



# **Private placement of SGE shares**

**January - February 2000**



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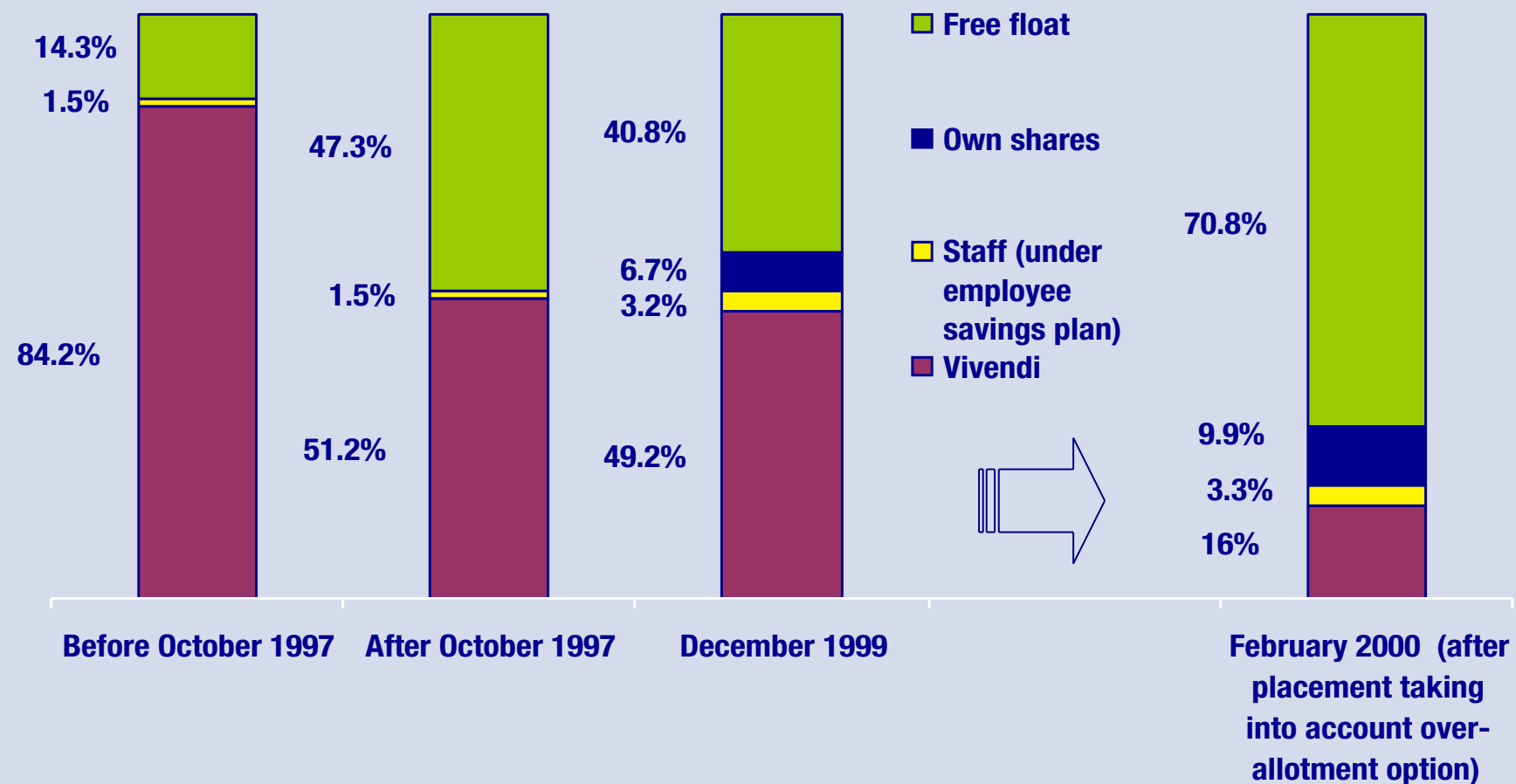
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# Details of the transaction

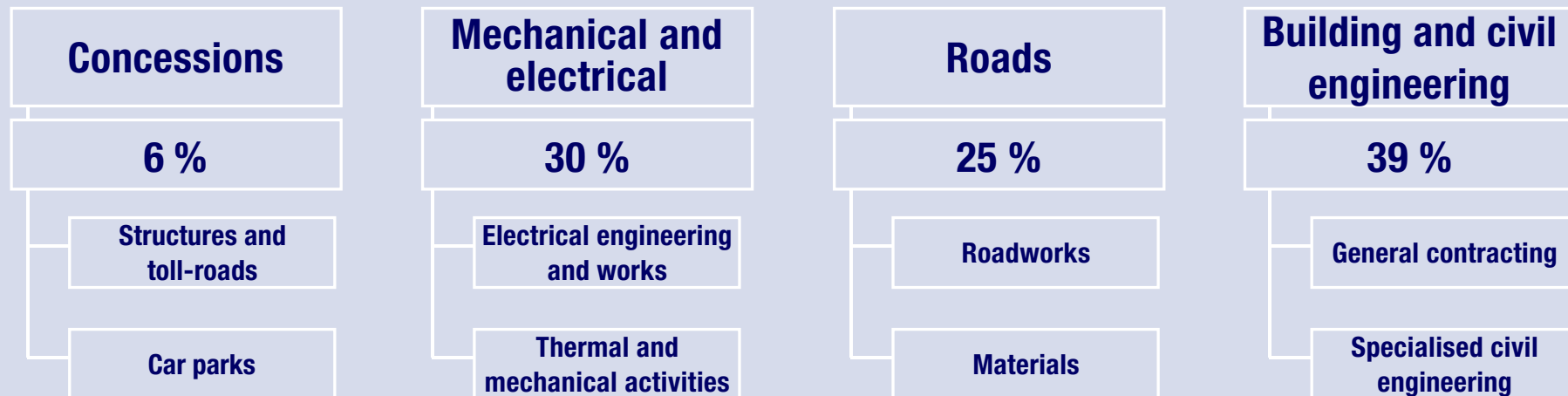
<b>Seller</b>	<b>Vivendi</b>
<b>Type of offer</b>	<b>Private placement in Europe and the United States (144a)</b>
<b>Number of shares on offer (excluding over-allotment option)</b>	<b>10,500,000 shares i.e. 26.1% of the share capital</b>
<b>Over-allotment option</b>	<b>15%, i.e. 1,575,000 shares</b>
<b>Total number of shares on offer</b>	<b>12,075,000 shares i.e. 30% of the share capital</b>
<b>Vivendi's remaining stake</b>	<b>16% of share capital</b>
<b>Lock-up period</b>	<b>12 months for Vivendi, 6 months for SGE</b>
<b>Sole global co-ordinator</b>	<b>Warburg Dillon Read</b>
<b>Joint lead managers</b>	<b>ABN AMRO Rothschild / Crédit Lyonnais</b>
<b>Co-Managers</b>	<b>Natexis / Société Générale</b>

# Changes in shareholding



# A leading player in concessions, mechanical & electrical and construction

**Economic turnover 9.5 billion euros\***



# A group of leading companies

## Concessions



no 1 car park operator in France, no 2 in Europe



Sole private toll-road operator in France

0.5 billion euros

## Mechanical and electrical



Leading French electrical engineering company



Leading European company in insulation and fire protection

2.8 billion euros

## Roads

European no 2 in roadworks



no 2 in France



no 1 in Germany

2.4 billion euros

## Building and civil engineering



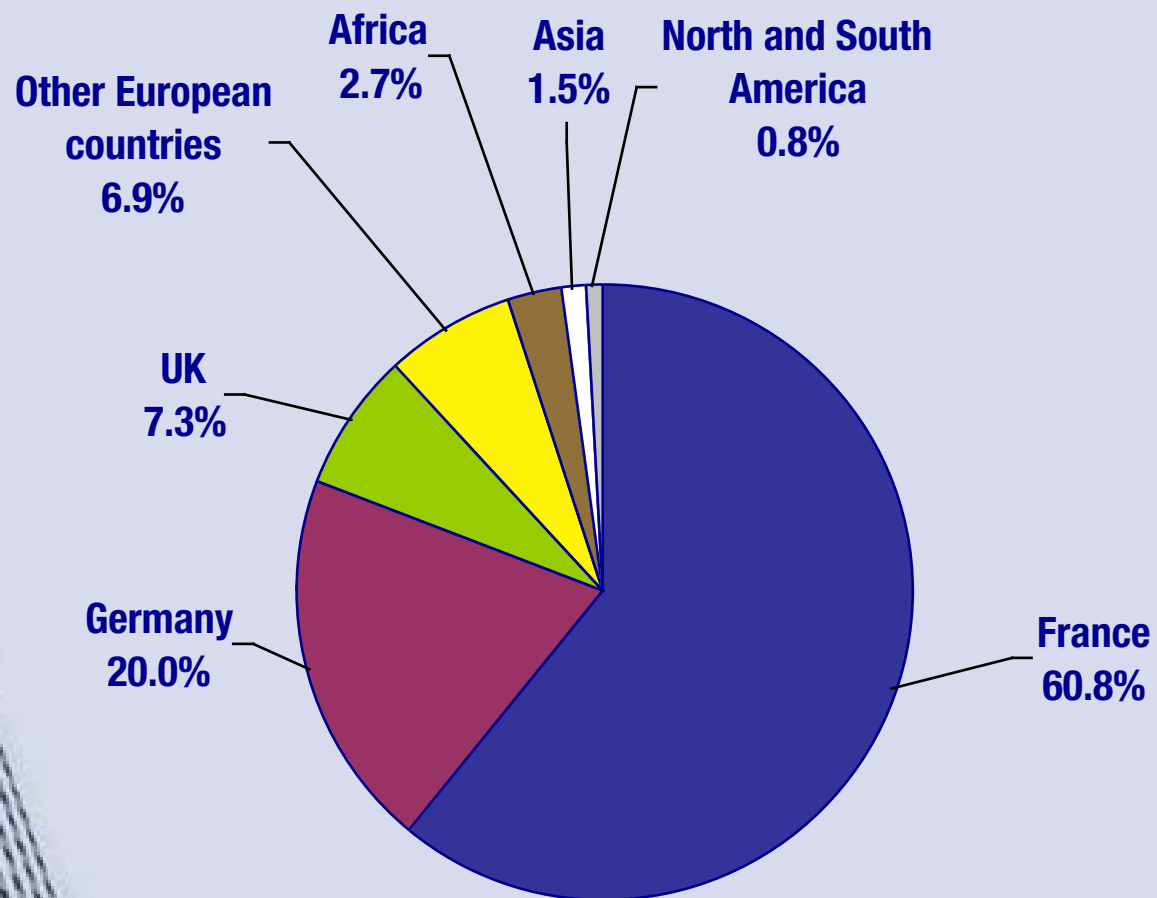
General contractors Europe's leaders



World leader in specialised civil engineering

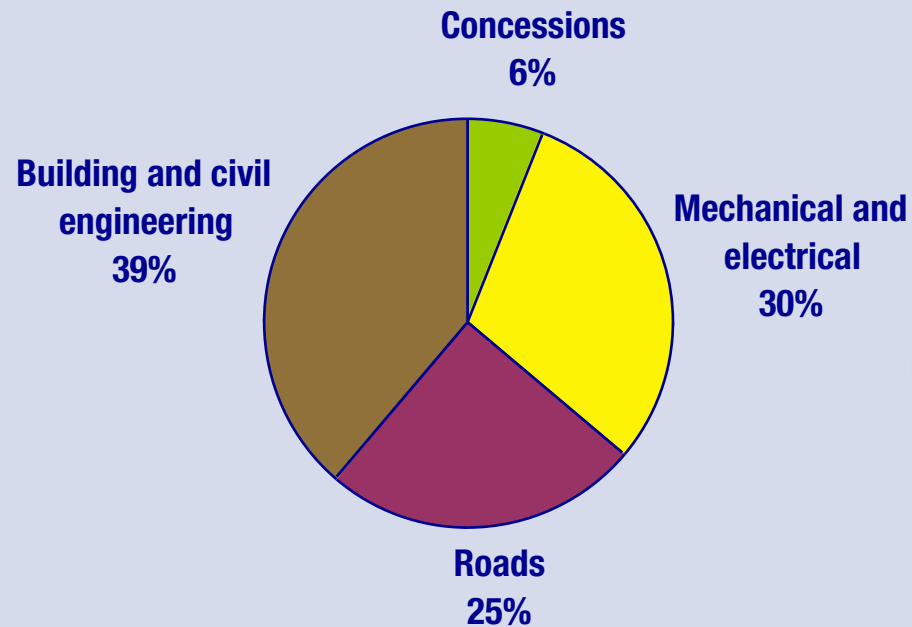
3.8 billion euros

# A European group



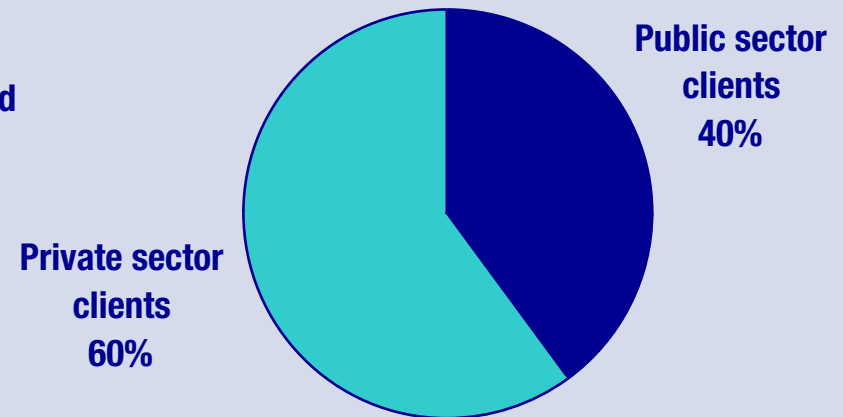
# A balanced portfolio of business activities and clients

% of estimated economic turnover for 1999



A mix of businesses with separate cycles

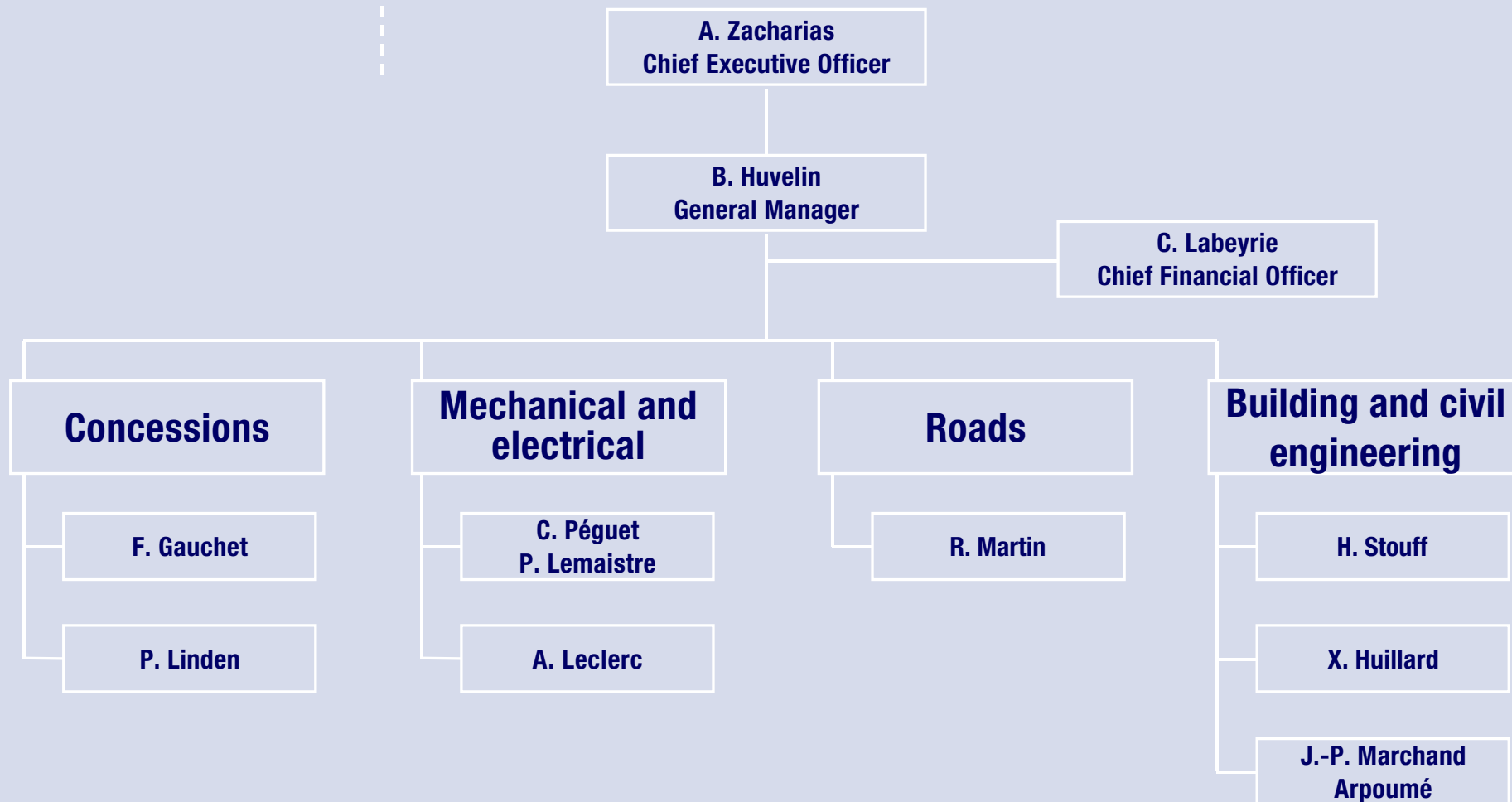
Approx. 100,000 contracts a year



Breakdown by category of client

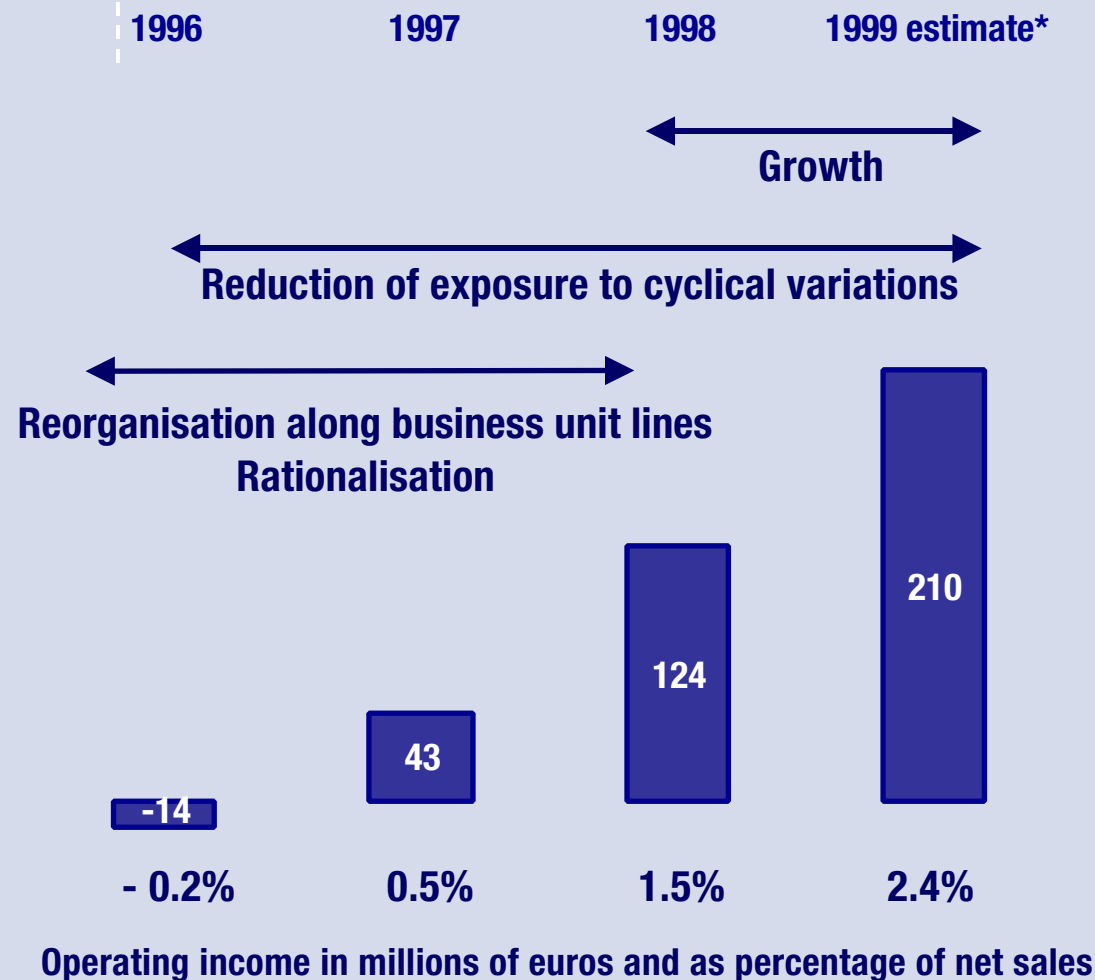


# Management



# Operating profitability turned around

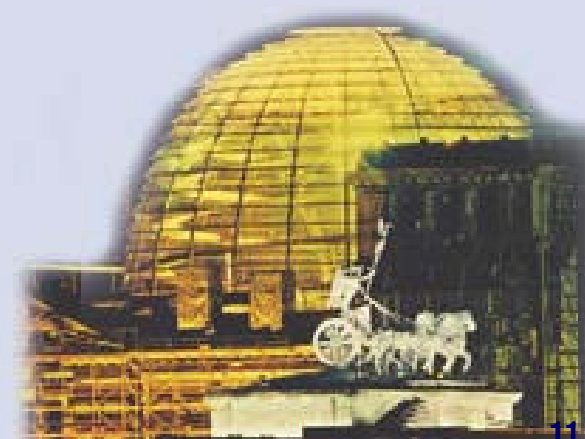
## Commitments delivered



# Improvement of operating profitability

## Resumption of external growth in 1999

	Targets	Achievements
Strategic	Business activities with greater value added	
	Activities with growth potential	
	Substantial and recurrent cash flow	International development in roadworks and electrical engineering
	Coherence and synergies with existing structure	Acquisitions of niches
	Earnings-enhancing before goodwill as of the year of acquisition (N)	Development of car park business
Financial	Earnings-enhancing after goodwill as of the year following acquisition (N+1)	Earnings-enhancing and value-creating acquisitions
	IRR    WACC +2%	



# SGE has completed significant external growth operations in the last 18 months

- Car parks: SOGEPARC
- Roadworks: TEERBAU - CARDEM - a number of other companies in Central Europe
- Specialised civil engineering: TAI - MENARD Soltraitement - EXTRACT
- Thermal and mechanical activities: CALANBAU - MECATISS - VRACO - SPEIC

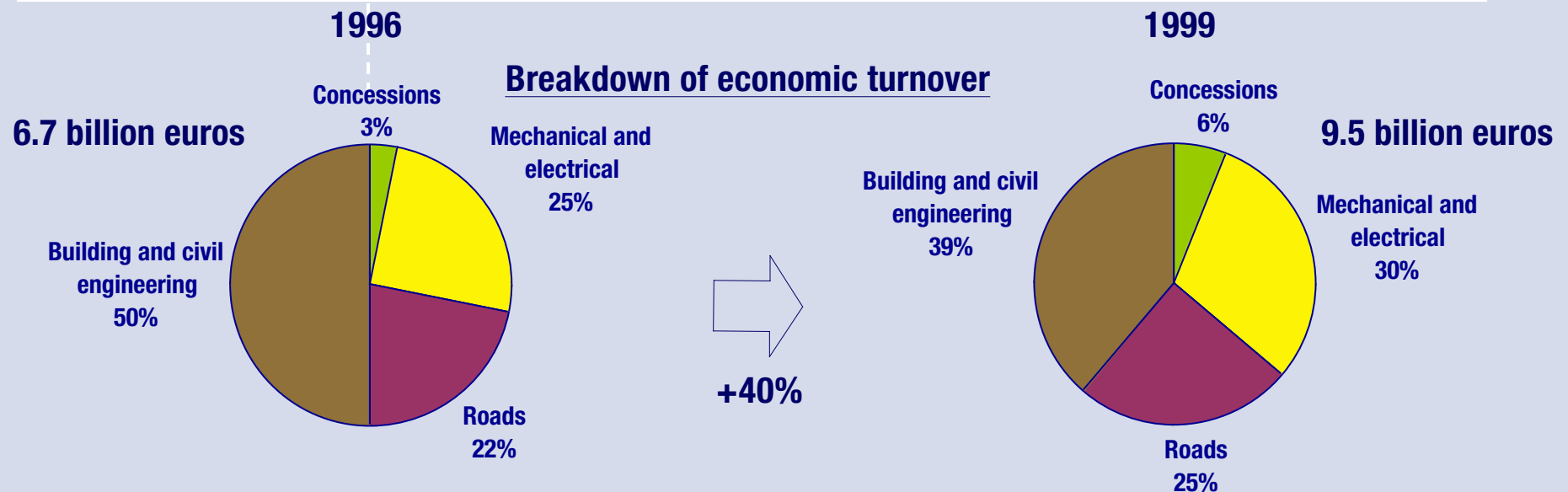
*Amounting in total to:*

- ⇒ Investment (including debt) of 865 million euros
- ⇒ Proforma sales for the full year of 1.2 billion euros
- ⇒ Proforma operating income for the full year of around 70 million euros (6% of sales)

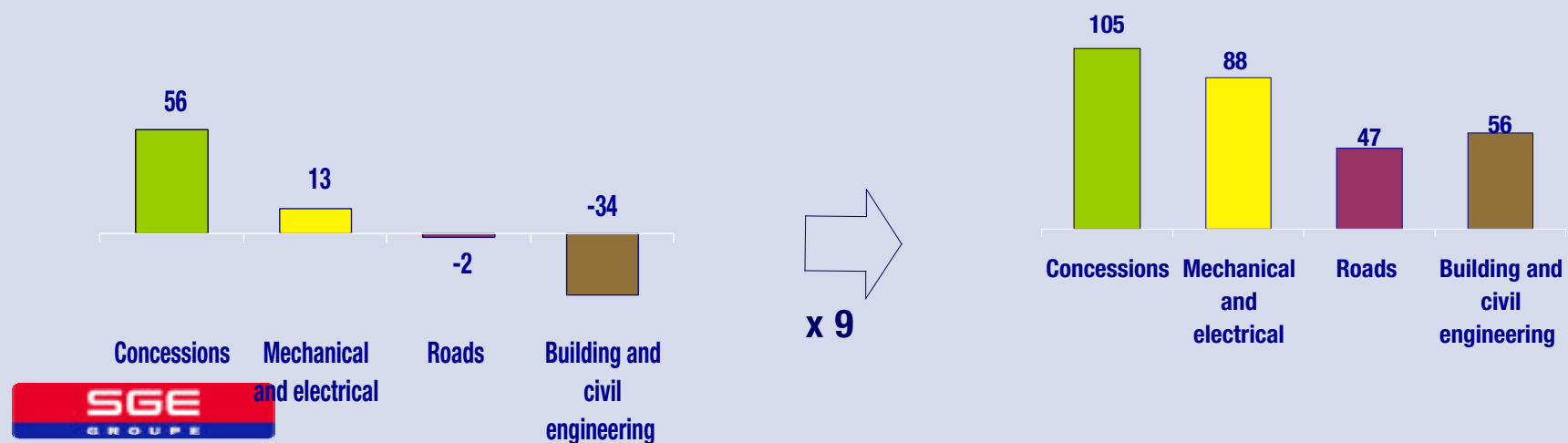
*(Take over bid for the Swedish company Emil Lundgren in progress)*



# Better balance of sales and improvement of income from operations



## Breakdown of income from operations \*



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\* operating income + group share of income before tax from concessions accounted for by the equity method

# Results show improvement

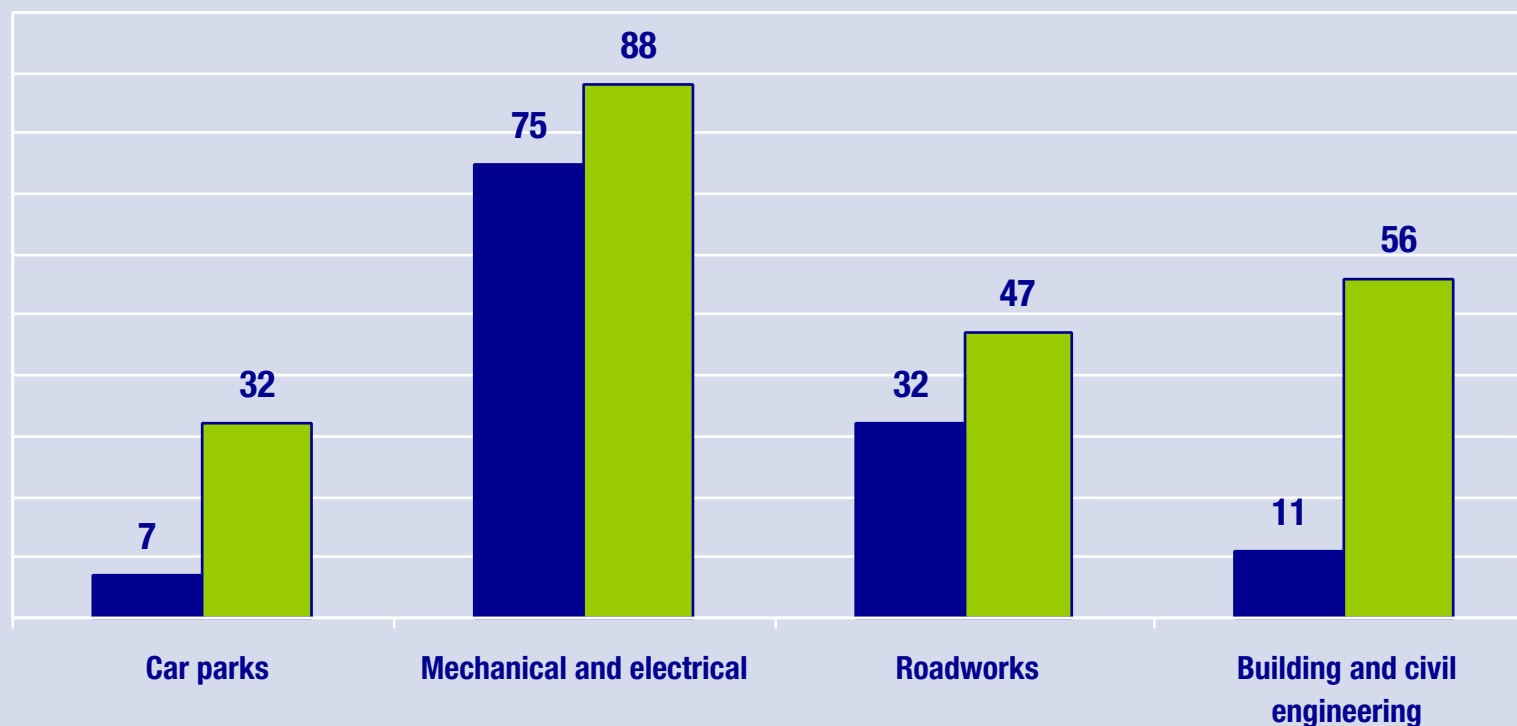
*in millions of euros*

	1997 <i>actual</i>	1998 <i>actual</i>	1999 <i>estimate</i>	Variation <i>99 estimate /98</i>
<b>Operating income</b> <i>as % of net sales</i>	<b>43</b> <i>0.5%</i>	<b>124</b> <i>1.5%</i>	<b>210</b> <i>2.4%</i>	<b>+70%</b>
<b>Group share of income from equity method companies (concessions)</b>	<b>37</b>	<b>40</b>	<b>44</b>	<b>+10%</b>
<b>Net income</b>	<b>47</b>	<b>92</b>	<b>142</b>	<b>+54%</b>
<b>Earnings per share (in euros)</b>	<b>1.17</b>	<b>2.22</b>	<b>3.53</b>	<b>+59%</b>

# Operating income

## Better balance of the contributions from different businesses

Operating income by lines of business (in millions of euros)



■ 1998 actual ■ 1999 estimate (including Teerbau and Sogeparc for 6 months)

# Consolidated statement of income

<i>in millions of euros</i>	1997 actual	1998 actual	1999 estimate
<b>Net sales</b>	<b>8,140</b>	<b>8,012</b>	<b>8,864</b>
<b>EBITDA</b>	<b>268</b>	<b>311</b>	<b>435</b>
<i>As percentage of net sales</i>	<i>3.3%</i>	<i>3.9%</i>	<i>4.9%</i>
<b>Operating income</b>	<b>43</b>	<b>124</b>	<b>210</b>
<i>As percentage of net sales</i>	<i>0.5%</i>	<i>1.5%</i>	<i>2.4%</i>
<b>Financial income</b>	<b>29</b>	<b>20</b>	<b>0</b>
<b>Exceptional expense</b>	<b>(8)</b>	<b>(41)</b>	<b>(28)</b>
<b>Goodwill</b>	<b>(21)</b>	<b>(36)</b>	<b>(44)</b>
<b>Taxes and profit-sharing</b>	<b>(30)</b>	<b>(10)</b>	<b>(37)</b>
<b>Net Income from equity method companies</b>	<b>37</b>	<b>40</b>	<b>44</b>
<b>Net income (group share)</b>	<b>47</b>	<b>92</b>	<b>142</b>



# Improved operating cash flow

<i>in millions of euros</i>	<b>1997 actual</b>	<b>1998 actual</b>	<b>1999 estimate</b>
Operating cash flow	179	234	317
WCR variation	18	20	174
Net capital expenditures	(128)	(196)	(191)
<b>Free operating cash flow</b>	<b>69</b>	<b>58</b>	<b>300</b>
Acquisitions net of disposals	130	(43)	(734)
Share buy-back	-	(40)	(160)
Dividends paid	(2)	(28)	(54)
Others	33	46	47
<b>Change in net debt or cash for the financial year</b>	<b>232</b>	<b>(7)</b>	<b>(601)</b>

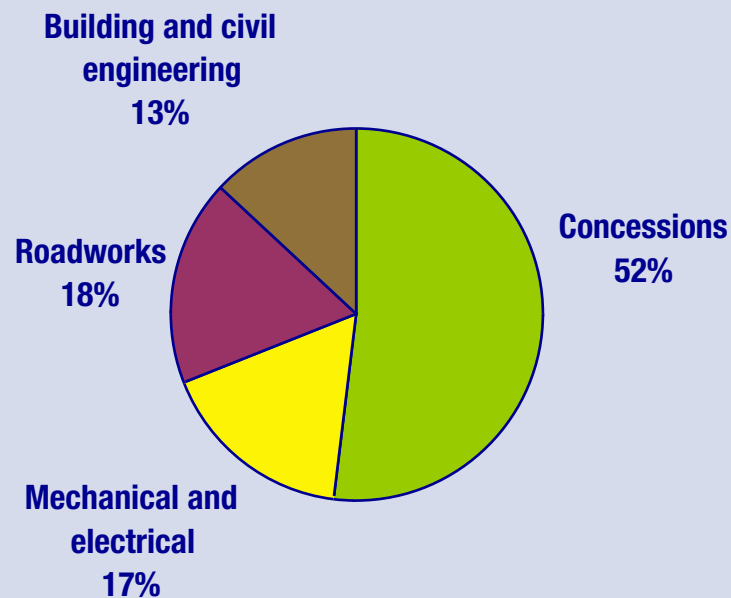
# The balance sheet is strong

*in millions of euros*

	1998 actual	1999 estimate
Fixed assets <i>inc. Goodwill</i>	1,458 202	2,376 623
Working capital requirement (surplus)	(326)	(371)
<b>Capital employed</b>	<b>1,132</b>	<b>2,005</b>
Shareholders' equity and minority interest	552	594
Provisions	1,265	1,371
Net financial debt (surplus)	(685)	40
<b>Resources</b>	<b>1,132</b>	<b>2,005</b>

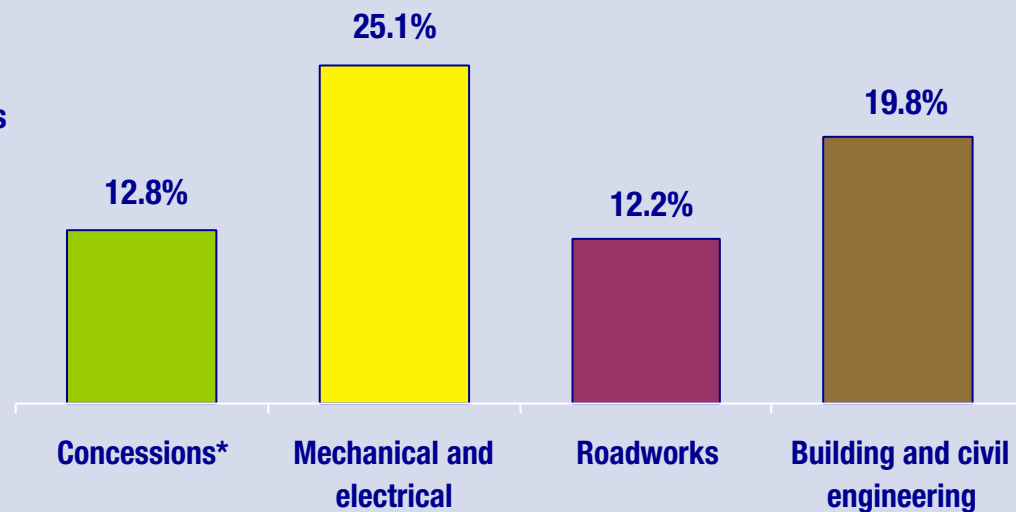
# Reallocation of capital employed into recurrent and growth businesses. A group creating value

Capital employed  
1999 estimate



Total Group 1,954 million euros

ROCE (Op. inc./capital employed)\*  
1999 estimate

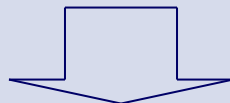


Total Group 15.7%  
(9.4% after theoretical tax)

# Strategic priorities


⇒ **Maintain drive to improve the group as it is**

⇒ **Speed up external growth**



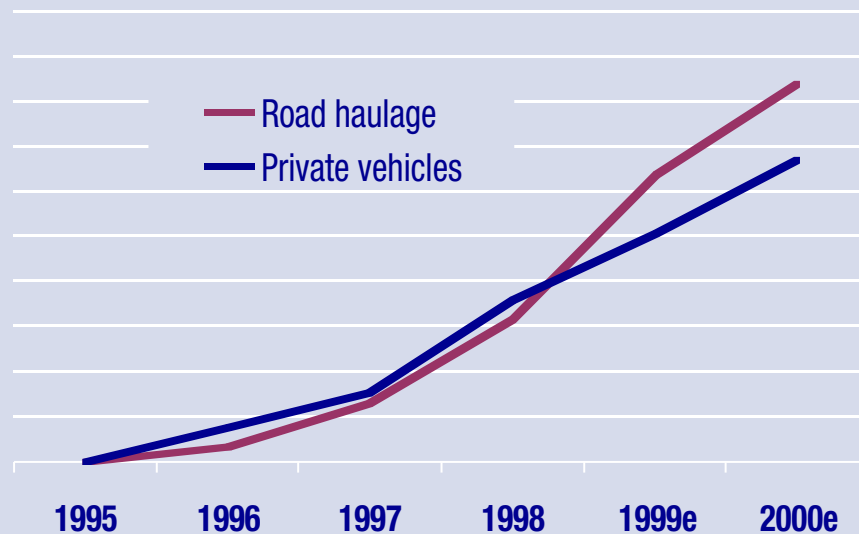
**Improvement of operating profitability**

# Outlook

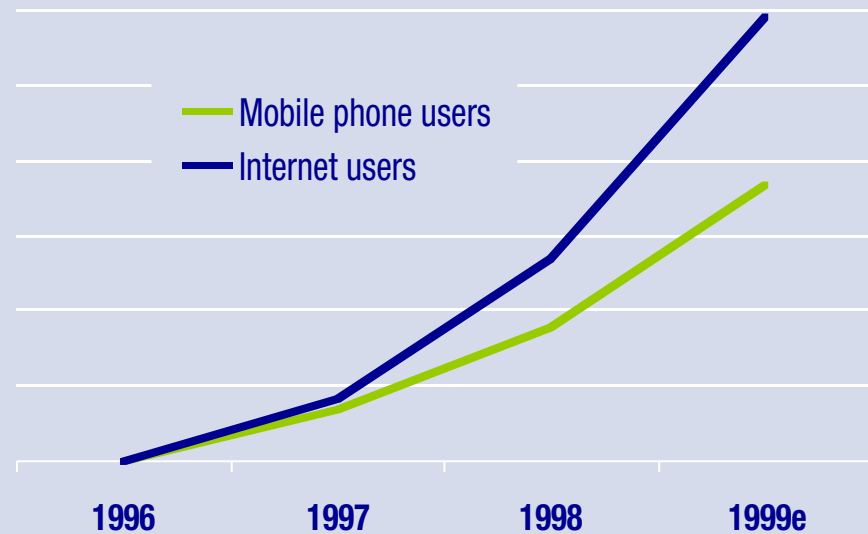
## Growth opportunities on expanding markets

- Eurovia, Cofiroute and Sogeparc have capitalised on the growth in road traffic
- GTIE has capitalised on the explosive growth of information and communication technologies

Road traffic in France



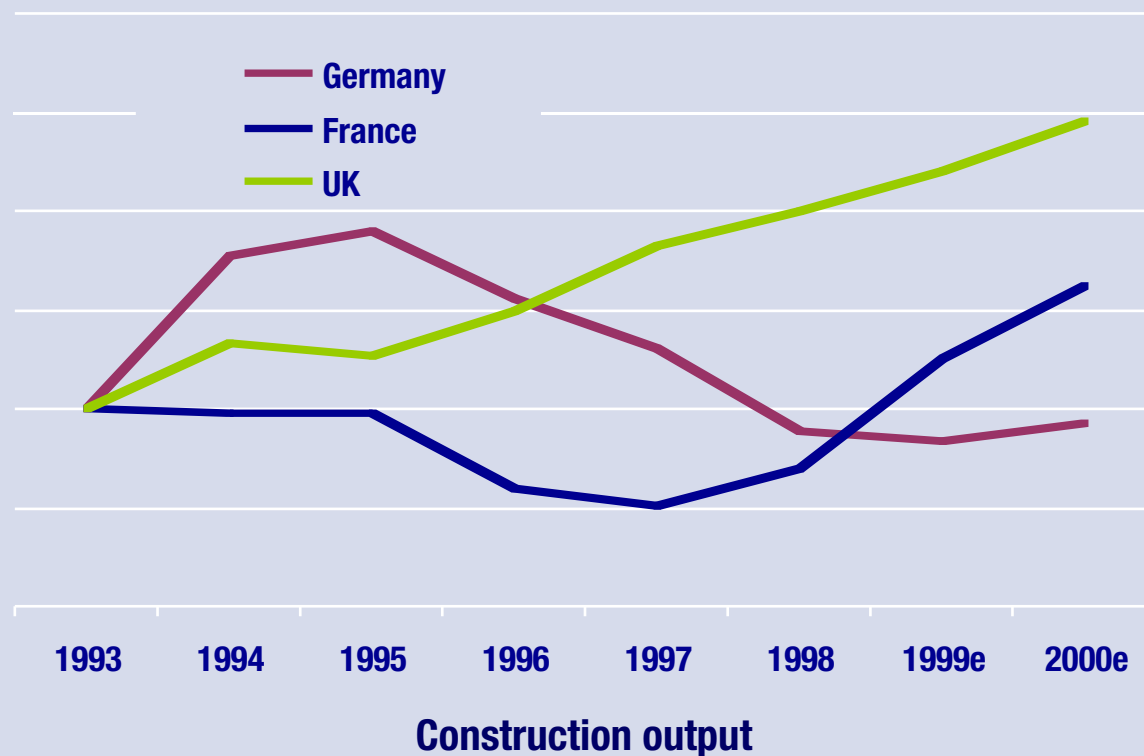
Information and communication technologies in France



# Outlook

General economic climate is positive

Positive trend in France and the UK,  
expected recovery in Germany



# Building and civil engineering

**Stick to the policy of selectivity and strict control**

**Broaden our offering:**

- upstream (design and build, all-inclusive solutions) by fostering partnerships with clients
- downstream (facility management)

**Focus on those areas offering best prospects :  
the private and industrial sectors, environment-  
related industries, hydraulic engineering**

**Focus our attention on regions  
where we have a strong customer base**

**Reinforce our positions on technological  
niches (Freyssinet)**

*(in millions of euros)*

	1999 estimate
Net sales	3,762
Operating income	56
%	1.5%

# Roads

**Bring Teerbau up to Eurovia's level of profitability**

**Improve access to materials**

**Complete the network of locations through external growth**

**Speed up international development, Central Europe the priority**

*(in millions of euros)*

	1999* estimate
Net sales	2,082
Operating income	47
%	2.2%



# Concessions

## Optimisation of the existing contract portfolio

- Existing concessions ramping up
- Cofiroute : continue to expand network

## New developments

- Acquisition of concession portfolios
- Selective approach to tendering

*(in millions of euros)*

	1999 estimate
Net sales	277
Group share of net income from concessions accounted for by the equity method	44

# Car parks

Use SGE's local network in Europe to extend Sogeparc's presence

Policy of targeted acquisitions in Europe

Develop projects for private sector clients

Broaden the service offering

*(in millions of euros)*

	1999* estimate
Net sales	129
Operating income	32
%	25%



*\* including Sogeparc for 6 months*

# Electrical engineering

## Strong positions in new technologies

- Telecom
- Communication technologies

## No 1 in power transmission infrastructure installation

- French network reconstruction
- Underground lines

## Development

- Design and automation of industrial process
- Maintenance, long term contracts

## Speed up European development via acquisitions

## Develop partnerships with industrial clients abroad

*(in millions of euros)*

	1999 estimate
Net sales	1,806
Operating income	74
%	4.1%



# Thermal and mechanical activities

**Continue development of niche positions and high value added businesses**

- Fire protection
- Ventilation systems
- High temperature insulation and nuclear insulation activities

**Pull out of businesses with low margins via capacity reduction and disposals**

**Speed up development in Central Europe**

*(in millions of euros)*

	1999 estimate
Net sales	1,037
Operating income	14
%	1.3%



<h1>Corporate governance</h1>		

**Board of Directors**

**Directors' Committees**

**Management incentive schemes**

# Outlook

**1997 - 1999**

**commitments delivered**

**2000 onwards**

**a clear and ambitious strategy**

- continue improvement in profitability**
- accelerate external growth**

**strong human and financial resources**

**a favourable economic environment**



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