



1998 ANNUAL REPORT



**EUROVIA**

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MEMBERS of the board of directors

*CHAIRMAN*

Roger MARTIN

*DIRECTORS*

Bernard HUVELIN

Jean-Louis MARCHAND

Gérard MOHR



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**MEMBERS OF THE  
EXECUTIVE COMMITTEE**

**Roger MARTIN**  
*Chief Executive Officer*

**Jean-Louis MARCHAND**  
*General Manager*

**Jean-Yves GUILLARD**  
*Deputy General Manager*

**Jacques ROYER**  
*Deputy General Manager*

**Guy VACHER**  
*Deputy General Manager*

**André VIDAL**  
*Deputy General Manager*

**Olivier LAVERRIÈRE**  
*Director of Administration*

**Jean-Claude TEXIER**  
*Director of Finance*

**Philippe VINAY**  
*Director of Human Resources*

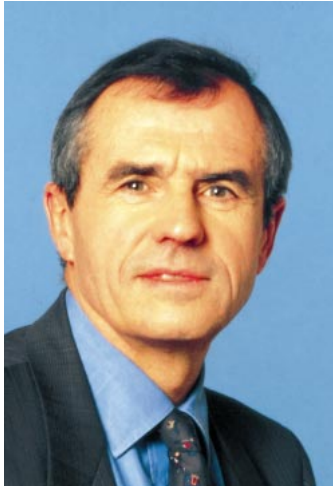
**Siegfried EICHLER**  
*Director of Eurovia Services in Central Europe*

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**STATUTORY AUDITORS**

**SALUSTRO REYDEL**

**MAZARS & GUÉRARD**



**OUR**  
*international*  
**ambition**

THE CHAIRMAN'S letter

— **In 1998** Eurovia reaped the first benefits from its re-organisation. With net sales of 1,559 million euro, it is now a major European roadwork company. As the number two Group on the French roadwork market, where it accounts for more than 17% of volume, Eurovia is also a major builder of motorways. At the end of the financial year, marked by improvement in the French market and a return to stability in Germany, the Group is posting operating income of 32 million euro, an increase of almost 150% in comparison with the previous year. Finding strength in the know-how of its 11,500 employees, Eurovia is now a benchmark company in its two main lines of business: the construction and maintenance of infrastructure and public facilities, and the industrial production of roadwork materials.

— 1998 WAS A YEAR of consolidation of the efforts made by all the Group's teams to get across the importance of the Quality system, as put in place in all the roadwork entities: each and every one of the roadwork centres is now ISO 9002 certified for all lines of business.

— FROM ITS POSITION of strength in France, the Group has committed to an ambitious policy of international development: in 1998, Eurovia increased its presence in Belgium, created subsidiaries in Romania, Slovakia and Albania, and acquired several companies in Poland, laying a solid foundation for further development in that country. Initial steps were also taken to develop a position in the North American market.

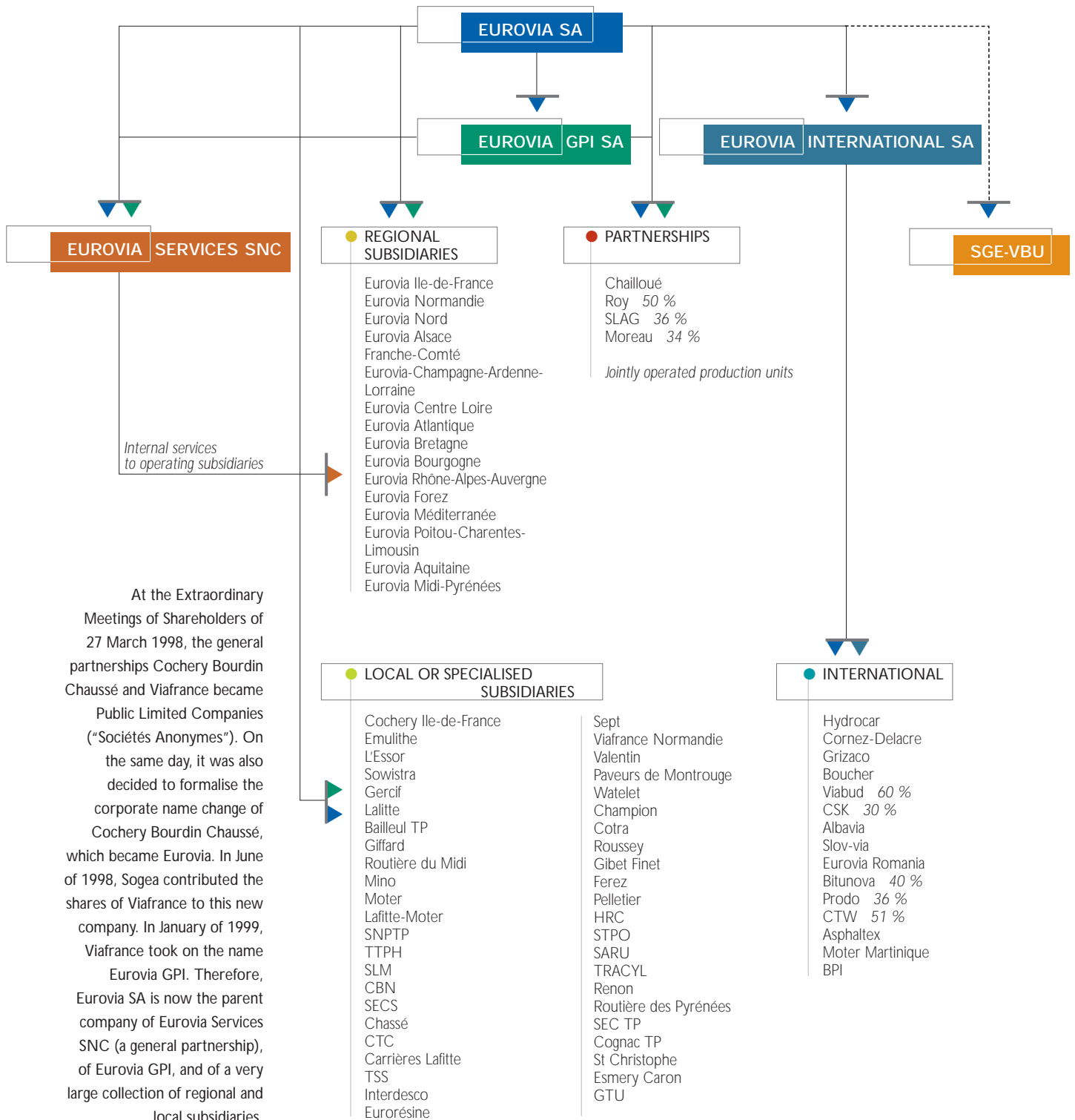
— IN 1999, RISING NET sales and operating income will be an important stage on the road to achieving the ambitious objective that Eurovia has set itself: to obtain 25% of its net sales outside France in 2001.

Roger **MARTIN**

# ORGANISATION chart



## of the group's companies

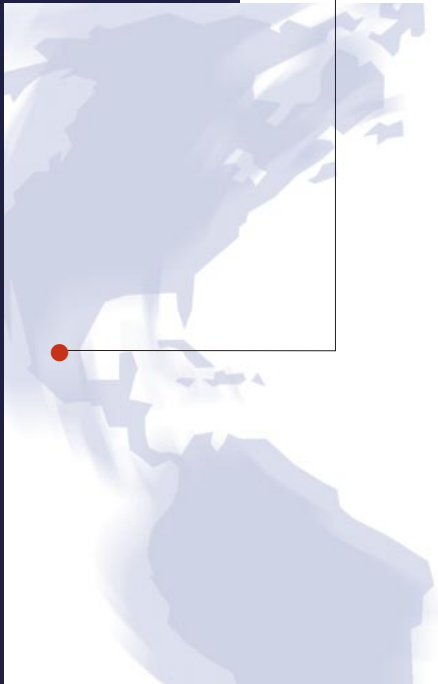
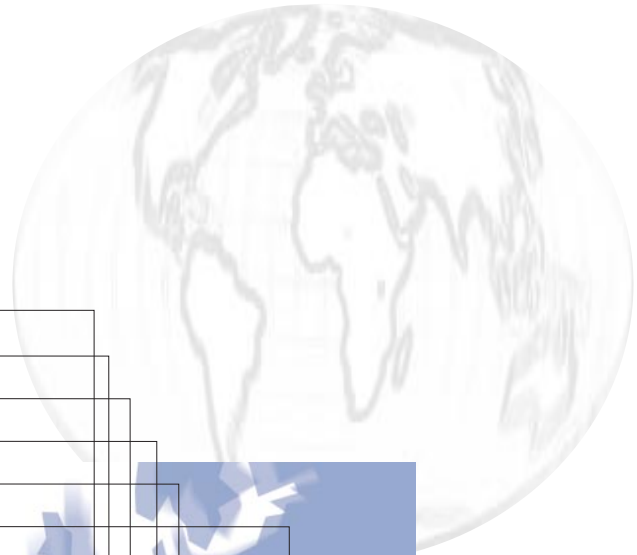




# MAP

showing the group's  
locations at the end of 1998

- France
- Belgium
- Germany
- Switzerland
- Poland
- Slovakia
- Albania
- Romania
- Mexico



# KEY figures



€ KEY figures in millions of euro

	1 9 9 7	1 9 9 8	
NET SALES BEFORE TAXES	1,347.5	1,388.3	1,559.3
of which, outside France	34.0	53.1	224
GROSS OPERATING SURPLUS	59.8	79.2	86.4
as % of net sales	4.4%	5.7%	5.5%
OPERATING INCOME	19.8	35.1	31.8
as % of net sales	1.5%	2.5%	2.0%
OPERATING INCOME LESS NET FINANCIAL EXPENSE	21.6	37.9	35.9
as % of net sales	1.6%	2.7%	2.3%
NET INCOME	42.1	11.4	14.1
as % of net sales	3.1%	0.8%	0.9%
CASH FLOW FROM OPERATIONS	51.2	61.3	64.1
as % of net sales	3.8%	4.4%	4.1%
CAPITAL EXPENDITURE AND ACQUISITION OF INVESTMENTS	30.4	41.3	47.3
of which, capital expenditure	29.4	34.1	39.9
SHAREHOLDERS' EQUITY	218.8	205.8	254.2
PROVISIONS FOR LIABILITIES AND CHARGES	107.7	116.2	165.8
as % of the balance-sheet total	9.8%	10.9%	13.6%
BORROWINGS AND FINANCIAL DEBT	3.4	11.4	12.9
of which, long-term portion	2.2	11.1	11.1
NET FINANCIAL POSITION	+193	+179.4	+209.5
AVERAGE NUMBER OF EMPLOYEES	10,176	10,116	11,562
of which, outside France	221	331	1,777

including SGE-VBU

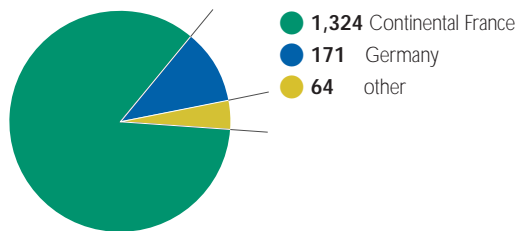
FF KEY figures in millions of francs

	1 9 9 7	1 9 9 8
NET SALES BEFORE TAXES	8,839	9,107
of which, outside France	224	348
GROSS OPERATING SURPLUS	393	520
as % of net sales	4.4%	5.7%
OPERATING INCOME	130	230
as % of net sales	1.5%	2.5%
OPERATING INCOME LESS NET FINANCIAL EXPENSE	141	248
as % of net sales	1.6%	2.7%
NET INCOME	276	75
as % of net sales	3.1%	0.8%
CASH FLOW FROM OPERATIONS	336	402
as % of net sales	3.8%	4.4%
CAPITAL EXPENDITURE AND ACQUISITION OF INVESTMENTS	199	271
of which, capital expenditure	193	224
SHAREHOLDERS' EQUITY	1,429	1,350
PROVISIONS FOR LIABILITIES AND CHARGES	707	762
as % of the balance-sheet total	9.8%	10.9%
BORROWINGS AND FINANCIAL DEBT	22	85
of which, long-term portion	14	73
NET FINANCIAL POSITION	+1,265	+1,177
AVERAGE NUMBER OF EMPLOYEES	10,176	10,116
of which, outside France	221	331

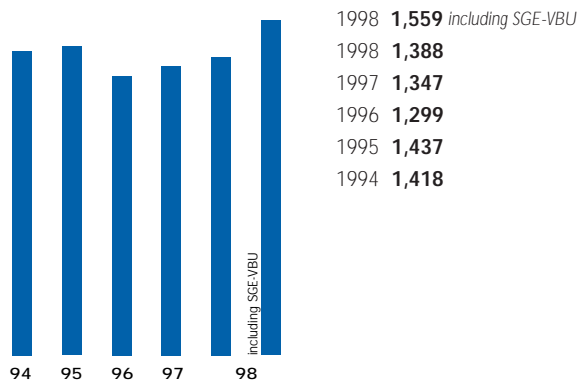




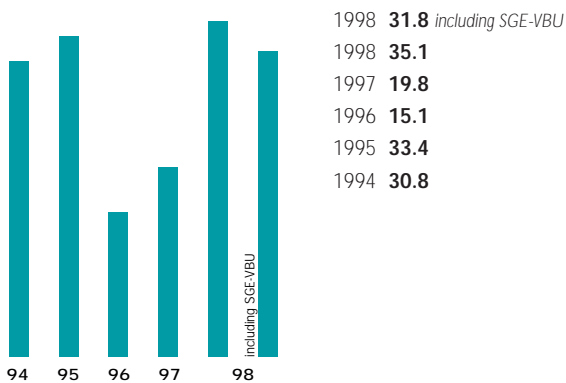
**BREAKDOWN by geographical area**  
in millions of euro



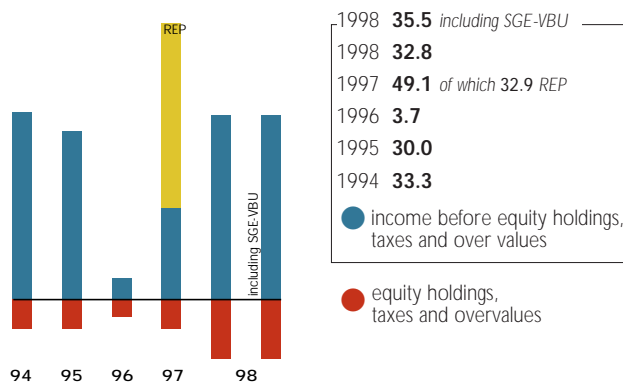
**NET sales**  
in millions of euro



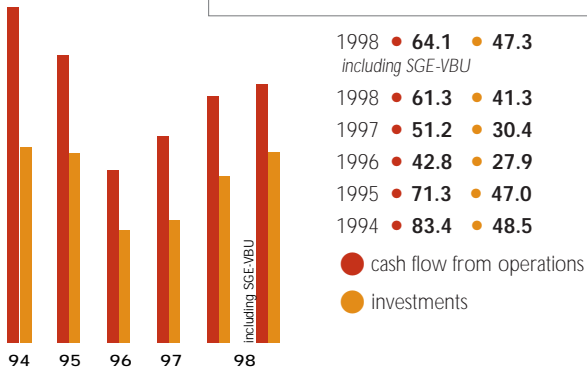
**OPERATING income**  
in millions of euro



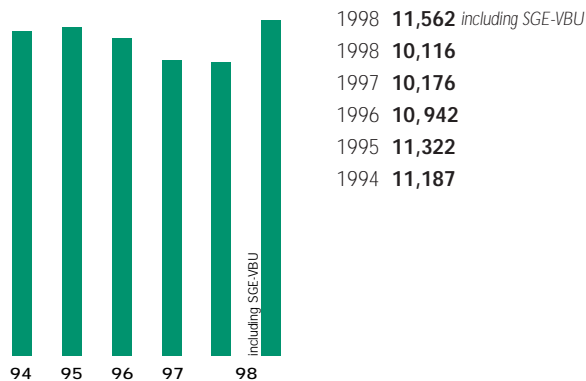
**NET income**  
in millions of euro



**CASH FLOW from operations, capital expenditure and acquisition of investments**  
in millions of euro



**AVERAGE number of employees**



# KEY figures



## CONSOLIDATED STATEMENT of income *in millions of euro*

	1 9 9 7	1 9 9 8	
NET SALES	1,347.5	1,388.3	1,559.3
OPERATING INCOME	19.8	35.1	31.8
net financial expense	1.8	2.8	4.1
operating income less net financial expense	21.6	37.9	35.9
net exceptional income (expense) (1)	27.0	-5.4	-0.7
taxes and equity holdings	-3.0	-14.0	-14.0
affiliated companies	0.3	0.1	0.1
depreciation of goodwill	-4.0	-7.4	-7.4
consolidated net income	41.9	11.1	13.8
<b>GROUP SHARE OF NET INCOME</b>	<b>42.1</b>	<b>11.4</b>	<b>14.1</b>

(1) including + 33 millions euro in capital gains from disposals (REP) in 1997.

## STATEMENT OF CHANGES in consolidated financial position *in millions of euro*

	1 9 9 7	1 9 9 8	
operating cash flow	50.9	60.4	63.3
net change in working capital requirement	7.7	9.6	2.4
<b>CURRENT OPERATIONS</b>	<b>58.6</b>	<b>70.0</b>	<b>65.7</b>
net capital expenditure	-25.8	-32.1	-34.4
net investment acquisitions	+31.3	-5.1	-24.2
<b>CAPITAL EXPENDITURE AND ACQUISITION OPERATIONS</b>	<b>5.5</b>	<b>37.2</b>	<b>-58.6</b>
change in shareholders' equity	-1.8	5.1	5.1
dividends paid out	-1.0	-32.6	-32.0
change in long-term debt	-0.5	-0.6	-0.6
<b>FINANCING OPERATIONS</b>	<b>-3.3</b>	<b>-28.1</b>	<b>-27.6</b>
<b>FLOWS IN THE YEAR</b>	<b>60.8</b>	<b>4.7</b>	<b>-20.5</b>
cash position on 1 january 1998	128.0	191.6	245.4
consolidation scope and other changes	2.8	-9.1	-7.5
<b>CASH POSITION ON 31 DECEMBER 1998</b>	<b>191.6</b>	<b>187.2</b>	<b>217.4</b>

## CONSOLIDATED balance sheet *in millions of euro*

	1 9 9 7	1 9 9 8		1 9 9 7	1 9 9 8	
intangible fixed assets	45.5	38.6	38.7	shareholders' equity	217.8	205.8
tangible fixed assets	135.5	156.6	194.2	provisions	107.7	116.2
financial assets	35.2	34.5	68.5	long-term debt	2.4	11.4
total fixed assets	216.2	229.7	301.4			
<b>WORKING CAPITAL</b>	<b>111.7</b>	<b>103.7</b>	<b>130.0</b>	total capital employed	328.0	333.4
inventories				accounts payable	604.2	598.4
and work in progress	16.7	18.7	19.5			
accounts and						
trade notes receivable	507.6	496.2	541.0			
<b>WORKING CAPITAL REQUIREMENT</b>	<b>79.9</b>	<b>83.5</b>	<b>87.4</b>	cash accounts payable	168.4	133.4
cash	360.1	320.6	355.0	<b>CASH POSITION</b>	<b>191.6</b>	<b>187.2</b>
<b>TOTAL BALANCE-SHEET ASSETS</b>	<b>1,100.6</b>	<b>1,065.2</b>	<b>1,216.9</b>	<b>TOTAL BALANCE-SHEET LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>1,100.6</b>	<b>1,065.2</b>

# MAIN developments

in the year

**May** — ACQUISITION OF THE BELGIAN ENTERPRISE BOUCHER — Eurovia increased its presence in Belgium, where it now does more than 31 million euro worth of business in Wallonia, through its subsidiaries Cornez-Delacre and Hydrocar, and in eastern Flanders, through its subsidiary

Grizaco, by buying out Boucher from the Besix Group. This acquisition has made it possible for the Group to move into the urban agglomeration of Brussels, and to gain access to the market of western Flanders.



**October** — CREATION OF THE MEXICAN COMPANY BITUNOVA — A joint venture was set up by Eurovia and Tribasa, a Mexican construction group, for the purpose of producing and marketing polymer binders and emulsions. This new company has one fixed plant and two mobile plants in Mexico, and is expected to produce 40,000 metric tons of binder in 1999. This is Eurovia's first equity holding on the American continent.

**November** — ACQUISITION OF THE POLISH ENTERPRISE PBK — Sixty percent of the capital stock of a Polish firm called

Beskidkie Drogi (PBK), whose head office is in Bielsko-Biala to the south of Katowice, was acquired in November. This enterprise, which specialises in roadwork, has three roadwork centres and two surfacing stations. This acquisition, which has given Eurovia a presence in the south of Poland, will be followed by other operations in the same area.

**December** — SIGNING OF CONTRACT 101 IN ROMANIA — Eurovia has won an international call for tenders for the renovation of national road number 13 between Brasov and Bogata Hill in Romania. Priced at 10.9 million euro, financed by an EBRD loan, the works include the renovation of six bridges, the upgrading of the drainage system, the reinforcement of 35 kilometres of existing roadway (140,000 metric tons of surfacing material), the provision of safety equipment and of signing. The work will start in April of 1999, and is to be delivered by 30 September 2000.



— FIRST PRE-FINANCING AND CONSTRUCTION CONTRACT FOR SGE-VBU — SGE-VBU has won the German call for tenders for the pre-financing and construction of a by-pass road around the village of Gardelegen in the new Land of Saxony-Anhalt. Valued at 19.5 million euro, the work started at the end of 1998.



## building and maintaining



Olivier FIORI  
Work Site Supervisor

// I MUST ADMIT THAT MY FIRST IMPRESSION OF THE ISO 9002 STANDARD WAS SOMEWHAT MIXED. THIS NEW WORKING METHOD SEEMED TO ME TO BE CUMBERSOME AND RATHER INAPPROPRIATE. BUT WHEN MY AGENCY UNDERWENT THE CERTIFICATION AUDIT, I HAD AN OPPORTUNITY TO SEE TO WHAT EXTENT ONE HAD TO COMMIT TO THE SYSTEM FOR IT TO WORK. THIS FORCED ME TO PLUNGE RIGHT INTO THE APPROACH, AND WITH TIME I BECAME AWARE OF VARIOUS POSITIVE ASPECTS EMERGING IN QUICK SUCCESSION.

TO BEGIN WITH, THE USEFULNESS OF THE ORGANISATION NOTE, WHICH ALLOWS FOR A GOOD SUMMARY OF THE HIGHLIGHTS AND FOR DELINEATION OF THE LINE TO BE FOLLOWED.



*Although the year was one of ups and downs, the roadwork market nevertheless continued to exhibit the essential characteristics of a recurrent market, for the demand for roads is infinite.*

● THE COMPLETE AND CLEAR CLASSIFICATION OF WRITTEN SUPPORTING DOCUMENTATION IN THE WORK SITE FILE.

● THEN THERE IS THE QUALITY JOURNAL, WHICH IS AN IDEAL MEDIUM FOR TRACING THE HISTORY OF THE WORK SITE.

● BUT IN MY OPINION, THE MOST IMPORTANT ASPECT IS THE POSSIBILITY OF STANDING BACK AND REFLECTING ON SOLUTIONS TO TECHNICAL PROBLEMS THROUGH THE NON-CONFORMITY SHEET.

ALL IN ALL, I BELIEVE THAT ISO 9002 CERTIFICATION IS A NEW WORKING TOOL THAT HELPS ME TO ORGANISE WHAT I DO, TO MONITOR AND TO MANAGE MY WORK SITES, WITH A VIEW TO IMPROVING BOTH QUALITY AND PROFITABILITY. //



*Contributing to  
land-use planning  
and to the maintenance  
of the road network*



— THE FIRST HALF YEAR was characterised by exceptionally good growth of 6%, but business volume in the second six months was adversely affected by very poor weather conditions. For the year as a whole, growth stood at 2.8%. After the very good 1997 upturn of 4%, last year was the second consecutive year of growth after three years of decline (-20% from 1994 to 1997). Under these market conditions, the Group's net sales for the year stood at 1,350 million euro. On a German market with price levels that continue to be particularly sluggish, VBU, with net sales of 175 million euro, continues to be the leading construction firm in the new Länders.

— AS THE NUMBER ONE MOTORWAY builder on the French market, in 1998 Eurovia completed construction of the Montauban-Caussade and Donzenac-Puy de Grâce sections of the A20 for Autoroutes du Sud de la France (ASF), as well as the section between Ille et Vilaine and Avranches of the A84. The Group was also responsible for widening the A51 between Aix-en-Provence and Marseilles to 2 x 3 lanes, and for the construction of embankments along the Libourne-Coutras section of the A89. In Germany, this year saw VBU carrying out renovation work on the Dreieck Spreeau A10-A12 motorway interchange to the south of Berlin, a work site in the course of which the one thousandth renovated kilometre (250 kilometres of them by VBU) in the Land of Brandenburg was celebrated. Toward the end of 1998, work started on the by-pass of Villedieu-les-Poêles on the Autoroute des Estuaires (A84), on the Grenoble-Coyneille section of the A51, and on the Gardelegen by-pass in Saxony-Anhalt.

— IN SO FAR AS MAJOR AIRPORT INFRASTRUCTURE is concerned, substantial works were also carried out at the airports of Basle-Mulhouse (construction of runways and taxiways), of Roissy (upgrading of loop K and construction of runway 4), Nice (change in location of the North runway), Angers (construction of a new aerodrome), at the Europort at Vatry (strengthening and extension of the landing strip), and at Tegel airport in Berlin (renovation of the southern runway). Such projects require special work site organisation, because of the traffic flows and safety standards that are specific to airports, which allowed Eurovia's teams to demonstrate and take full advantage of their technical expertise and their know-how.

— THERE WERE MANY PROJECTS in the year demonstrating that Eurovia contributes to regional development and to preservation of the roadway heritage. Here are a few examples: development of the urban throughway linking the RD30 and the RD11, via Plaisir, in the Yvelines department, construction of an intersection on two levels at the entrance to the urban agglomeration of Nancy, widening of the RD52 between Angers and Briollay in the Maine et Loire department, construction of an interchange at Goussainville on the RN12, widening to 3 lanes of the RD957 between Epuisay and Vendôme in the Loir et Cher department, construction of the viaduct for the eastern ring road at Bourges, the south-east roundabout at Marmande, and the construction of a 33 kilometre bicycle path along the Oder river.





## developing new markets



Jean-Yves TONNELIER  
Agency Director



“ OBTAINED ALMOST ONE YEAR AGO, THE AGENCY'S ISO 9002 CERTIFICATION HAD THE OBJECTIVE, OF COURSE, OF GIVING OUR CLIENTELE BETTER SATISFACTION BY RUNNING OUR WORK SITES BETTER. BEYOND THAT, THE APPROACH CHANGED OUR APPROACH VERY PROFOUNDLY, WITH POSITIVE REPERCUSSIONS FOR OUR WORK ORGANISATION METHODS. WRITTEN FORMALISM REPLACED OUR VERBAL HABITS. NOW WHAT WE HAVE TO DO IS ALL IN OUR “BIBLE”, THE QUALITY MANUAL. THE TOOLS WE USE WERE CREATED BY THE AGENCY AND STIMULATE NEW REFLEXES: -THE STAFF IS RECEIVED BETTER, EVERYONE'S ROLE IS BETTER DEFINED, AND TRAINING IS BETTER ATTENDED AT AGENCY LEVEL.

- OUR DESIGN PROJECTS ARE PUT TOGETHER IN ACCORDANCE WITH VERY PRECISE RULES, FROM THE STUDY PHASE RIGHT THROUGH TO ARCHIVING.
- AT EACH IMPORTANT MILESTONE OF A CONTRACT, TRANSFER MEETINGS FORMALISE THE TRANSMISSION OF INSTRUCTIONS.

*Commercial and industrial clientele, the construction of clean modes of transport, and lines of business related to environmental protection have become the three new thrusts of the Group's development.*

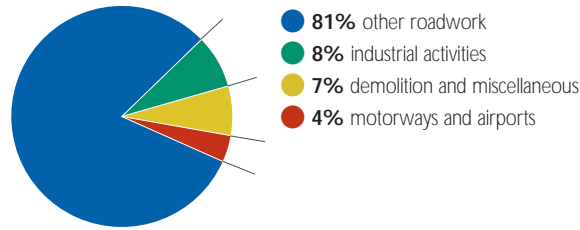
- BY PASSING ON INFORMATION ABOUT PROBLEMS THEY HAVE ENCOUNTERED, WORK SITE SUPERVISORS HELP US TO TAKE CORRECTIVE AND PREVENTIVE ACTION TO AVOID REPEATING THE SAME MISTAKES.

OUR WORK ORGANISATION HAS BECOME MORE METHODOICAL, WE AVOID DOING THINGS TWICE OVER, LOSS OF TIME, UNCERTAINTIES AND MISUNDERSTANDINGS. THE QUALITY SYSTEM HAS BECOME OUR COMMON LANGUAGE.

AS THE AGENCY DIRECTOR, I FOUND THAT THE QUALITY APPROACH REQUIRED AN INTENSE EFFORT OF COMMUNICATION. QUALITY IS NOT INSTINCTIVE, AND IT WAS NECESSARY TO CONVINCING EVERYONE AT THE AGENCY, WHATEVER HIS OR HER ROLE. ON AN A POSTERIORI BASIS, IT WAS ALSO NECESSARY TO COMMUNICATE TO PUT THE STRESS ON ACCOMPLISHED PROGRESS; SOME OF THE ACHIEVEMENTS OF THE QUALITY APPROACH NOW SEEM PERFECTLY NATURAL, BUT AT THE TIME THEY REQUIRED THAT EVERYONE BECOME COMPLETELY INVOLVED. ”



BREAKDOWN by line of business  
in millions of euros



*Developing an  
integrated offering  
from construction  
to maintenance*



EUROVIA IS ALSO DEVELOPING services offered to private clientele. In 1998, examples of this include industrial flooring for the new Shisheido plant, the access tracks for the new loading zone for vehicles produced at the Peugeot plant in Sochaux, parking lots for the Carrefour hyperstores in Rennes and St Briec, and storage platforms for the Isover Saint Gobain and Air Liquide Electronics plants. Eurovia is now developing a complete range of services, from the design of exterior fixtures right through to site maintenance, tailor made to meet the needs of industrialists, of wholesalers and of large-scale retailers. This type of durable partnership has already been entered into with Alcatel for its site in Toulouse, and with Ardial for its entire French network.

NEW BUSINESS OPPORTUNITIES are arising with the development of clean urban transport modes: the construction of lanes reserved for buses, of bicycle paths, of tramway platforms and of underground train infrastructure of the Val type has become a significant activity for the Eurovia Group. Platforms for tramways in Montpellier, Orléans and Nantes have been completed in the course of the year. Bicycle paths with coloured surfacing were built in Brest and in St Jean de Monts. Environmental protection has already given rise to the development of attractive lines of business, with the construction of waste treatment plants and waste storage sites. Finally, demolition and disassembling constitute a line of business in and of itself: the experience gained in Germany by VBU, in particular with the demolition this year of the three motorway bridges at the Schönefelder Kreuz interchange, is now benefiting the Group's entire network of agencies.



MOVING BEYOND ROADWORK, today's Eurovia Group builds and maintains all types of exterior and interior infrastructure and fixtures, be they urban or rural, be they public or private.



## producing



**Thierry ROUGERIE**  
Factory Manager

// TO BEGIN WITH, THE PREPARATION AND THE IMPLEMENTATION OF THE CERTIFICATION PROCEDURE WAS SOMEWHAT CUMBERSOME. LATER ON, IT BECAME AN INDISPENSABLE WORKING TOOL AND, AS THE HABIT GREW ON US, FAIRLY EASY TO APPLY. THANKS TO CERTIFICATION, EVERYONE BECAME AWARE OF HIS OR HER ROLE IN OUR EVERYDAY WORK. INITIAL FEARS WERE QUICKLY DISPELLED, GIVING WAY TO A SENSE OF SECURITY AND TRUST, WHICH PROMOTED A SPIRIT OF TEAM WORK. WE WENT THROUGH SOME SELF QUESTIONING AND WE IMPROVED OURSELVES: TODAY THINGS ARE CLEAR AND EACH HAS ITS PROPER PLACE. THANKS TO THE PROCEDURES, OPERATORS HAVE BECOME MORE UNIVERSAL IN THE TASKS THEY UNDERTAKE. SIMILARLY, NEW EMPLOYEES LEARN THEIR WORK MUCH MORE EASILY.



*Industrial production is the second line of business by volume of the Eurovia Group; as a guarantor of regular income and of supply security, it is a strategic development priority both in France and abroad.*

● ● ●

SINCE 1995, WHEN THE FACTORY WAS CERTIFIED, WE HAVE MANAGED TO SIMPLIFY THE SYSTEM BY MAKING OUR DOCUMENTATION LESS CUMBERSOME, WITH BETTER TARGETING OF INDIVIDUAL ADDRESSEES. MAJOR NON-CONFORMITIES OF FINISHED PRODUCTS HAVE DISAPPEARED, THANKS TO BETTER CONTROL OF MANUFACTURING AND STORAGE PROCEDURES. RIGOROUS FORMALISATION OF ORDER PROCESSING HAS MADE IT EASIER TO PLAN AND TO MEET DEADLINES, BY ENSURING BETTER ORGANISATION OF PROCUREMENT AND PRODUCTION. THIS RIGOUR IN OUR RELATIONS WITH CLIENTS AND SUPPLIERS HAS IMPROVED EVEN MORE WITH THE CERTIFICATION OF THE GROUP'S WORKS AGENCIES. AS THE WAY WE WORK HAS IMPROVED, WE HAVE FELT OURSELVES COME CLOSER TO OUR CLIENTS. THIS IS ALSO A SOURCE OF PERSONAL SATISFACTION, FOR WE SENSE THAT OUR EFFORTS ARE APPRECIATED, AND AS A RESULT, WE HAVE MORE SELF-CONFIDENCE. //





**INDUSTRIAL activities**  
production in millions of tons

	quarries	stations	factories
number	49	148	40
of which, wholly owned	30	32	10
total production	24.0	16	
own-share	14.0	7.4	



*Strengthening  
industrial potential*

WITH ITS WHOLLY OWNED and shared entities, including 143 hot mix plants, 37 road surface binder plants and 56 quarries, which produced 17 million metric tons of surfacing material, 475,000 metric tons of binder and 25 million metric tons of aggregate, Eurovia is a strong player in the industrial production of materials. This activity, which is truly a second line of business for Eurovia and which provides good support to the works agencies, is also less sensitive to market ups and downs. As a result, it contributes to smoothing out income.

INDUSTRIAL PRODUCTION is therefore a high priority thrust of development for Eurovia. Two significant industrial partnerships were entered into in 1998. The first, a joint venture with the Swiss companies Sika and Prodo (held by Eurovia on a minority basis), to create the roadway binder production enterprise CTW, which posted net sales of 10.2 million euro in 1998. The second leading to the constitution of a new company called Bitunova, together with Mexican partners (Tribasa).

IN THE LIGHT OF EXPERIENCE gained in Germany, the recycling of demolition materials (concrete and surfacing) is a growing industrial activity to be added to the Group's range of business lines. It is becoming more and more difficult to open new quarries and to store waste, which are just two examples of new environmental constraints, which are also opportunities for new lines of business of interest to Eurovia (construction and development of solid and liquid waste storage sites, recycling and enhancement of used materials).





## ISO 9002 certification in the works centres



### LAURENT COVELLI

Sector Manager and  
Agency Quality Motivator

“ RIGHT FROM THE BEGINNING, THE IMPLEMENTATION OF THE CERTIFICATION PROCESS WAS A SIGNIFICANT CONTRIBUTOR TO RE-ORGANISATION WITHIN THE AGENCY. IT REQUIRED THE APPLICATION OF A STRATEGY BROKEN OUT INTO THREE PHASES:

- THE FIRST CONSISTED IN A PROFOUND ANALYSIS OF OUR ORGANISATION, OF ITS ADVANTAGES, OF ITS DISADVANTAGES, OF THE INTERFACES IT GENERATES, AND OF THE HABITS AND PRACTICES OF ALL INVOLVED.

HAVING COMPLETED THIS OVERVIEW, WE JOINTLY DETERMINED THE WORKING INSTRUCTIONS, THE APPLICATION DOCUMENTS AND THE ADDITIONAL OPERATIONAL MODES REQUIRED FOR OUR BUSINESS ACTIVITY.



*In 1998 Eurovia obtained certification of its quality system under the ISO 9002 international standard for all its French works centres and for all its lines of business.*

- THE SECOND PHASE CONSISTED IN THE DRAFTING OF THE QUALITY MANUAL AND ASSOCIATED PROCEDURES, AND IN THEIR DISSEMINATION TO ALL INVOLVED, WITH REPEATED EXPLANATION, IN GROUPS AND THEN INDIVIDUALLY, OF THE ESSENTIAL MEANING OF THE STANDARD AND OF ITS APPLICATION TO OUR ACTIVITY. TO FOLLOW THIS NEW MANAGEMENT METHOD, WHICH IS VERY STRICT IN ITS APPLICATION AND IMBUE WITH A SPIRIT OF ANTICIPATION, REQUIRES THE COMMITMENT OF ALL ON A DAILY BASIS.

- THE LAST PHASE IS PRESENTLY UNDER WAY. APART FROM THE NECESSARY SUPPORT WORK, WE CAN NOW STAND BACK FROM THE PROCESS ENOUGH TO SEE HOW FURTHER IMPROVEMENTS CAN BE MADE, THROUGH THE MONITORING OF QUALITY INDICATORS. FOR EXAMPLE, THE MONITORING AND THE ANALYSIS OF NON-CONFORMITIES ALLOWS US TO ESTIMATE THE COST OF “NON-QUALITY”, AND HENCE TO LIMIT THAT RISK BY PUTTING CORRECTIVE AND PREVENTIVE ACTIONS IN PLACE. A WORK SITE TO WHICH WE DO NOT RETURN IS ONE THAT PROTECTS THE GOOD IMAGE OF OUR ENTERPRISE, AND ONE WHERE THE CLIENT IS SATISFIED. //



## Promoting more attractive proposals

— OBTAINING THIS CERTIFICATION is the icing on the cake of the Group's re-organisation: as a tool for achieving integration of the companies Cochery Bourdin Chaussé and Viafrance, the Quality approach provided the 10,000 employees of the new entity with a common language and a common objective. In fact, ISO 9002 certification is the first major project carried out by Eurovia in its new configuration. By having itself audited by three bodies, one French, one English and one German, Eurovia confirmed its European roots and its international ambitions. Obtaining European certification has now become a *sine qua non* condition for genuine development beyond the borders of continental France. Between May of 1997 and July of 1998, 110 certificates were awarded by three internationally renowned certifying bodies: AFAQ (Association Française pour l'Assurance Qualité), LRQA (Lloyd's Register Quality Assurance) and DQS (Deutsche Gesellschaft zur Zertifizierung). The works centres located in France have thereby followed the good example set by VBU, which has been ISO 9002 certified by DQS since 1994.

— IN ROADWORK, the implementation of a Quality approach, of the set of characteristics that gives an enterprise the ability to meet all the expressed or implicit needs of a client, required a considerable effort to adapt to the framework of the ISO 9002 international standard. Initially designed for industrial production processes, the standard was interpreted to allow for the certification of an activity that is non-recurrent by its very

nature, in the sense that each work site is a prototype. Under present circumstances, quality in roadwork can be defined as the creation of an organisation guaranteeing the client completion in conformity with the tender, within the shortest possible time and at the best price. The salient characteristic of such quality management is following the same methodology on exceptional work sites and on everyday work sites: application of pre-defined operational procedures and modes, implementation of corrective action in the event of non-conformity, and definition of preventive actions. It is a continual striving to do better, and a new management tool, whose certification is but the first step.



## researching and innovating



Joël CONAN  
Director  
of the Central Laboratory



“ THE QUALITY APPROACH ADOPTED BY THE CENTRAL LABORATORY TURNED OUT TO BE A POWERFUL MANAGEMENT TOOL, THROUGH THE RATIONALISATION OF ACTIVITIES, THE MANAGEMENT OF INTERFACES, THE TRAINING AND SKILL ENHANCEMENT OF STAFF MEMBERS, THE MONITORING OF EQUIPMENT (MAINTENANCE AND METROLOGY) AND BETTER TRACKING. THIS WAS ALL MADE POSSIBLE BY THE CREATION OF A MULTI-FUNCTIONAL ORGANISATION AND BY GIVING MORE RESPONSIBILITY TO STAFF MEMBERS, ESPECIALLY LABORATORY TECHNICIANS. THE QUALITY SYSTEM ALLOWED FOR PAYING CLOSER ATTENTION TO THE NEEDS, WHETHER INTERNAL OR EXTERNAL, WHETHER EXPLICIT OR IMPLICIT, OF THE EUROVIA GROUP, ESPECIALLY IN THE CASE OF INNOVATION RESEARCH ACTIVITIES, WHEN THERE ARE

*To meet the expectations of clients and users also means to design new products and processes, in anticipation of tomorrow's expectations. Viaphone, Drainovia and Viacolor have become hallmark products in the Eurovia range.*

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MANY CLIENTS (DECISION-MAKERS, MAIN CONTRACTORS, WORKS AGENCIES, INDUSTRIAL ENTITIES). IMPROVEMENTS WERE ALSO MADE IN THE CONTROL OF VARIOUS PROCESSES RELATED TO DESIGN, TO FEASIBILITY STUDIES, TO LABORATORY AND WORK SITE TESTING, TO TECHNICAL ASSISTANCE AND TO THE TRANSFER OF KNOW-HOW.

THIS APPROACH RESULTED NEITHER IN LOSS OF CREATIVITY, NOR IN FOSSILISATION, AS FORMALISED PROCEDURES WERE RESERVED FOR THE MOST COMPLEX TASKS. THUS THE APPROACH LEAVES SUBSTANTIAL ROOM FOR INITIATIVE AND PRAGMATISM, PROVIDED EVERYDAY ACTIONS ARE SUBMITTED TO A CLIENT-SUPPLIER APPROACH, WITH THE SEARCH FOR A GOOD MATCH BETWEEN NEEDS AND SOLUTIONS. IT IS NOT IN OPPOSITION TO CHANGE, WHICH IT SUPPORTS THROUGH PLANNING. IT ENCOMPASSES THE CONCEPT OF PROGRESS, BY SEEKING SIMULTANEOUSLY TO SIMPLIFY THE QUALITY SYSTEM, AND TO LIMIT THE RISK OF NON-CONFORMITY BY PUTTING PREVENTIVE ACTIONS IN PLACE.

FINALLY, IT HAS INSINUATED ITSELF IN A DEFINITIVE MANNER INTO THE FUNCTIONING OF THE CENTRAL LABORATORY AND THE MENTAL ATTITUDES OF ITS STAFF MEMBERS, FOR WHOM GOING BACK TO THE OLD WAYS IS UNTHINKABLE. ”



— EUROVIA HAS DEVELOPED a network of laboratories, including the central laboratory, mostly dedicated to the research and development of new products and processes and to technical expert evaluation, and the regional laboratories attached to technical delegations, whose tasks include product formulation, technical assistance, and work site control and monitoring. The central laboratory and the technical delegations were also ISO 9002 certified by AFAQ in 1998.

— IN 1998, EUROVIA'S Technical Department presented a new range of special products and processes. These include, among others, all the surfacing and coating binders designed by the enterprise, as well as a complete line of road surfaces for silence (Viaphone), strong adherence (Microvia and Rugovia), drainage (Drainovia), with colour (Viacolor), for resistance to heavy loads (Indusvia), etc.

— IN SO FAR AS THE RESEARCH AND DEVELOPMENT activity is concerned, 1998 saw the final development of the anti-rutting binder POLYGRADE, and the large-scale application to motorways of a new generation of 0/6 draining asphalt concrete mixes. Major programmes were continued in the areas of bituminous emulsions, the recycling of work site materials and of clinker from household waste incineration, and in the testing of re-utilisation of ashes from incineration of purification plant sludge. The European CIRC programme to pinpoint construction equipment locations was also implemented in 1998.



*Developing  
environmentally  
friendly products*



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