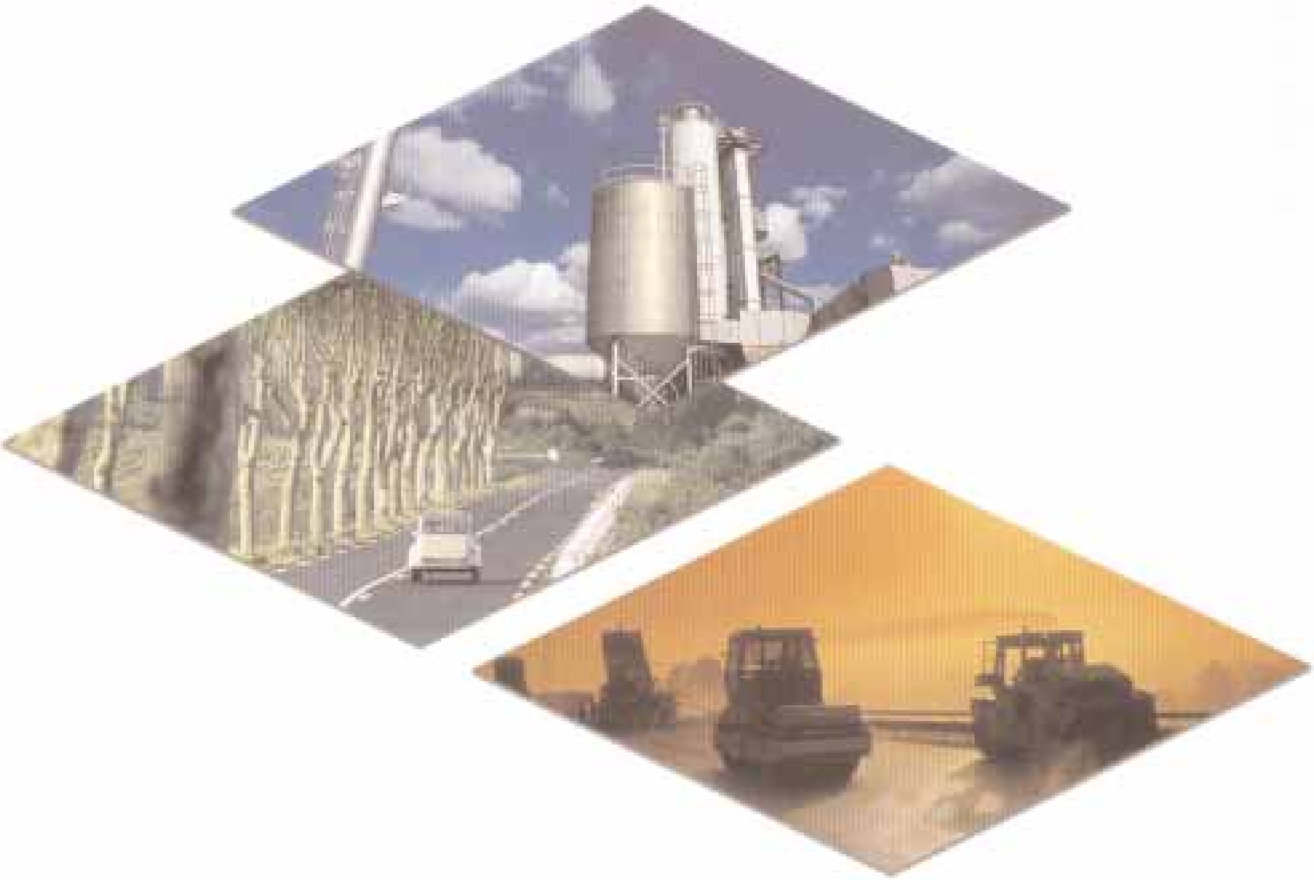


EUROVIA

1997

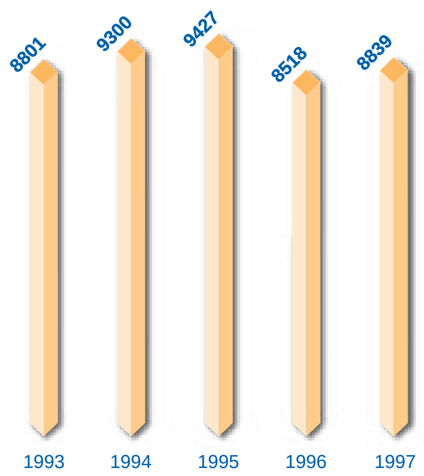
CONTENTS

THE LAST THREE YEARS IN CONSOLIDATION

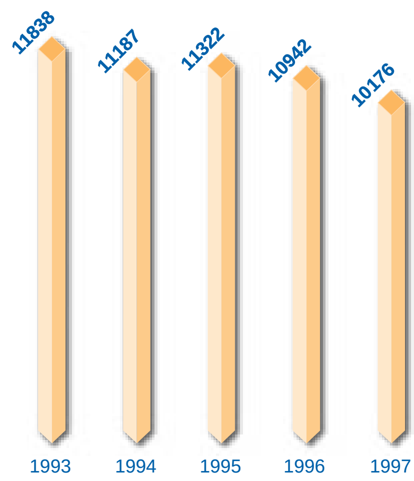
(In Millions of French Francs)	**1997**	1996	1995
Net sales before taxes	**8,839**	8,518	9,427
including foreign net sales	224	204	225
Gross operating income	**393**	332	510
as % of net sales	4.4 %	3.9 %	5.4 %
Operating income	**130**	99	219
as % of net sales	1.5 %	1.2 %	2.3 %
Operating income less net financial expense	**141**	110	231
as % of net sales	1.6 %	1.3 %	2.4 %
Net income	**276**	(10)	141
as % of net sales	3.1%	- 0.1 %	1.5 %
Cash flow from operations	**336**	281	468
as % of net sales	3.8 %	3.3 %	5.0 %
Capital expenditure and acquisition of investments	**199**	183	308
including capital expenditure for plant and equipment	193	174	290
Shareholders' equity	**1,429**	1, 241	1,380
Provisions for liabilities and charges	**707**	597	598
as % of balance-sheet total	9.8 %	9.7 %	9.5 %
Borrowings and financial debt	**22**	61	82
including long-term portion	14	17	69
Net financial position	**+ 1,265**	+ 840	+ 795
Average number of employees	**10,176**	10,942	11,322
including employees abroad	221	218	264

Turn over

(In Millions of French Francs)



Average workforce

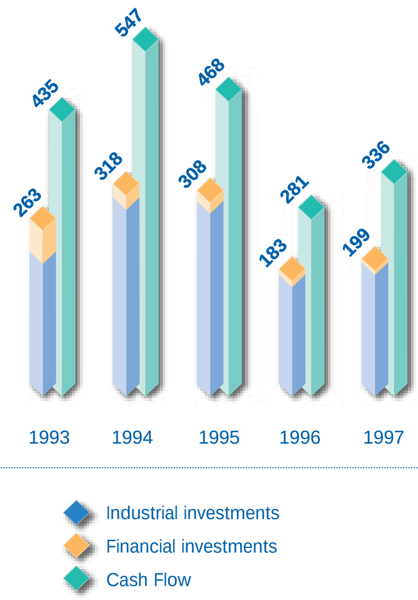


Net income - Operating income

(In Millions of French Francs)

Cash Flow and investments

(In Millions of French Francs)



MANAGEMENT REPORT

MANAGEMENT REPORT

The birth of the second largest European roadwork Group

The last year was marked by the establishment of Eurovia's operational structures, which now bring together the businesses of two French roadwork contractors within the SGE Group, namely Cochery Bourdin Chaussé and Viafrance. This re-alignment was decided at the end of 1996 and will result, once the legal restructuring will have been completed in the near future, in the creation of a Group organised around several strong regional subsidiaries, whose names are associated with that of Eurovia, and which are affiliated with the holding company Eurovia SA, the new corporate name of Cochery Bourdin Chaussé, following its conversion into a business corporation as of 27 March 1998. The head offices were merged and the geographic organisation streamlined and simplified. The functional services of the head office have been brought together within Eurovia Services SNC, a joint subsidiary of Eurovia SA and Viafrance SA, which also includes an administrative and financial subsidiary that is centred on five peripheral management centres.

With the creation of Eurovia, a structure that has been entrusted, apart from its Swiss, Belgian and Spanish subsidiaries, with responsibility for SGE VBU in Germany, the roadwork business of SGE in Europe is now grouped together in a unified roadwork entity and endowed with a single management structure.

The business in France

The French roadwork market, which had experienced two consecutive declines in 1995 and 1996 of first 5 % and then 10 %, confounded forecasts in 1997 by posting 4 % growth. This reversal of the previous downward trend was due to a combination of weather conditions favourable for the completion of orders taken at the end of 1996, and of stronger orders in the year, from both the private and public sectors.

With a basis of consolidation comparable to that of the previous financial year, Eurovia's net sales in France come out at more than 8,600 million French Francs, for growth of 4 %, which shows that bringing Cochery Bourdin Chaussé and Viafrance together did not have a negative impact on their market shares or on their business volumes. Behind this overall trend, the situations in individual regions were varied, with Greater Paris and the East posting net recoveries, the North, West and South-East improving slightly, but with the market in the South-West remaining in recession.

While maintenance of the existing network and municipal roadwork represented the greater part of the Group's business in France, Eurovia did complete a few major motorway projects in 1997. The building of the Châteauroux by-pass and of the Rhodes-La Croisière, Montauban-Caussade and Brive-Donzenac sections of the A 20 motorway, for the State and for Autoroutes du Sud de la France, provides good examples. The Group also did repaving work on the A 7 motorway between Vienne and Auberives, to which one should add surfacing of the A 84 between Ille-et-Vilaine and Avranches, as well as participation in the Roissy Airport enlargement project.

The Grand Stade de France was an opportunity for the Group to participate in substantial access road and building site projects, and also, for its specialised subsidiaries Interdesco and Eurorésine, to do the flooring paint-work in the underground car parks.
In the Antilles, Moter Martinique continued its conventional business of marine works, but also contributed to the expansion to 2 x 3 lanes of the Fort de France expressway. In the more specific field of facilities associated with roads (concrete separators, metal beam barriers, signalling, etc.), which is the business of TSS, it is worth mentioning the expansion to 3 lanes of the A 51 in the Bouches du Rhône area, and the 16 kilometre long mobile traffic separator in Saint-Denis on the Island of Reunion.

Even though public sector orders still represent 70 % of the Group's business, the private sector is being given close attention and approached in a special way. The building of the track at BMW's European test centre in Miramas is a good example.

Even though the final outcome of the call for tenders launched in September 1996 was a declaration, in the spring of 1997, naming the consortium consisting of Cochery Bourdin Chaussé with Campenon Bernard SGE and SGE as the exclusive BOT contractor for the upgrading to motorway standards of the Bordeaux-Bayonne section of the RN 10, the

public authorities ultimately opted for public financing for this project, which was declared to be in the public interest in April 1997.
Within the SGE Group, Eurovia has also contributed its know-how to roadwork projects in Africa, and participated in the study of a motorway project in Israel, for which SGE was declared the BOT contractor in February 1998.

Eurovia's leading position in the French roadwork market is strongly supported by its mastery of the overall production chain. Its 130 hot mix plants, its 35 road surface binder plants and its 45 quarries, some held individually and some jointly, provide crucial support for the operations of the roadwork centres. This industrial business, which is less exposed to market volatility than actual roadwork, ensures a certain degree of stability in the Group's income.

The business in Switzerland, Belgium and Spain

Represented in Switzerland in the field of binders and roadwork products (Prodo), in Belgium through three roadwork and binder production subsidiaries located in the Walloon region (Hydrocar and Cornez Delacre) and in the Limbourg area (Grizaco), and in Spain by two subsidiaries (Vialex and Roldan) operated jointly with a major regional Spanish enterprise, Eurovia achieved net sales in these countries of close to 250 million French Francs, for an 18 % increase over 1996.

Human Resources and Quality

The hiring of young people, training and Europewide mobility continue to be the main thrusts of the Group's policy in the field of human resources. In France, flexible working time with an annual target, for which several pilot projects are already under way, will be one of the main objectives in 1998.
The Quality project, started several years ago, has been expanded to encompass all of the new Group. ISO 9002 certification of all organisational units and all lines of business is in the course of being obtained in France.

Sales actions

A sales policy with more specific focus on maintenance markets, on the one hand, and on private clientele, on the other, has been initiated and is being implemented through action plans at the level of individual organisational units, with the support of a newly created sales organisation.
Similarly, the creation of a specific procurement department has given rise to a more rigorous procurement policy which is already starting to yield dividends.

Technical innovation

In the field of technical innovation, Eurovia developed an asphalt concrete with high rigidity and a method for dimensioning spill-over roadwork structures, tested a computer-assisted road construction programme with the use of GPS, and continued its research on the processing of clinker from household refuse incineration, and on waste recycling.

1997: the success of a re-organisation sustained by a recovering market

The financial statements of the new entity, which in 1997 was still made up two companies with no direct legal ties, are presented in accordance with a pro forma consolidation procedure. The figures do not include those of the German company SGE VBU. The net sales of the Eurovia Group stood at 8,839 million French Francs, against 8,517 million in 1996.

Since margins have improved, thanks to the streamlining of resources and the reduction of fixed costs associated with the restructuring, the operating income improved substantially to 130 million French Francs from the 99 million French Francs level of 1996. This improvement is reflected in the operating income less net financial expense, which rose from 110 to 141 million French Francs.

The net income came out at 276 million French Francs, after taking into consideration a substantial capital gain obtained from the sale of a technical landfill centre in the Paris region (REP), as part of the business re-organisation of Compagnie Générale des Eaux.

Subtracting out this exceptional item, the net income comes to 60 million French Francs, whereas in 1996 it stood at - 10 million French Francs as that year was marked by substantial restructuring charges.

The cash flow from operations in the financial year was 336 million French Francs, against 281 million French Francs in 1996. This figure, which is given after depreciation allowances in the amount of 250 million French Francs, should be compared with the capital expenditure and investment amount of 199 million French Francs, up from the 184 million French Francs of 1996.

Total shareholders' equity stood at 1,429 million French Francs at the end of the financial year.
Working capital was at the level of 1,418 million French Francs, and provisions for liabilities and charges amounted to 707 million French Francs, or 9.8 % of the balance-sheet total.

Cash at the end of the financial year stood at the exceptionally high level of 1,257 million French Francs because of the proceeds from the sale mentioned above. With a financial surplus net of all debt standing at 1,264 million French Francs, the balance sheet reflects the new Group's very solid financial position.

Net recovery of SGE VBU in Germany

In a German market that continued to suffer from enormous excess supply and very acute competition, SGE VBU continued its recovery by concentrating primarily on down-sizing its structures, on training its personnel, and on improving the quality of execution of its work sites. It should be stressed that SGE VBU is re-focussing on traditional roadwork and motorways, as the decline of the demolition market was confirmed in 1997. The effectiveness of Eurovia's team members, committed side by side with their German colleagues to this re-organisation and recovery mission, should make it possible for SGE VBU to return to the black as of this year.

Conclusions and prospects

Even if the improvement in the French market were to remain modest, the now completed re-organisation will show its full beneficial effects in 1998, and will facilitate the implementation of ambitious plans to develop the Group in the industrial field and through geographic diversification, with a view to strengthening its presence in the markets of Central Europe which offer very good potential for taking advantage of Eurovia's know-how.

As of 1998, Eurovia's scope of consolidation will include new businesses in Switzerland, in Belgium and in Slovakia, with further projects to be finalised in Poland.
Other development projects are also being looked at.

At the end of November 1997, the first Eurovia management convention gathered together almost 1,000 executives from France, Germany, Belgium and Spain. This was an opportunity to present the new organisation and Eurovia's development plans. It also, even more importantly, allowed for an assessment of the human and financial resources now available to Eurovia to anchor its current market positions more solidly, and to ensure its industrial and international development.

CONSOLIDATED FINANCIAL DATA

CONSOLIDATED STATEMENT OF INCOME FOR 1997

(In Thousands of French Francs) Item	Notes	Income 1997	1996
Net sales	**1**	**8,839,291**	8,517,535
Other current revenue	1	455,572	389,070
Shares in earnings of industrial holdings		68,554	69,177
Total operating revenues		**9,363,417**	8, 975,782
Procurement and other operating expenses		(6,563,239)	(6,191,621)
Wages, salaries and benefits		(2,407,612)	(2,452,419)
Total operating expenses		**(8,970,851)**	8,644,040)
Gross operating income		**392,566**	331,742
Depreciation charges	2	(223,077)	(269,691)
Provision charges and recoveries	3	(39,850)	36,702
Operating income		**129,639**	98,753
Financial revenue		41,663	35,849
Financial charges		(15,731)	(18,047)
Provision charges and recoveries	3	(14,162)	(6,754)
Net financial income (expense)	**4**	**11,770**	11,048
Operating income less net financial expense		**141,409**	109,801
Exceptional revenue		232,377	12,340
Exceptional charges		(74,778)	(64,837)
Provision charges and recoveries	3	19,555	(34,307)
Exceptional income	**6**	**177,154**	(86,804)
Employee profit sharing		(13,911)	(6,495)
Corporate income tax	5	(5,661)	(5,212)
Amortisation of goodwill	9	(26,249)	(22,736)
Net income before equity interest and minority interest		**272,742**	(11,446)
Share in net earnings of affiliated companies	11	2,148	1,336
Consolidated net income		**274,890**	(10,110)
Minority interest		1,407	117
Group share of net income		**276,297**	(9,993)

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION FOR THE YEAR 1997

(In Thousands of French Francs)	Notes	1997	1996
SOURCES			
Operations			
Income from consolidated companies		272,743	(11,446)
Dividends received from affiliated companies		1,634	1,761
Depreciation and provision charges and recoveries		297,760	293,664
Cash flow from operations		**572,137**	283,979
Income from disposals of fixed assets		(236,384)	(3,334)
Cash flow		**335,753**	280,645
Other sources			
Issuance of subsidiary and parent company capital stock		0	0
Increase in capital advances		0	37,711
Contracted borrowing and debt		2,083	6,978
Disposals of tangible and intangible assets		23,354	9,519
Disposals of investment holdings		227,835	987
Cash inflow from long-term loans and deposits		4,955	5,518
Total other sources		**258,227**	60,713
Total sources		**593,980**	341,358
USES			
Capital expenditure and investments			
Acquisitions of tangible and intangible fixed assets	7 and 8	192,642	173,941
Acquisitions of investment holdings and other securities	10	6,446	9,053
Total capital expenditure and investments		**199,088**	182,994
Other uses			
Long-term loans and deposits		20,989	2,802
Decrease in capital advances		11,950	0
Decrease in long- and medium-term debt		5,221	59,959
Allocation of net income to the parent company		7,933	164,816
Dividends disbursed		117	76
Total other uses		**46,210**	227,653
Total uses		**245,298**	410,647
Sources in excess of uses (uses in excess of sources)		**348,682**	(69,289)
Effects of changes in the scope of consolidation, of exchange rate fluctuations and of other adjustments		**(21,615)**	2,371
Increase (decrease) in gross working capital		**370,297**	(71,660)
Increase (decrease) in the working capital requirement	16	(46,840)	(47,482)
Increase (decrease) in cash		417,137	(24,178)

CONSOLIDATED

(In Thousands of French Francs)

ASSETS	Notes	31 Dec.97 Gross amount	31 Dec.97 Depreciation provision	31 Dec.97 Net amount	31 Dec.96 Net amount
Intangible fixed assets	**7**	**41,530**	**(28,948)**	**12,582**	9,882
Goodwill	**9**	**456,478**	**(170,558)**	**285,920**	305,651
Tangible fixed assets	**8**	**2,910,881**	**(2,024,389)**	**886,492**	934,451
Total		**3,408,889**	**(2,223,895)**	**1,184,994**	1,249,984
Financial assets					
Unconsolidated investments	10	185,421	(29,223)	156,198	177,065
Investments accounted for the equity method	11	6,412		6,412	5,898
Other financial assets	12	80,752	(12,344)	68,408	57,698
Total		**272,585**	**(41,567)**	**231,018**	240,661
Deferred charges		**2,304**		**2,304**	3,686
Total fixed assets		**3,683,778**	**(2,265,462)**	**1,418,316**	1,494,331
Inventories and work in progress	16	115,960	(6,093)	109,867	129,991
Accounts and trade notes receivable	16	3,400,327	(89,014)	3,311,313	2,920,870
Short-term financial receivables	15	422,441	(127,388)	295,053	211,028
Marketable securities, other short-term receivables and quick assets	15	2,066,977	(15)	2,066,962	1,391,277
Total current assets		**6,005,705**	**(222,510)**	**5,783,195**	4,653,166
Adjustment accounts	16	18,229		18,229	18,860
Total assets		**9,707,712**	**(2,487,972)**	**7,219,740**	6,166,357

BALANCE SHEET

(In Thousands of French Francs)

SHAREHOLDERS' EQUITY AND LIABILITIES	Notes	31 Dec.97	31 Dec.96
Shareholders' equity			
Capital stock		1,145,000	1,145,000
Retained earnings before net income for the year		(125,030)	(40,004)
Group share of net income for the year		276,297	(9,993)
Total		**1,296,267**	1,095,003
Minority interest		3,956	5,551
Other equity		128,564	140,444
Total equity	**13**	**1,428,787**	1,240,998
Provisions for liabilities and charges	**14**	**706,590**	597,308
Long- and medium-term borrowing and debt			
Financial borrowing and debt	15	14,208	17,047
Other long-term debt		1,680	1,630
Total		**15,888**	18,677
Paid-in capital		**2,151,265**	1,856,983
Advances and deposits received against contracts	16	78,161	60,497
Accounts and trade notes payable	16	3,679,734	3,345,096
Short-term financial debt	15	122,091	87,574
Cash liabilities	15	982,855	674,799
Total current liabilities		**4,862,841**	4,167,966
Adjustment accounts	16	205,634	141,408
Total shareholders' equity and liabilities		**7,219,740**	6,166,357

REPORT OF THE STATUTORY AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS

year ended 31 December 1997

In fulfilment of the mission entrusted to us, we have audited the accompanying «consolidated» financial statements of the Eurovia Group for the year ended 31 December 1997.

As indicated in Note 1 to the financial statements, the absence of a common legal structure, allowing for the consolidation of the assets, liabilities and statements of income of the companies Cochery Bourdin Chaussé and Viafrance, was the motivation for presenting combined financial statements, including these companies and their subsidiaries, grouped under the name Eurovia.

The financial statements «consolidated» as above have been approved by the joint management of the companies Cochery Bourdin Chaussé and Viafrance. Our responsibility is to express an opinion on these financial statements, based on our audit.

We have conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform this audit to obtain reasonable assurance about whether the «consolidated» financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion, as expressed below.

In our opinion, the «consolidated» financial statements give a true and fair view of the assets and liabilities, of the financial position, and of the operating results of the entity made up of companies constituting the Eurovia Group.

Without qualifying the above opinion, we draw your attention to Note 2 to the financial statements, which sets out a change in the method used to account for retirement obligations.

We have also carried out a verification of the information given in the report on the management of the Group. We have no comment to make as to its fair presentation and conformity with the «consolidated» financial statements.

Paris, 11 March 1998

MAZARS & GUÉRARD
José MARETTE

SALUSTRO REYDEL
Bernard CATTENOZ - Denis MARANGÉ

1 - ACCOUNTING PRINCIPLES AS APPLIED TO THE CONSOLIDATED FINANCIAL STATEMENTS

1.1 - General
The two Groups Cochery Bourdin Chaussé and Viafrance, both subsidiaries of Société Générale d'Entreprises, were brought under a joint General Management and integrated within a single administrative and operational organisation as of the end of 1996. Moreover, a process of joint control of subsidiaries under the Eurovia name was undertaken in 1997 on a broad scale in the expectation of more complete legal integration.

In these circumstances, it was decided to draw up a pro forma consolidation of the operational entity consisting of Cochery Bourdin Chaussé, Viafrance, their individual subsidiaries and their joint subsidiaries, which amounts to a financial consolidation of the new Eurovia Group.
For the sake of comparability, 1996 financial figures were also consolidated, on the basis of the separate 1996 consolidated financial statements of Cochery Bourdin Chaussé and Viafrance.

The consolidated accounts of the Eurovia Group are drawn up in accordance with the accounting principles described in this note, which follow the principles previously applied to the consolidated financial statements of Cochery Bourdin Chaussé and Viafrance.

These principles are in line with the provisions set out in the French general accounting guidelines, the Act of 3 January 1985 and its implementing Decree of 17 February 1986.

1.2 - Consolidation criteria
The consolidated accounts group together the financial statements of significant companies controlled directly or indirectly, in law or in fact, by Cochery Bourdin Chaussé or by Viafrance. In this respect, a company is consolidated whenever its contributed to consolidated net sales is greater than 10 million French Francs.

Companies under majority control are fully consolidated.

Jointly controlled companies and joint ventures are consolidated proportionally, provided their net sales and balance-sheet totals are significant.
Works executed in the form of investment companies, without their own material and financial resources, are accounted for by semi-proportional consolidation (inclusion in the books of a share of net sales and a share of charges); this method has the advantage of better reflecting the economic reality of such operations.

Companies over which the Group exercises significant influence are consolidated by the equity method.

The scope of consolidation does not include holdings in companies that produce hot mix, binder or materials and which are operated jointly with other Groups.
There are 191 such companies, and their inclusion would increase consolidated net sales by an estimated 668 million French Francs; most of these companies have structures that are transparent under French law («GIE», «SP» or «SNC») ; their earnings are included in consolidated income through the line item «shares in earnings of industrial holdings», and they do not individually meet the net sales criterion for consolidation.

1.3 - Consolidated accounts

1.3.1 French corporate accounts
The accounts of consolidated companies are drawn up in accordance with accounting rules applicable in the profession.

Most of these companies close their corporate accounts on 31 December.

1.3.2 Foreign financial statements
The financial statements of foreign consolidated companies and establishments are converted in accordance with the following principles :

- the investment securities account on the assets side, and the Group net position accounts and non-Group earnings on the liabilities side are kept in the balance sheet at their historical value,

- the other balance-sheet accounts are converted at the year-end exchange rate.

1.4 - Goodwill
The principle is to allocate goodwill, representing the difference between the acquisition cost of shares in the consolidated company and the

Group's share of net worth on the date of acquisition, to the appropriate assets and liabilities items of the balance sheet of the acquired company.

The remaining unallocated balance is reported as goodwill on the assets side of the consolidated balance sheet, and is amortised over a period not exceeding twenty years with accelerated amortisation being justified in certain cases.
When the goodwill amount is less than 1,000 thousand French Francs, it is fully amortised in the year of acquisition.

However, goodwill pertaining to companies that operate quarries is amortised over the expected lifetime of the facility, up to a maximum of forty years.

1.5 - Fixed assets
Land, buildings and equipment are generally carried at their price of acquisition (historical cost).

Depreciation of tangible assets is calculated by the straight-line or the declining-balance method, depending on the useful lifetime as estimated or generally applied in the profession. These lifetimes are given in the notes to the consolidated financial statements (Section 3, Note 2).

Loans are carried at their nominal value, reduced as appropriate by the amount of depreciation provisions.

The Group has not elected to capitalise fixed assets financed through long-term leasing contracts or similar arrangements.

1.6. - Non-consolidated investments
The gross value of non-consolidated holdings corresponds to their acquisition cost.
If this value is greater than fair value, a depreciation provision equal to the difference is constituted.

1.7 - Pension obligations
Pension obligations, relating to end-of-career benefits and to supplementary pension schemes, are covered by balance-sheet provisions for all staff members (see Section 2 - Change in method).
These obligations are valued by the prospective actuarial method known as the «projected credit unit method».

1.8 - Income recognition
The method used to account for work site income is percentage of completion; any work site whose expected margin at the end of the contract is negative is covered by an anticipated loss provision.

1.9 - Corporate income taxes
Since most of the consolidated companies are set up as partnerships, they have no tax charges as such.

For this reason, the consolidated tax charge is very small and concerns only a few business corporations.

For these consolidated business corporations, a tax provision is set aside in the event of timing differences between taxable income and income for financial reporting purposes; it is calculated by the variable deferral method.

No deferred tax credit is reported for deficits that may be carried forward or for non-deductible provisions.

1.10 - Non-Group interests
Net income and net worth are split into their Group share and non-Group share, on the basis of the percentage held by the Group.
For companies whose equity after earnings is negative, the Group takes on the share of minority interests as a charge, except when these minority interests are in a position to contribute to their share of losses.

2 - NOTABLE DEVELOPMENTS IN THE FINANCIAL YEAR

The financial year of 1997 was marked by the following developments :

- change in method of accounting for pension obligations (see 2.1),
- process of transforming the parent companies Cochery Bourdin Chaussé and Viafrance SNC into subsidiaries, leading to the creation of individual or joint regional subsidiaries (see 2.2 for the companies concerned),
- sale of the holding in the company REP, which generated an exceptional capital gain of 215.8 million French Francs.

2.1 - Change in method

As of 1997, the Group started to set aside balance-sheet provisions to cover all pension obligations to active employees, in addition to those concerning employees older than 55, which were already covered.

These obligations consist mainly of contractual end-of-career benefits.
They are valued by the prospective actuarial method recommended in international rules and known as the «projected credit unit method».

In accordance with currently prevailing principles, the impact of this change in method was determined retrospectively on the basis of obligations at 1 January 1997. The amount charged against shareholders' equity at the beginning of the year comes to 67 million French Francs.

Application of the new method resulted in a net recovery in the financial year of 8 million French Francs.

2.2 - Scope of consolidation

At 31 December 1997, the scope of consolidation encompassed 86 companies, against 79 on 31 December 1996 for the Eurovia Group.

Full consolidation	77
Proportional consolidation	6
Equity method	3

The changes in the scope of consolidation were as follows :

- Inclusion of the following companies, after partial transfer of assets from previously consolidated companies :
  CBC Atlantique SNC
  Eurovia Bourgogne SNC
  Eurovia Provence SNC
  Eurovia Dauphiné-Auvergne SNC
  Eurovia Centre Loire SNC
  Eurovia Poitou-Charentes Limousin SNC
  Eurovia Forez SNC
  Eurovia Languedoc-Roussillon SNC
  Eurovia Champagne-Ardenne Lorraine SNC
  Renon SNC
- Entry into the scope of consolidation :
  Cotra : company acquired in 1996 and 1997.
  Watelet, SNC Eurovia : companies created in 1997.
- Removal from the scope of consolidation :
  Diamantaise : sale to a third party outside the Group,
  MRVM, Technoroute, MMBTP : removal from consolidation.
- Removal and merger within the scope of consolidation :
  Maillasson, Maspeyrot : absorbed by Cochery Bourdin Chaussé SNC.

List of main consolidated companies

	Consolidation Method	% Holding
Cochery Bourdin Chaussé SNC	FC	100.00
Viafrance SNC	FC	100.00
Eurovia Champagne-Ardenne Lorraine SNC	FC	100.00
Eurovia Alsace Franche-Comté SNC	FC	100.00
Eurovia Centre Loire SNC	FC	100.00
Gercif Émulithe SNC	FC	100.00
Rol Lister SNC	FC	100.00
Travaux Signalisation Sécurité SNC	FC	100.00
Eurovia Dauphiné-Auvergne SNC	FC	100.00
Eurovia Poitou-Charentes Limousin SNC	FC	100.00
Valentin SNC	FC	100.00
Moter SA	FC	100.00
CBC Atlantique SNC	FC	100.00

	Consolidation Method	% Holding
Eurovia Bourgogne SNC	FC	100.00
Société Routière du Midi SNC	FC	100.00
Eurovia Provence SNC	FC	100.00
Carrière Chailloué SA	FC	100.00
Eurovia Languedoc-Roussillon SNC	FC	100.00
Roy SA	PC	50.00
Rol Normandie SNC	FC	100.00
Lalitte SNC	FC	100.00
Roussey SNC	FC	100.00
Lafitte SNC	FC	100.00
Cornez Delacre SA	FC	100.00
Hydrocar Industrie SA (Belgique)	FC	75.00
Société Lorraine d'Agrégats SA	PC	36.00
Kléber Moreau SA	PC	33.44

FC : Full consolidation
PC : Proportional consolidation

3 - NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1 - Net sales and current revenue

(In Thousands of French Francs)	**31 Dec. 97**	31 Dec. 96
Net sales in the financial year :	**8,839,291**	8,517,535
• including net sales of companies added	(54,524)	
• including net sales of companies removed		(10,494)
Net sales at comparable scope of consolidation	**8,784,767**	8,507,041
Other current revenue	**455,572**	389,070

With a comparable structure, net sales have grown by 3.2%.

Breakdown of net sales by line of business and geographical area

(In Thousands of French Francs) — Geographical area

Line of Business	Total	Mainland France	Overseas France	International Europe	International Africa//Asia
Roads and various networks	8,036,616	7,763,420	61,161	212,035	0
Quarries	423,476	419,874		3,602	
Other business*	379,199	345,308	25,132	7,950	809
Total	**8,839,291**	**8,528,602**	**86,293**	**223,587**	**809**

* Floor coverings and equipment for roads.

Note 2 - Charges to fixed asset depreciation accounts

(In Thousands of French Francs)	**1997**	1996
Intangible fixed assets	(3,136)	(3,605)
Goodwill	(26,249)	(22,736)
Tangible assets	(217,556)	(261,288)
Deferred charges	(2,385)	(4,798)
Total	**(249,326)**	(292,427)

Amortisation calculations are based on the following useful life-times of tangible assets :

• Buildings	25 years
• Public works equipment	from 4 to 7 years
• Vehicles	from 3 to 5 years
• Fixtures	from 8 to 10 years
• Office furniture and equipment	from 3 to 5 years

Note 3 - Charges to and recoveries from provision accounts

Changes in provisions with an impact on the statement of income are as follows :

(In Thousands of French Francs)		**1997**	1996
• Operating	(Charges)	(358,733)	(274,697)
	Recoveries	318,883	311,399
• Financial	(Charges)	(36,481)	(13,921)
	Recoveries	22,319	7,167
• Exceptional	(Charges)	(82,982)	(94,145)
	Recoveries	102,537	59,838
Total		**(34,457)**	(4,359)
Including changes with an impact on cash flow		(48,434)	(1,236)

Note 4 - Net financial income

(In Thousands of French Francs)	**1997**	1996
Financial revenue	30,781	28,884
Dividends	10,579	10,987
SNC, SC and SCI earnings	303	(4,022)
Financial charges	(15,731)	(18,047)
Changes in financial provisions	(14,162)	(6,754)
Total	**11,770**	11,048
Including cost of financing	18,393	8,278

Note 5 - Corporate income tax

(In Thousands of French Francs)	**1997**	1996
Current taxes	(6,001)	(4,978)
Deferred taxes	340	(234)
Total	**(5,661)**	(5,212)

Note 6 - Exceptional income

(In Thousands of French Francs)	**1997**	1996
Income from asset disposals	236,384	3,334
Restructuring charges	(54,828)	(46,666)
Other exceptional charges and revenue	(23,957)	(9,165)
Changes in exceptional amortisation and provisions	19,555	(34,307)
Total	**177,154**	(86,804)

Note 7 - Intangible fixed assets

(In Thousands of French Francs)	**Gross value**					**Net value**
	Initial balance	Investments	Disposals, adjustments	Final balance	Cumulative depreciation at 31 Dec.1997	Final balance
Start-up costs	691	402	(133)	960	(673)	287
Research costs	5		0	5	(5)	0
Goodwill and brands	11,730	3,320	330	15,380	(6,902)	8,478
Lease renewals	270		0	270	(250)	20
Software	12,002	2,259	(1,016)	13,245	(11,688)	1,557
Patents	4,606	13	194	4,813	(3,996)	817
Other intangible assets	7,017		(160)	6,857	(5,434)	1,423
Total	**36,321**	**5,994**	**(785)**	**41,530**	**(28,948)**	**12,582**

Note 8 - Tangible fixed assets

(In Thousands of French Francs)	Gross value					Net value
	Initial balance	Investments	Disposals adjustments	Final balance	Cumulative depreciation at 31 Dec. 1997	Final balance
Land	395,246	3,529	(2,183)	396,592	(79,768)	316,824
Buildings	248,978	9,958	(1,988)	256,948	(130,921)	126,027
Technical facilities, equipment, tools	1,660,154	113,798	(161,177)	1,612,775	(1,298,578)	314,197
Other tangible assets	610,638	44,720	(63,872)	591,486	(515,122)	76,364
Work in progress	27,863	38,438	(13,221)	53,080	-	53,080
Capital gains or losses on Group disposals	0	(24,741)	24,741	0		0
Total	**2,942,879**	**185,702**	**(217,700)**	**2,910,881**	**(2,024,389)**	**886,492**

Note 9 - Goodwill

The changes in the year in this item were as follows :

(In Thousands of French Francs)	**31 Déc. 1997**	31 Déc. 1996
Goodwill		
• Net at year beginning	305,651	322,201
• Created in the year	6,077	6,186
Amortisation	(26,249)	(22,736)
Removals from scope of consolidation	441	
Net goodwill at year end	**285,920**	305,651

Note 10 - Unconsolidated investments

This item consists mainly :

- of holdings in industrial companies that produce hot mix, binder or materials, for a total net book value of 146 million French Francs,
- of 100% controlled subsidiaries, whose net sales are below the consolidation threshold,
- of real-estate or land-holding companies, whose business is not significant.

Financial investments in the year amounted to a total of 6 million French Francs, and mainly involved acquiring holdings in industrial entities.

Note 11 - Shares in affiliated (equity method) companies

(In Thousands of French Francs)	C.B.A.	SILF	ERCA	**Total**
% interest	35.00	50.00	35.00	
Earnings				
Net	1,407	2,542	1,100	
Contribution to Group	492	1,271	385	**2,148**
Shareholders' equity				
Corporate total	3,897	6,748	4,783	
Group share	1,364	3,374	1,674	**6,412**

Note 12 - Other financial assets

(In Thousands of French Francs)	**31 Dec. 97**	31 Dec. 1996
	Net	Net
Long-term financial receivables	21,847	17,475
Long-term investments	5,578	6,199
Loans, deposits and other financial assets	40,983	34,024
Total	**68,408**	57,698

Loans consist mainly of amounts disbursed by way of the contribution to the construction effort, and are carried at their historical value.

Note 13 - Changes in equity (before income allocation)

(In Thousands of French Francs)

	Initial balance	Scope and method change[1]	Earnings in year	Distribution in year	Other changes	Final balance
Capital stock	1,145,000	0	0	0	0	1,145,000
Parent retained earnings	29	(18,265)	0	(7,410)	0	(25,646)
Consolidated retained earnings	(40,033)	(47,088)	0	(12,050)	(213)	(99,384)
Income Group share	(9,993)	(1,534)	276,297	11,527	0	276,297
Shareholders' equity	**1,095,003**	**(66,887)**	**276,297**	**(7,933)**	**(213)**	**1,296,267**
Minority interests						
• Retained earnings	5,668	(15)	0	(227)	(64)	5,362
• Net income	(117)	7	(1,406)	110	0	(1,406)
Minority interests	**5,551**	**(8)**	**(1,406)**	**(117)**	**(64)**	**3,956**
Other equity	140,444			0	(11,880)	128,564
Total equity	**1,240,998**	**(66,895)**	**274,891**	**(8,050)**	**(12,157)**	**1,428,787**

[1] The change here is mostly due to the change in method of accounting for pension obligations (see 2.1).

Note 14 - Provisions for liabilities and charges

(In Thousands of French Francs)

	Initial balance	Method and other changes	Charges	Recoveries	Scope and exchange variations	Final balance
Pensions	15 967	66,892 [1]	11,832	(20,284)		74,407
Litigation	59 755	1,648	25,411	(25,466)	262	61,610
Work in progress and after-sales service	271 997	(1,008)	213,261	(175,543)	4,679	313,386
End-of-contract losses	34 842	(258)	40,212	(34,479)	(240)	40,077
Other operating risks	56 671	(245)	42,106	(29,832)	1,096	69,796
Financial risks	5 580	295	7,972	(2,683)	800	11,964
Restructuring	69 874	999	44,117	(61,974)		53,016
Deferred taxation	508	0	357	(75)	(50)	740
Exceptional provisions	82 114	(1,431)	38,352	(38,931)	1,490	81,594
Total	**597 308**	**66,892**	**423,620**	**(389,267)**	**8,037**	**706,590**

[1] This amount is due to the change in method set out in 2.1.

Note 15 - Net financial surplus (debt)

(In Thousands of French Francs)	**31 Dec. 1997**	31 Dec. 1996
Long-term borrowing and financial debt	(14,208)	(17,047)
Short-term portion of long-term debt	(8,193)	(43 ,918)
I - Long-term financial debt	**(22,401)**	(60,965)
II - Long-term financial receivables	**21,847**	17,475
Bank overdrafts	(982,855)	(674,799)
Other short-term financial debt	(113,898)	(43,656)
Short-term financial receivables	295,053	211,028
Marketable securities and quick assets [1]	2,066,962	1,391,277
III - Net cash position	**1,265,262**	883,850
Net financial surplus (debt) (I + II + III)	**1,264,708**	840,360

Maturity structure of long-term financial debt :	Maturity		
		in 1999	5,082
		in 2000	3,979
		in 2001	2,159
		in 2002	755

[1] This line item includes quick assets deposited with the parent company.

Note 16 - The working capital requirement

(In Thousands of French Francs)		**31 Dec. 1997**	31 Dec. 1996	Variation
Inventories and work in progress		109,867	129,991	(20,124)
Accounts and trade notes receivable		2,970,932	2,640,223	330,709
Other debtors		340,381	280,647	59,734
Assets adjustment accounts		18,229	18,860	(631)
	(I)	**3,439,409**	3,069,721	**369,688**
Advances and deposits received		78,161	60,497	17,664
Accounts and trade notes payable		2,854,258	2,555,531	298,727
Other creditors		825,476	789,565	35,911
Liabilities adjustment accounts		205,634	141,408	64,226
	(II)	**3,963,529**	3,547,001	**416,528**
Working capital requirement	**(I) - (II)**	**(524,120)**	(477,280)	**(46,840)**

Note 17 - Commitments off the balance sheet

(In Thousands of French Francs)	**31 Dec. 1997**	31 Dec. 1996
Commitments given		
Performance bonds and guarantees	708,655	559,295
Pension obligations(1)		71,731
Joint and several guarantee in partnerships	758,785	807,774
Other commitments	89,119	62,023
Total	**1,556,559**	1,500,823
Commitments received		
Performance bonds and guarantees	10,897	9,582
Other commitments	9,712	12,222
Joint and several guarantee of the parent company	1,977,495	3,464,586
Total	**1,998,104**	3,486,390
Reciprocal commitments		
Real-estate leasing contract	19,739	35,205

(1) As of 1997 pension obligations appear in provisions for liabilities and charges.

Note 18 - Average number of employees

	31 Dec. 1997	31 Dec. 1996
Personnel category		
Managerial	985	1 077
Employees, Technicians and Supervisors	2 580	2 810
Workers	6 611	7 055
Total	**10 176**	10 942

COMPANIES IN WHOSE FINANCIAL STATEMENTS THE GROUP'S ACCOUNTS ARE CONSOLIDATED

SOGEA
Business Corporation with a capital stock of 1,633,140,600 French Francs
having its Head Office at
3, cours Ferdinand de Lesseps
92851 RUEIL MALMAISON CEDEX
Company Register : NANTERRE B 709 806 939

SOCIÉTÉ GÉNÉRALE D'ENTREPRISES
Business Corporation with a capital stock of 3,427,484,920 French Francs
having its Head Office at
1, cours Ferdinand de Lesseps
92851 RUEIL MALMAISON CEDEX
Company Register : NANTERRE B 552 037 806

VIVENDI
Business Corporation with a capital stock of 13,404,517,600 French Francs
having its Head Office at
42, avenue de Friedland
75380 PARIS CEDEX 08
Company Register : PARIS B 780 129 961

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