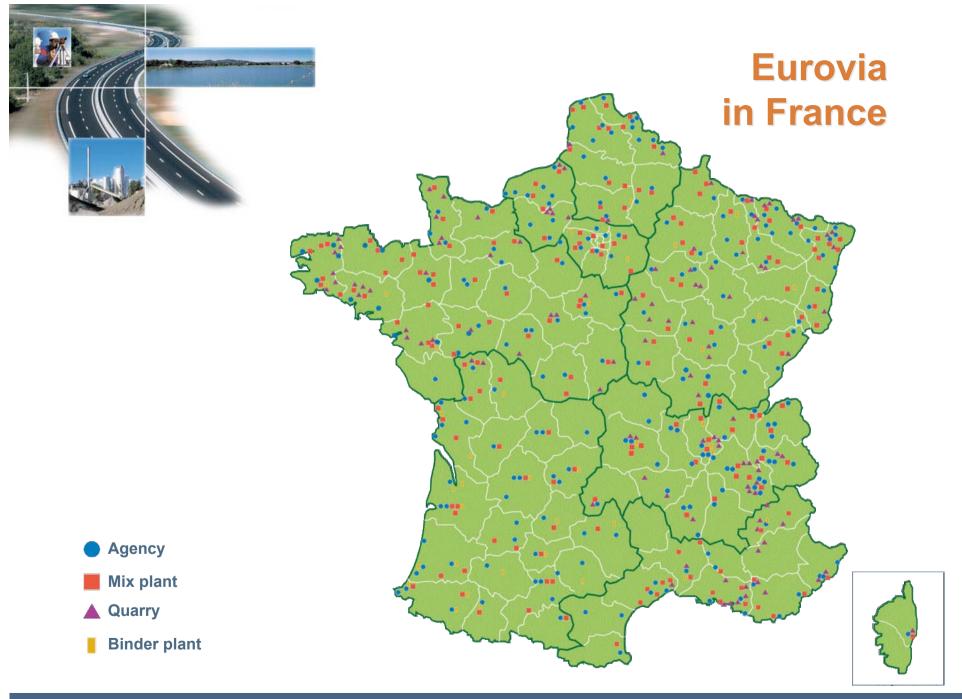




#### **Key Features**

- International Scene
- Achievements
- Innovation
- Outstanding Positions

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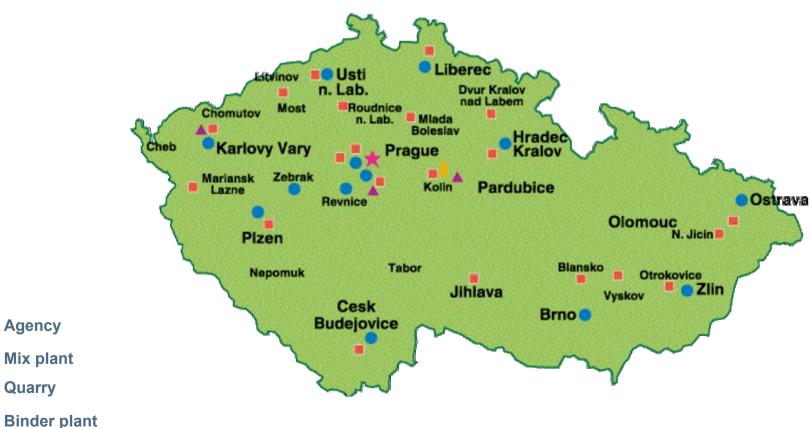


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### **Eurovia** in the Czech Republic



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Agency

Quarry

Mix plant



#### **Key Features**

- International Scene
- Achievements
- Innovation
- Outstanding Positions
- Regular Features

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#### **Regular Features**

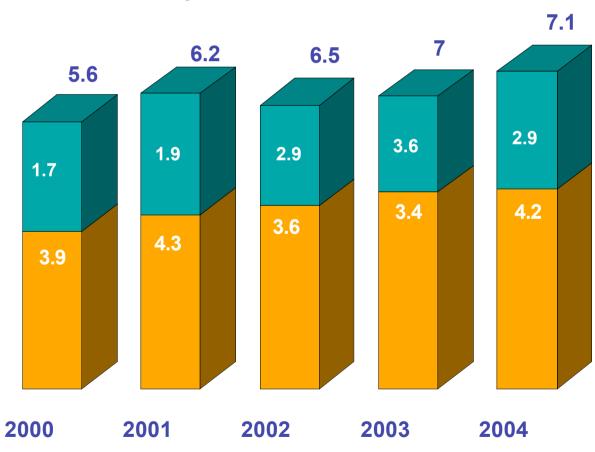
- Markets affected by different cycles (France, United Kingdom, Germany, Central Europe, North America)
- © Complementary lines of business (e.g. roadworks, environment) and a large number of customers (public & private), minimising cyclical effects
- Solid business & goodwill through long-standing bases
- Number, diversity and size of contracts
- Steady results from materials and services

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#### **Regular Features**

Order Backlog at January 1, in months of net sales



Current fiscal year

Following fiscal years



#### **Regular Features**

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	2000	2001	2002	2003
Operating Income - quarries	50	53	57	58
Operating Income - mix plants	35	39	38	37
TOTAL	85	92	95	95
%ge of Operating Income - Eurovia	<b>54%</b>	53%	<b>57%</b>	47%

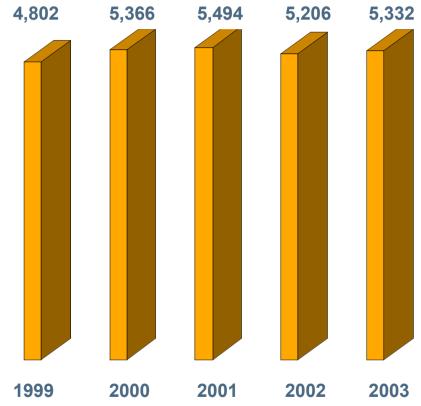


#### Eurovia





## Net Sales (in millions of euros) over the past 5 years

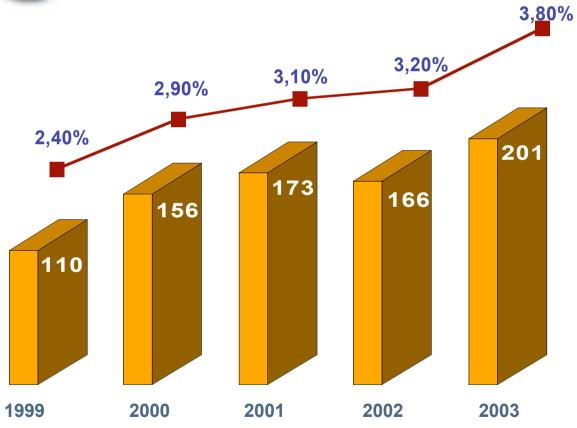


CAGR 99-03: +2%



#### **Operating Income**

(in millions of euros)



CAGR 99-03: +13%



## **Operating Income France + International**

	2002		2003		
	Amount (million €)	%	Amount (million €)	%	
France	142	4.9%	148	5.0%	
International	24	1.0%	53	2.3%	
Total	166	3.2%	201	3.8%	



## **Operating Income Works + Quarries**

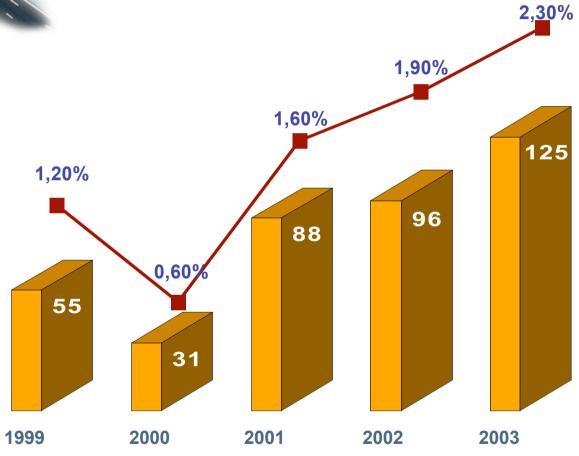
The state of the s			_				
a	200	02		2003			
	Amount (million €)	%		Amount (million €)	%		
Works	109	2.3%		143	2.9%		
Quarries	57	13.3%		58	13.5%		
Total	166	3.2%		201	3.8%		

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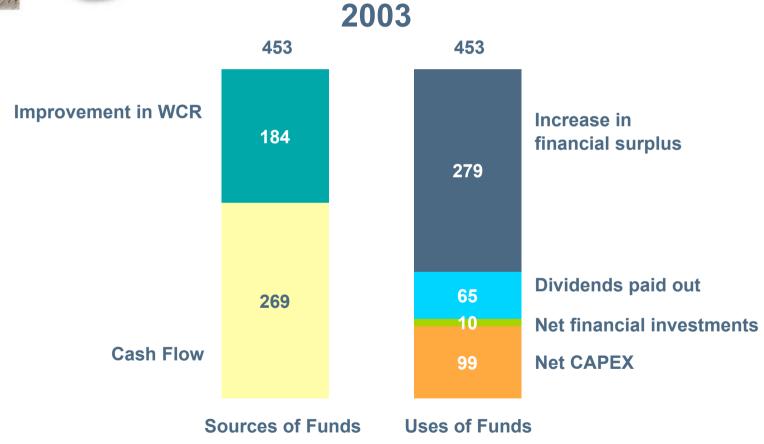
## Net Income (in millions of euros) over past 5 years



CAGR 99-03: +18%



## **Cash Flow Statement** (in millions of euros)





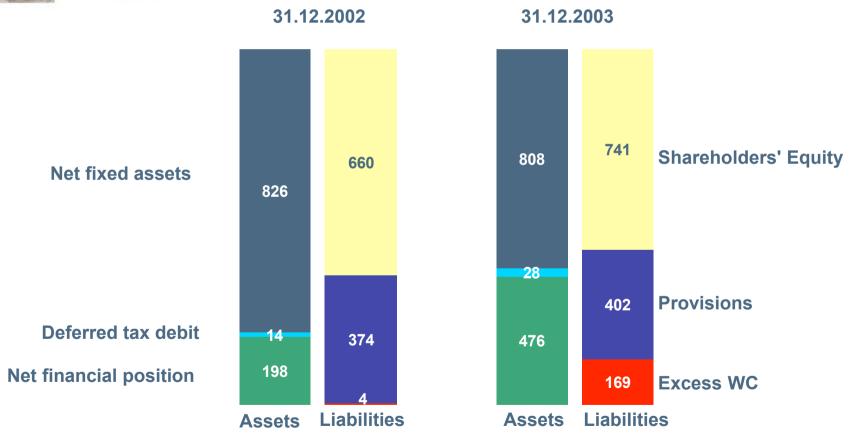
#### **Financial Flows**

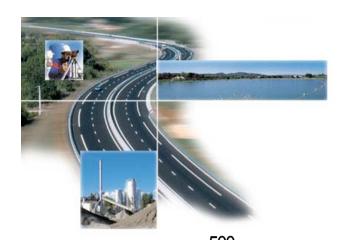
(in millions of euros)

	2002	2003	
Cash flow from operations	223	269	
Change in WCR	6	184	
CAPEX	- 114	- 99	
Free Cash Flow	115	354	



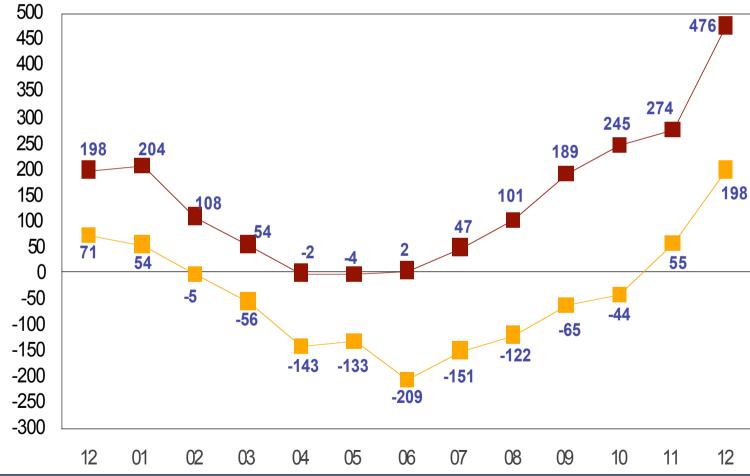
## **Balance Sheet Structure** (in millions of euros)





#### Net Debt over 2 years (in millions of euros)







## **Capital Employed** (in millions of euros)

	Works	Quarries	Total	
Fixed Assets	751	213	964	
WCR & operating provisions	- 321	15	- 306	
Average capital employed	430	228	658	
Shareholders' equity & other provisions	798	170	968	
Debt	- 368	58	- 310	
NOPAT	98.7	37.5	136.2	
Return on capital employed	23.0%	16.4%	20.7%	



## **Eurovia - Valuation** (in millions of euros)

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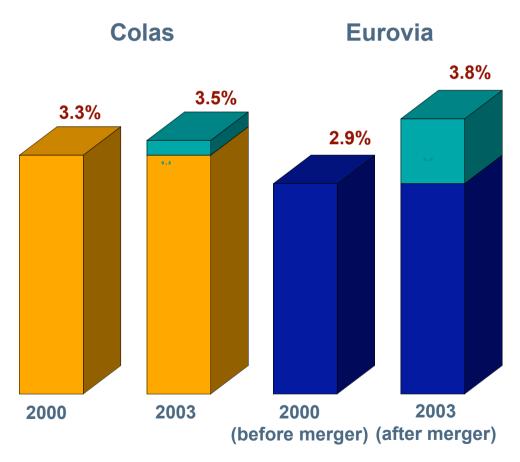
#### (based on 2003 results)

25% net sales – Works + 100% net sales - Quarries *	1 875
5 x EBITDA Works + 7 x EBITDA Quarries + average net financial position	2 200
12 x net income Works + asset value of Quarries	2 000
Free Cash flow	2 050
Average	2 000



#### Merger / Non-Merger

51





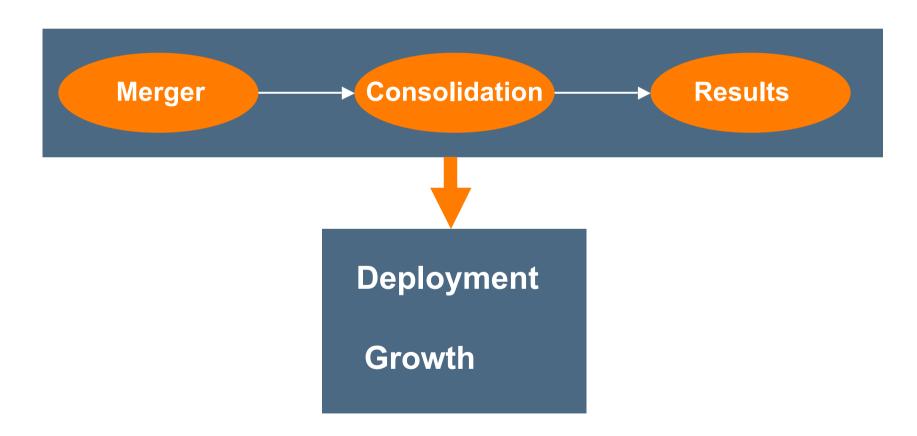
# Savings through the merger (in millions of euros)

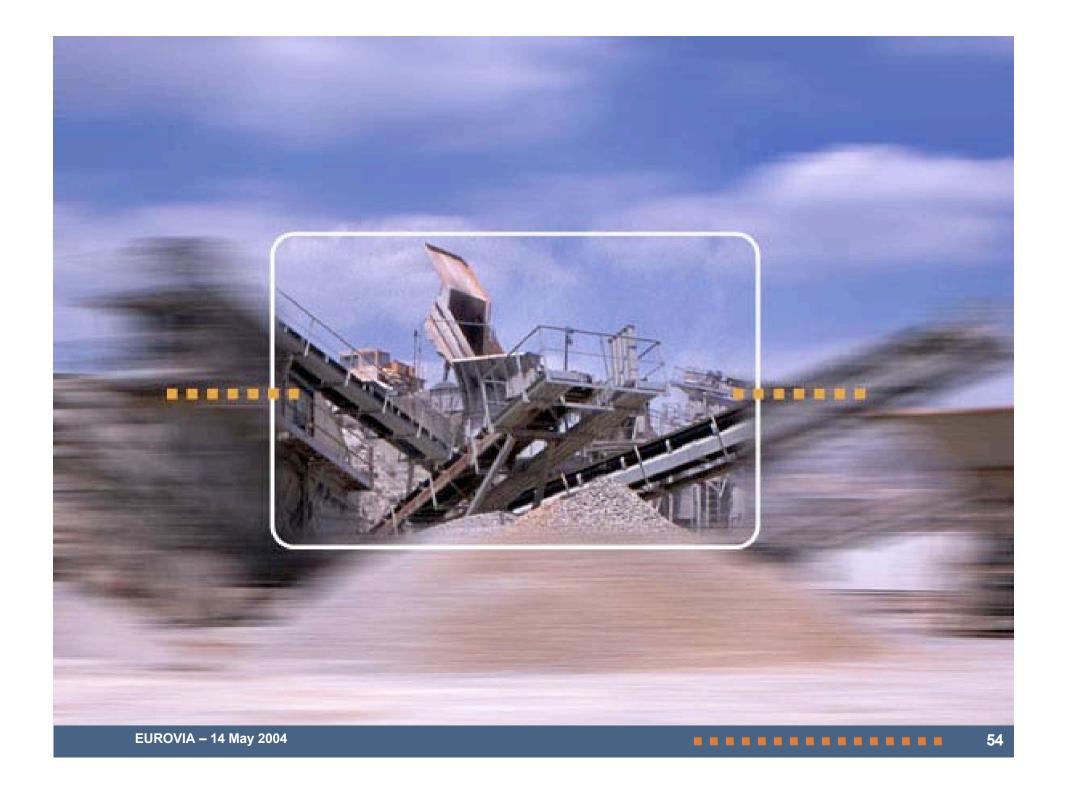
	2000	2001 - 2003	
Capital gains on sales of property	1.3	18.1	
Capital gains on sales of equipment	1.5	28.9	
TOTAL	2.8	47.0	

		annual average	
	2000	2001/2003	
CAPEX (property & equipment)	213	150	



#### **Stage by Stagee**







#### Opportunities

- Focused on concerns of the community
  - Mobility & freedom
  - Improving visual aspects & comfort
  - Safety
  - Safeguarding the natural environment
- Needs for infrastructure and equipment offering prospects for economic development
- Boom in Central Europe
- Concentration, consolidating the industry
- New means of financing

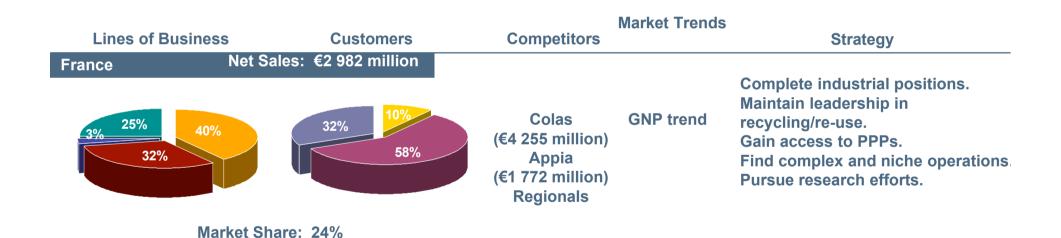
#### Risks

- Public funding
- Distortion of competition
- Fluctuating prices of petroleum products

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Roadworks

Services

Quality of Life & Environment

Industries & Materials

State/Region

Private sector

Local Authorities

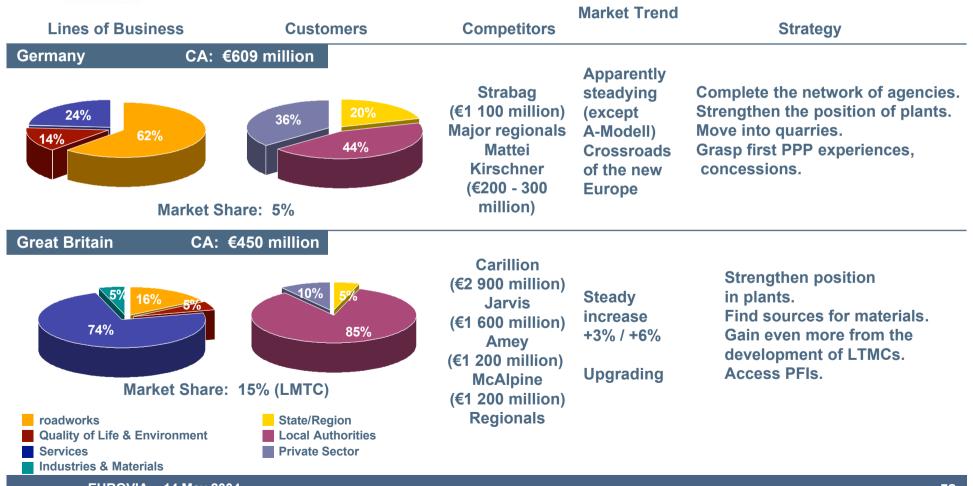


#### Eurovia/Colas/Appia

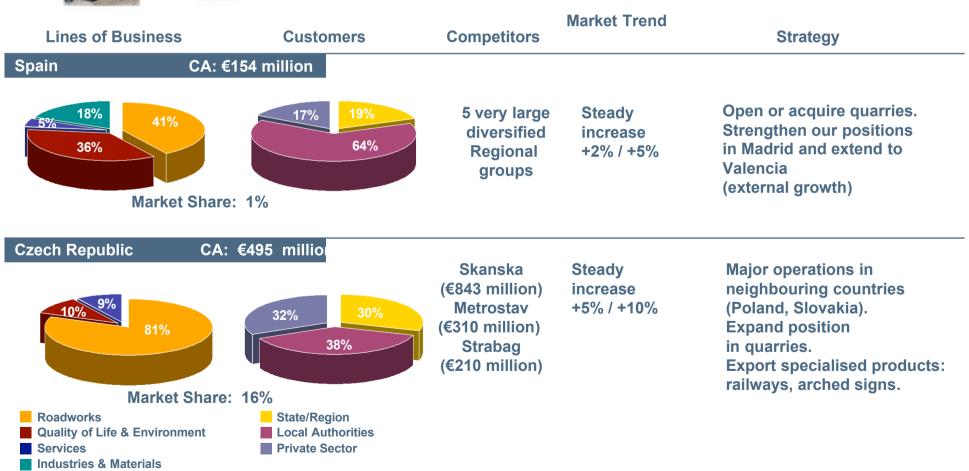
( <b>M</b> €)	COLAS		EUROVIA			APPIA			
(WE)	2002	2003	03/02	2002	2003	03/02	2002	2003	03/02
Net Sales	7 415	7 426	0,1%	5 206	5 332	+2,4%	1 895	1 985	4,7%
Net Sales - France	4 095	4 255	+3,9%	2 912	2 982	+2,4%	1 769	1 772	+0,2%
Net Sales - International	3 320	3 157	-4,9%	2 294	2 350	+2,4%	126	213	69,0%
Operating Income	292	262	-10,3%	166	201	+21,1%	40	54	+35,7%
%ge of net sales	3,9%	3,5%		3,2%	3,8%		2,1%	2,7%	
Net income excl. Cofiroute	170	166	-0,1%	97	125	+29,7%	15	24	+60,0%
%ge of net sales	2,3%	2,2%		1,9%	2,3%		0,8%	1,2%	
Cofiroute	38	38							
Net Income - Group share	208	204							
Net financial position	+ 156	+ 255	+ 99	+ 198	+ 476	+ 279	+ 2	+ 101	+ 99

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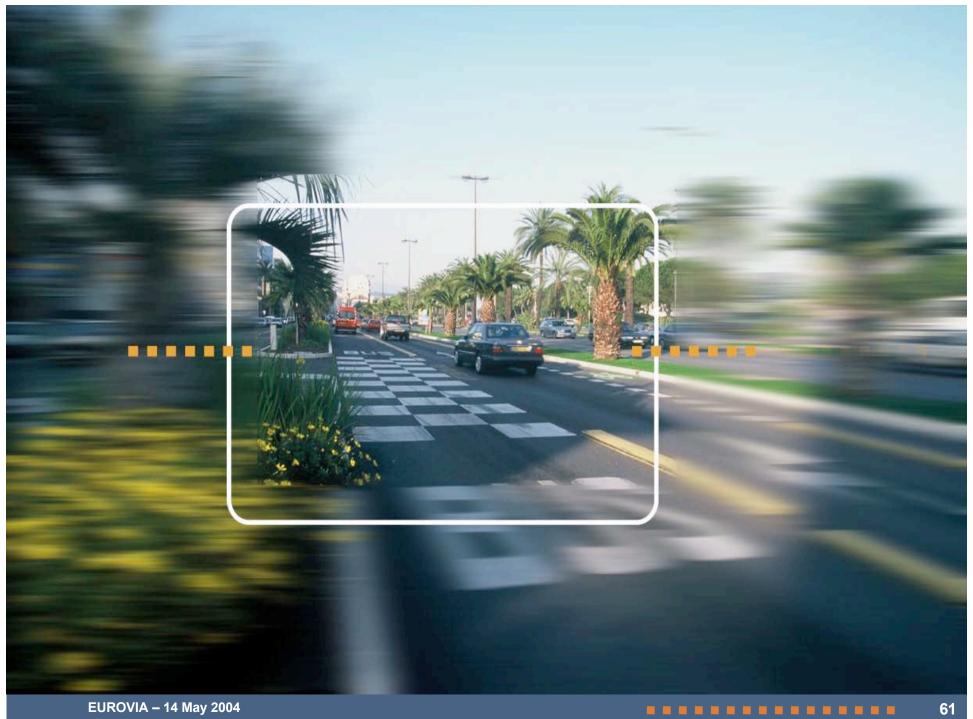


**Market Trend Lines of Business Customers Competitors Strategy** CA: €109 million Canada Colas (Sintra) Down in 2003. **Growth through acquisitions** 30% 39% 44% (€125 million) Steadying to a in other provinces 55% Locals good level in (Ontario). **Simard Beaudry** 2004. Export materials to the USA. **Desjardins** Pavage Maska Major Market Share: 20% (Quebec) maintenance USA CA: €358 million **APAC** Expand "design build". Still promising (€1 800 million) +3% / +5% Acquire companies in Granite Consolidation neighbouring states. (€1 450 million) Sell Eurovia products & 80% in early days. 28% Colas processes. (€1 100 million) Increase proportion of Lane private customers (mixes). Market Share: 17% (Florida) (€380 million) Roadworks State/Region Regionals Quality of Life & Environment Local Authorities Services Private Sector

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Industries & Materials

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# Strategy works & products: the road to growth

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#### Working in the field

- Private customers
- Extending the range of business lines and areas of expertise to all locations
- Careful (and preliminary) attention given to requests: for a more proactive sales approach



# Strategy works & products: the road to growth

63

- Working in the field
  - Private customers
  - Extend existing lines of business
  - Careful (and preliminary) attention given to requests
- Expand service activity

Design, coordination, long & medium-term maintenance



2003: €330 million i.e. 75% of total net sales

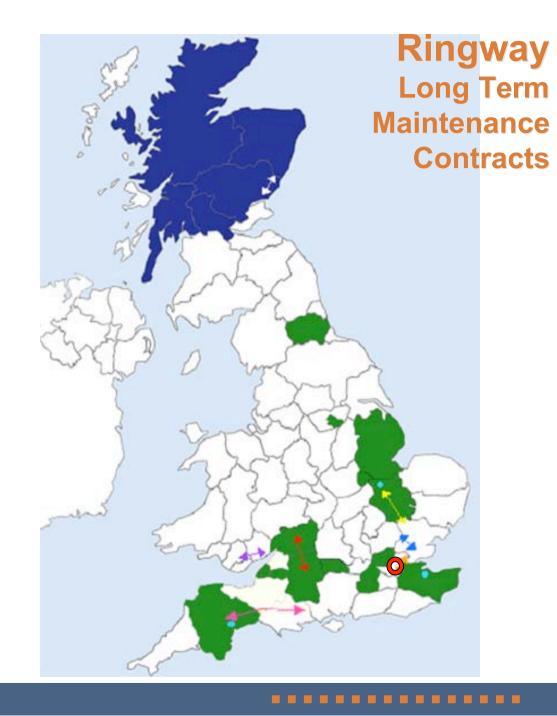
#### Order backlog at 31/3/2004

■ Counties	325
London	131
Scottish Executive	31
Highway agency	69
■ Other unitary auth.	56
DBFO	13

€625 million

i.e. 80% of order backlog

and 75% of net sales, 2004 48% of net sales, 2005 28% of net sales, 2006





# Strategy works & products: the road to growth

65

- Working in the field
  - Private customers
  - Extend existing lines of business
  - Careful (and preliminary) attention given to requests
- Expand service activity
  - Design, coordination, long & medium-term maintenance
- Move onto the market, establish new lines of business
  - Signing/marking, anti-pollution operations



# Strategy works & products: the road to growth

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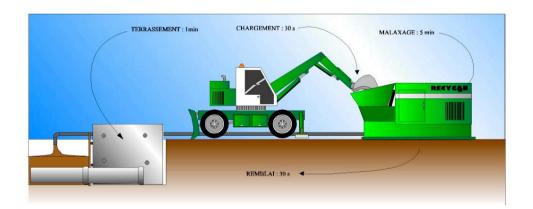
- Working in the field
  - Private customers
  - Extend existing lines of business
  - Careful (and preliminary) attention given to requests
- © Expand service activity
  - Design, coordination, long & medium-term maintenance
- Move onto the market, establish new lines of business
  - Signing/marking, anti-pollution operations
- Inventing & selling innovative products and processes
  - Safety, environment, Recycan, warm mixes, Noxer



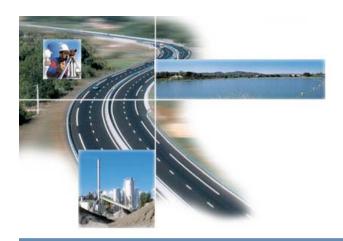
#### **Recycan**®

### On-site recycling excavated material as self-compacting backfill

- Reduce disturbance to local community: no vibrations, limited land take, no storage on-site, swift return of normal traffic
- © Cut 85% of heavy vehicles:
  - Reduce risk of road accidents
  - No damage to roads
- Respect the natural environment
  - 70% reduction of landfill disposal, reduce transport-related pollution
- Save natural resources
  - No outside materials required
- Safety
  - No workers in excavation cuttings
- Quality
  - Even quality landfill, easy to shovel



Recycan<sup>®</sup> is a slurry mixture made by cement treatment of the material excavated from a drainage trench and reused to backfill the same trench. The product is made on the work site using an original material.



## Viagrip<sup>®</sup> Skid-resistant surfacing

High grip surface dressing to treat accident-risk zones
Binder: bitumen-epoxy
Aggregate: calcined bauxite

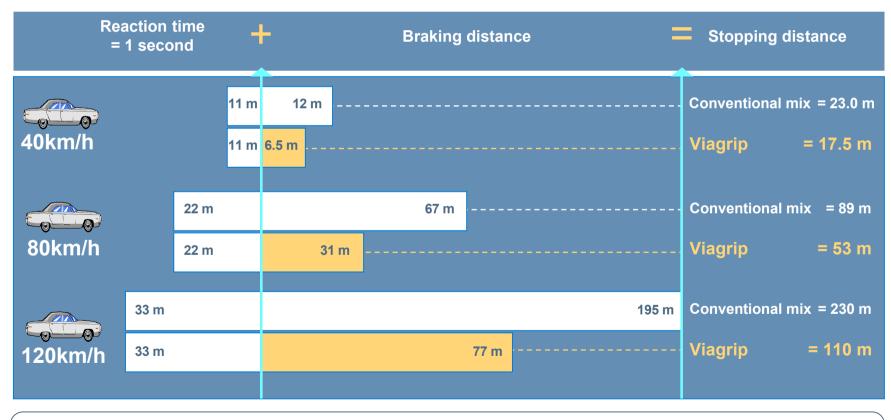


- © Eurovia designed its own equipment for the operation.
- Normal traffic can resume very soon after the sweeping and vacuum suction stage.





## Viagrip<sup>®</sup> 30 to 100% reduction in accidents



\* Braking distance calculated measuring PIARC slick tyres, locked wheels and wet road (1 mm water)

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# Noise prevention walls: a two-fold attack on pollution

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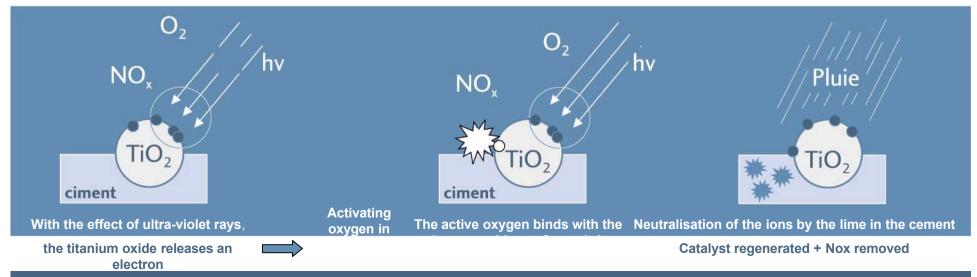
NOXER®, is an original process for absorbing greenhouse gases, developed jointly with Mitsubishi. With NOXER® on noise prevention walls, both noise and air pollution are countered.





# Noxer noise prevention screens: a two-fold attack on pollution

- Nitrous oxides (greenhouse gases) mostly (52%) come from cars.
- © Eurovia, working jointly with Mitsubishi, has launched noise prevention screens which absorb polluting emissions from vehicles (NOx).
- The basic principle consists of applying a surface dressing with titanium dioxide to the noise prevention walls which will then eliminate the NOx gases by photocatalysis.
- Result: 90% of the NOx is removed through contact with the noise prevention screen.





# Strategy works & products: the road to growth

- Working in the field
  - Private customers
  - Extend existing lines of business
  - Careful (and preliminary) attention given to requests
- © Expand service activity
  - Design, coordination, long & medium-term maintenance
- Move onto the market, establish new lines of business
  - Signing/marking, anti-pollution operations
- Inventing & selling innovative products and processes
  - Safety, environment, Recycan, warm mixes, Noxer
- Working with VINCI Concessions
  - A19, Slovakia, Rion-Antirion, A-Modell

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## A-Modell Germany

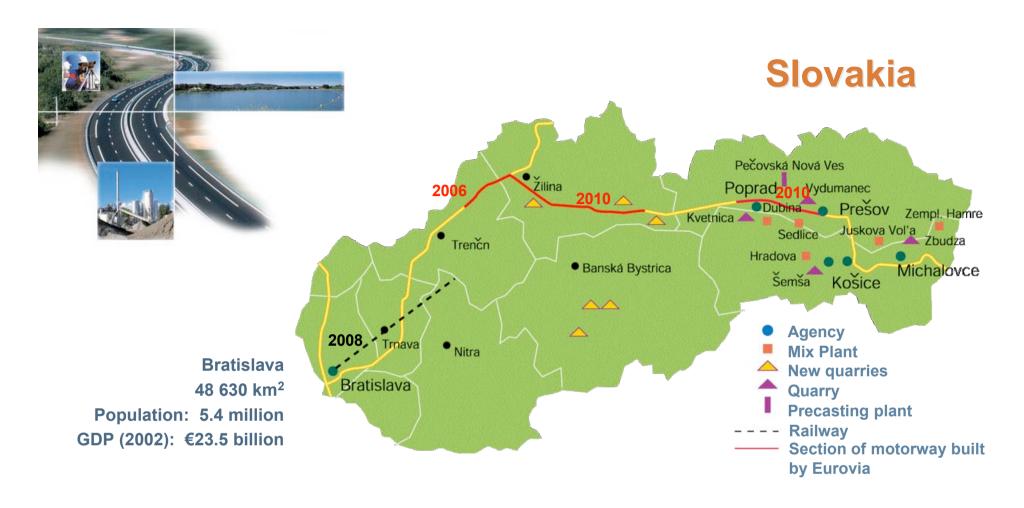
- 12 public-private partnership projects
- 500 km extending/expanding motorways
- Initial development; upkeep & maintenance for 30 years; funding
- Total investment: €3.7 billion, with two sources
  - State subsidy < 50% of construction costs and capital contribution (gearing: equity / debt \_)
  - Heavy vehicle toll income paid on for the duration of the concession
- Risk for concession holder: traffic, funding, cost of operations
- Risk for party granting the concession: land, changes to laws, toll income
- First 3 projects to be launched in the autumn of 2004

**EUROVIA - 14 May 2004** 



# Strategy works & products: the road to growth

- Working in the field
  - Private customers
  - Extend existing lines of business
  - Careful (and preliminary) attention given to requests
- © Expand service activity
  - Design, coordination, long & medium-term maintenance
- Move onto the market, establish new lines of business
  - Signing/marking, anti-pollution operations
- Inventing & selling innovative products and processes
  - Safety, environment, Recycan, warm mixes, Noxer
- Working with VINCI Concessions
  - A19, Slovakia, Rion-Antirion, A-Modell
- Expanding into new territory
  - Slovakia



#### **ZILINA Quarries**

6 sites – 860 Mt/year – 80 Mt reserves Staff: 91 → 58

Programme for motorways & railways: 7 Mt in 6 ans 
Purchase of assets: €4.8 million

Plan: 3 permanent sites 2008 Net Sales: €7 million

Operating income: €1.2 million

1,100 million metric tons

3 mobile sites



# Strategy works & products: the road to growth

- Working in the field
  - Private customers
  - Extend existing lines of business
  - Careful (and preliminary) attention given to requests
- © Expand service activity
  - **♦** Design, coordination, long & medium-term maintenance
- Move onto the market, establish new lines of business
  - Signing/marking, anti-pollution operations
- Inventing & selling innovative products and processes
  - Safety, environment, Recycan, warm mixes, Noxer
- Working with VINCI Concessions
  - A19, Slovakia, Rion-Antirion, A-Modell
- © Expanding into new territory
  - Slovakia
- Acquiring companies, business & goodwill



## **Eurovia Strategy** for Quarries



#### A Site

- Volume permit
- Purchase mineral rights
- A Material
  - Characteristics uses
- A Facility
  - Mining, feed
  - Crushing screening
  - Shipping rail, sea, road
- A Team
  - Operation, maintenance
  - Sales
  - Administration
- © Customers
  - Major projects, corporations, RFF, traders etc.
- An Environment
  - Water, air, noise, flora & fauna
  - Consultation, transparency & communication

### **A Quarry**





## **Eurovia Strategy** for Quarries

- Full operation of our sites
- Opening of new sites
- Acquiring companies
- Setting up export quarries
- Integrated logistics



### **Development since 2002**

(in millions of euros)

Cost 38

Dompierre (opening)

**Luché (50%)** 

**Piketty** 

Kerguillo

El Manzanito (opening, Spain)

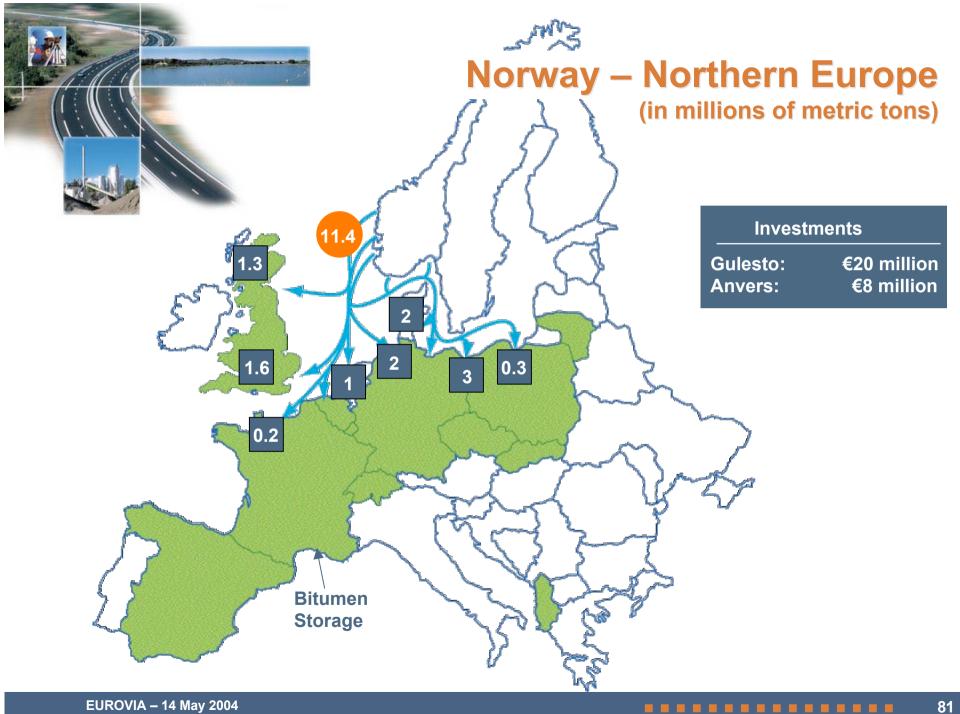
SK Zilina (Slovakia)

**Some SMEs in France and Germany** 

2003 2	0	0	6
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Net Sales	53	75	
Aggregate (millions of metric tons)	3	4	

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## **Example of re-use:** old tyres used by quarries

- Decrees passed in 2002 and 2003: traceability & disposal of used tyres
- The 7 leading manufacturers set up ALIAPUR
  - Contract:
    - 400,000 tons/year for re-use
    - Not re-used to date: 100,000 tons
- © Eurovia has proposed geotechnical re-use
  - 10 to 15 landfill sites ,
  - Estimated quantity: 100,000 tons/year by 2008
- © Current situation
  - 5 year (renewable) contract currently being negotiated
  - 2 sites (and the only sites) already approved
- Forecasts
  - 2004: 1,500 metric tons
  - 2005: 15,000 t2006: 40,000 t
  - 2008: 100,000 t



### Eurovia in 2006

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### **Strategies**

- © Establish a network: Materials Plants works
  - In Europe
  - In the south-east of the US and eastern Canada
- Boost business in Materials
  - Major export quarries
  - Logistics
  - New waste re-use approaches
- Operation in the property of the property o
- © Grasp opportunities offering substantial growth
  - Central Europe, UK, Spain
  - Market needs in the areas of safety and the environment
- © Lead major projects
  - PPP, PFI
  - Concessions



## 2004 / 2006 Growth Objectives

(in millions of euros)

	2003	Organic Growth*	External Growth	2006
Net Sales	5,332	418	550	6,300
Investments			310	

- 1 major quarry in France (€30 million)
- 2 companies in the UK (€80 million)
- 2 companies in Spain (€60 million)
- 1 quarry in Norway (€25 million)

- ③ companies in Central Europe (€120 million)
- 1 company in the USA (€80 million)
- 1 company in Canada (€45 million)
  - a few small interests in France & Germany (€30 million)

85

Organic growth: 2.5% per annum

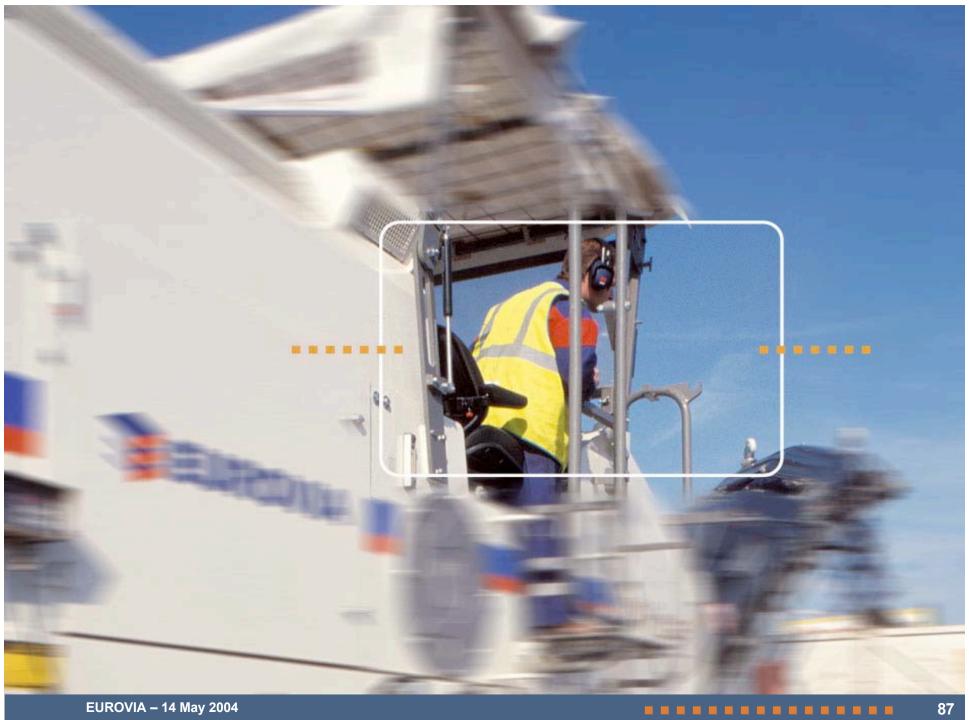
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### Conclusion

## Our strategies are clear Our development model is efficient

- Our markets are set in the right direction
- The opportunities are there
- We are well positioned against our competitors
- We have human and financial resources
- Two catalysts
  - innovation
  - networking







## **Chailloué Quarries The Site**

- © Reserves managed:
  - 90,000,000 metric tons
  - > 50 years reserves
- Permitted reserves for extraction:
  - 60,000,000 t
  - until 2030, maximum: 2,500,000 t/year



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## **Chailloué Quarries The Material**

- Orthoquartzite
- Mard, even, compact rock: top of the range
- Thickness > 200 m



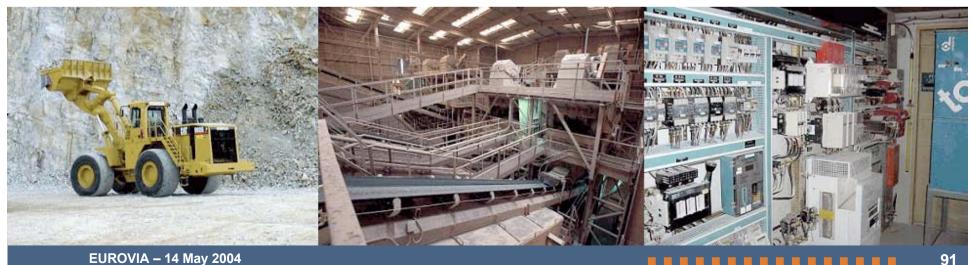
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### **Chailloué Quarries** The Installation

Extraction

- Conventional: drilling and mining using explosives → block size distribution: 0/800 mm
- Supply
  - ◆ 100 t front-end loader and 3 dump trucks with 60 t payload capacity
  - Primary crushing: reduced to 250 mm Rate: 1,000 t/h
  - Secondary crushing: closed plant 800 t/h
  - **Tertiary crushing**
  - Screening unit: 400 m
- Complete automation of primary crusher right up to shipping by PLCs, operating to match projected sales





## Chailloué Quarries Shipping

#### Outstanding capacity

- Road haulage:
  - 500 semi-trailers (26 t payload capacity) per day
- Rail haulage:
  - Distance to loading terminal: 1.7 km, equipped with conveyor belt
  - 5 trains (1 380 t payload capacity) per day





## Chailloué Quarries The Team

- Operation / Maintenance:44 persons
- Sales: 3
- Administration: 5
- Multi-task & Network





## Chailloué Quarries The Natural Environment

#### O Dust:

- PPE (mask, personal respiratory protective device)
- Collective protection (vacuum suction, fogging, misting, cameras, remote controls)

#### O Noise:

- Measurements at site boundaries
- Covering facilities
- Noise prevention barriers

#### Water:

- Hydrocarbon traps, oil-water separators
- Settling tanks
- Twice-monthly sampling analysing 4 parameters

#### Vibrations:

- Weekly report on blasting
- Seismographic monitoring: 64 blasts measured in 2003





## Chailloué Quarries Safety

- Signposting & marking of sites
- Mobile radio devices with an "isolated worker" system
- Accident frequency rate, end of March: 0



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### **Chailloué Quarries** Redevelopment

- Built into the original design of the industrial facilities: planning the impact of the activity on both the human and physical environment, plus plans for future redevelopment of the site:
  - Consultation, communication and transparency
  - Advance funding provisions booked each year (€950,000 for a forecast total of €2.25 million at year end 2003)
- Redevelopment of the operational face setting up a leisure activity base:
  - "Bird path": walkway, mountain bike track etc.

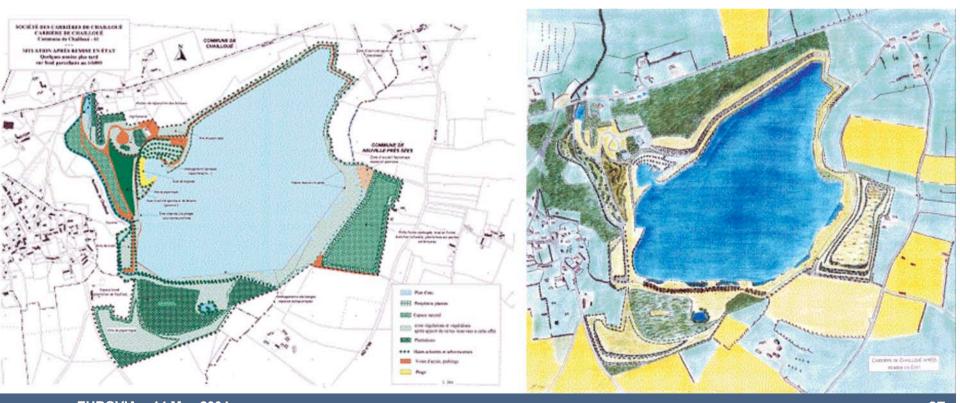


Birds, reptiles, frogs & toads





## Chailloué Quarries Redevelopment



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# Chailloué Quarries The Market: Customers & Products

#### © Customers

- ◆ 5 main categories account for 75% of sales:
  - Large-scale road and rail projects
  - Central-mix plants (8 plants supplied every day)
  - Heavy & highway construction companies
  - French railways SNCF (ballast for the maintenance of conventional and high-speed lines)
  - Building material dealers
- Eurovia accounts for approx. 25% of these sales
- 12 types of standard products





## **Chailloué Quarries The Market**

- Importance of distance (= cost) for haulage between the quarry and the site where the materials are used
- © Chailloué Quarries are ideally located: closest to two major consumer catchment areas where there is a shortage of these products, i.e. Upper Normandy and the Greater Paris region.
- © Clear logistical assets
- More than 40% of sales are for ancillary services (road and rail haulage, platform layout & management, storage of materials etc.).



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### Chailloué Quarries Results

(in thousands of euros)

Local large-scale projects (A28) were the driving force for business in 2003 which reached excellent levels.

The table gives the key figures for the last three years.

	2001	2002	2003	
Tonnage (thousands of metric tons)	1,700	1,500	, 000	
Average baseline sales price / ton (€)	6.09	6.29	6.56	

Net Sales	18 900	16 300	20 000
<b>Gross Operating Surplus</b>	3,800	3,800	7,300
as % of Net Sales	20.1%	23.3%	36.5%
Operating Income	1 950	2 200	3 900
as % of Net Sales	10.3%	13.5%	19.5%
Net Income	1 750	1 450	2 600
as % of Net Sales	9.3%	8.9%	13.0%

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### **Chailloué Quarries**

© Cost of acquisition and CAPEX

€33 million

Internal Rate of Return (IRR)

9.1%



### Chailloué Quarries Prospects

- The "breakeven point" for Chailloué Quarries is currently at 1,250,000 metric tons. Regular business is at the same level.
- Over the last 10 years sales have averaged at 1,700,000 metric tons.
   This level guarantees an ongoing level of net income above €1.8 million/year.

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