



1999

ANNUAL REPORT



**EUROVIA**



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## MANAGEMENT STRUCTURE

### ▶ BOARD OF DIRECTORS

#### ■ CHAIRMAN

Roger MARTIN

#### ■ DIRECTORS

Bernard HUVELIN

Jean-Louis MARCHAND

Gérard MOHR

### ▶ MANAGEMENT

Roger MARTIN *Chairman and Chief Executive Officer*

Jean-Louis MARCHAND *General Manager*

Olivier LAVERRIÈRE *Administrative Manager,  
Administrator for Eurovia Services SNC*

Jean-Claude TEXIER *Financial Manager,  
Administrator for Eurovia Services SNC*

Jean-Luc PANTIN *Operations Control Manager*

Luc BODSON *Manager for International Development*

#### ■ FRANCE

Jean-Yves GUILLARD *Deputy General Manager for the South-West*

Jacques ROYER *Deputy General Manager for the Ile-de-France and the East*

Guy VACHER *Deputy General Manager for the North-West*

André VIDAL *Deputy General Manager for the Centre and the South-East*

#### ■ GERMANY AND CENTRAL EUROPE

Siegfried EICHLER *Administrator for Eurovia Services GmbH*

Erwin FLEISCHER *Manager for Roadworks*

Dr. Karl STENZ *Manager for Industrial Operations*

Jürgen LIPPOK *Manager for Demolition and Earthworks*

#### ■ THE AMERICAS

François GEORGES *Manager for the Americas*

### ▶ STATUTORY AUDITORS

SALUSTRO REYDEL

MAZARS & GUÉRARD







## MESSAGE FROM THE CHAIRMAN

**F**or Eurovia, 1999 turned out to be a year of growth, of internationalisation and of penetration of lines of business related to the environment. It represented an important stage in the development of the Group.

### **A EUROPEAN GROUP**

With the acquisition of Teerbau, the leading German roadwork company, the acquisition of companies in Poland and the creation of subsidiaries in Slovakia and Romania, the Group has reached the point of doing more than 34% of its business outside France, which goes well beyond the ambitious objective it set itself at the beginning of the year.

### **A PRODUCER OF ROADWORK MATERIALS**

As a producer of aggregate, of binder, of surfacing and of recycled materials, Eurovia has strengthened its industrial capacity in Europe, in particular through the integration of Teerbau's 160 industrial units, by taking up equity shares in several quarries in France, and through the deliberate development of recycling facilities. While it is the Group's second most important line of business, industrial production also provides supplies for the 150 agencies and supports their competitiveness.

### **A MAJOR PLAYER IN ENVIRONMENT RELATED BUSINESSES**

In acquiring Cardem Démolition, Eurovia has continued its development of a new chain of integrated lines of business, from demolition and dismantling to the recycling of waste from building and civil engineering projects. Having extended its know-how with Sethy's expertise in works related to environmental protection, the Group has now mastered all the techniques needed for preservation of the natural environment: from tight sealing to the construction of solid or liquid waste storage and treatment facilities and the decontamination of soil. With its noise protection walls and phonic surfaces, it also contributes to the fight against noise as an annoyance.

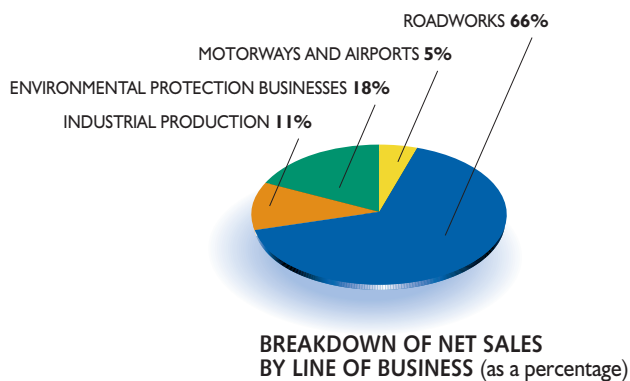
The geographic expansion and the commitment to new lines of business resulted in overall increases in net sales (€ 2.149 billion for growth of 38%) and in operating income (€ 47m for growth of 47%). There can be no doubt that Eurovia is a major player in the production of materials and in the construction and maintenance of Europe's infrastructure. The year 2000 will be a year of consolidation of achievements, of integration of new companies, as well as of a determined and prudent pursuit of growth operations. In a relatively favourable market environment, further business growth and improvement in the operating income are to be expected.

**Roger MARTIN**



# PROFILE OF THE

NET SALES AT **€ 2.149** BILLION  
 FOR GROWTH OF **38%**  
 OPERATING INCOME AT **€ 47** MILLIONS  
 FOR AN IMPROVEMENT OF **47%**  
**34%** OF NET SALES EARNED  
 IN 1999 OUTSIDE FRANCE



## IMPROVING THE QUALITY OF PEOPLE'S ENVIRONMENTS

As Europe's second largest roadworks group, Eurovia builds and maintains roadwork infrastructure and develops urban, commercial and industrial sites, by contributing to the development of new road systems and to the adaptation of traffic plans. As an industrial operator of the highest order, Eurovia produces aggregate, binder, surfacing and recycled materials in more than 450 facilities that supply its 150 roadwork agencies and also sells to third parties. Lines of business related to the environment now constitute a fully fledged component of the operations of Eurovia which builds works that protect the natural environment, recycles and adds value to waste and does other work necessary to ensure comfort and safety for users. Eurovia's mission now is to produce materials, to build infrastructure and to contribute to protection of the environment in order to improve quality of life for Europeans.

# GROUP



**310** road surfacing plants

**60** quarries

**40** binder production facilities

**60** recycling facilities

**25,000** work sites per year

**15,000** employees

**150** agencies in **9** countries

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



# HISTORY

AS A CHILD OF THE GREAT  
COMPANIES BORN BETWEEN THE TWO WARS  
TO RECONSTRUCT INFRASTRUCTURE,  
EUROVIA HAS KEPT THE  
ENTREPRENEURIAL SPIRIT OF THE  
PIONEERS OF MACADAM.



- 1918** — Creation of the company Gesellschaft für Teerstrassenbau.
- 1925** — Creation of Société Française du Vialit.
- 1926** — Creation of the company Cochery by Albert Cochery.
- 1928** — Louis Chaussé goes into business with Sylvain Bourdin.
- 1933** — Creation of Viasphalte by Marcel Ballot.
- 1946** — Creation of Bourdin et Chaussé.
- 1971** — Merger of Vialit and Viasphalte under the name Viafrance.
- 1985** — Merger of Cochery and of Bourdin et Chaussé under the name Cochery Bourdin Chaussé.
- 1991** — Acquisition of SGE VBU by the SGE Group.
- 1995** — Inclusion of SGE VBU in Cochery Bourdin Chaussé.
- 1998** — Joining of Cochery Bourdin Chaussé and Viafrance under the name Eurovia.
- 1999** — Acquisition of Teerbau




**EUROVIA S.A.**
**GROUP SENIOR  
EXECUTIVE COMMITTEE**
**EUROVIA  
SERVICES SNC**

Finance  
 Legal  
 Organisation and IT  
 Human resources  
 Material and Investment  
 Purchasing  
 Technical  
 Quality and Safety  
 Marketing  
 Communication

**5 MANAGEMENT CENTRES**
**4 TECHNICAL DELEGATIONS**
**FRANCE  
INTERNATIONAL**

Ile-de-France - East  
 North-West  
 Centre - South-East  
 South-West  
 Specialised subsidiaries  
 North and South America

**CROSS-DIVISION ACTIVITIES**
**ALLEMAGNE  
EUROPE CENTRALE**

Roadworks  
 Industry  
 Civil engineering  
 Demolition & Earthworks  
 Benelux - Switzerland  
 Poland - Slovakia  
 Romania - Albania

**EUROVIA  
SERVICES GmbH**

Finance  
 Legal  
 Organisation and IT  
 Human resources  
 Material and Investment  
 Purchasing  
 Technical  
 Quality and Safety  
 Communication

**3 MANAGEMENT CENTRES**



# DEFINING EVENTS

## JANUARY

### Creation of Slov-via

Following its move into Poland, Eurovia continued its geographic expansion strategy by creating Slov-via, a subsidiary based in Poprad, in the eastern part of Slovakia. Equipped with its own industrial and material resources, Slov-via posted net sales of € 3m in its very first year.

## APRIL

### Acquisition of the company Joulié TP in Montpellier

As a family enterprise based in Courmonterral to the west of Montpellier (Hérault), Joulié TP has annual net sales of € 6.7m. Its subsidiary Littoral Enrobés has a surfacing plant with an annual production of 50,000 metric tons. This operation fits into Eurovia's strategy of external growth in France, with the aim of extending its network of agencies and strengthening its industrial potential.

## MAY

### Acquisition of the Polish company PBK

Specialised as a roadwork company, Beskidskie Drogi (PBK), located in Bielsko-Biala to the south of Katowice, has three roadwork centres and two surfacing plants. Its annual net sales stand at € 4.2m. This acquisition has given Eurovia a foothold in the south of Poland.

### Acquisition of Teerbau

Covering the whole of Germany with a network of 23 agencies and subsidiaries and almost 160 wholly owned or jointly held industrial production units, Teerbau is the leading German roadwork enterprise with a market share of about 6%. By buying up this roadwork company, with its combination of working resources and production capacity, Eurovia has consolidated its position as the number two European roadwork group.

## JUNE

### Certification of Eurovia Belgium by the LRQA

Following the ISO 9002 certification of the French agencies and the ISO 9001 certification of VBU's German agencies, Eurovia's six Belgian subsidiaries – Hydrocar, Boucher, Cornez-Delacre, Grizaco, Siplant and Modern Asphalt – obtained ISO 9002 certification for all their lines of business.

## JULY

### Acquisition of the Polish company SPRD

Located in Mikolow to the south of Katowice, the Polish roadwork enterprise SPRD (Slaskie Przedsiębiorstwo Robot Drogowych) has a surfacing plant with an annual capacity of 80,000 metric tons, which provides significant support for the operations of its three roadwork



# IN 1999



centres. After PBK, this new acquisition consolidated the position of Eurovia as a group in the south of Poland, a region in which net sales of almost € 17m were earned in 1999.

## Acquisition of the company SETHY

Located in Trappes (Yvelines), with an eastern branch in Marly (Moselle), SETHY (Société pour l'Environnement et les Travaux HYdrauliques) is involved in earth work, hydraulic engineering and urban roadwork. The purchase of this enterprise - with sales in excess of € 6m - has contributed to strengthening Eurovia's presence in lines of business related to the environment.

## OCTOBER

### Opening in Oberhausen of an ultra-modern surfacing plant

With a presence in Oberhausen since it was founded in 1925, Teerbau has now developed a new Oberhausen industrial site, including a Teltomat surfacing plant with a capacity of 240 t/h, another surfacing plant of 100 t/h and a crushing unit. The two surfacing plants are fed by a single asphalt supply system. This new industrial installation strengthens Teerbau's potential and confirms its mission of roadwork material producer.

## NOVEMBER

### Signing of an agreement to buy Cardem Démolition

As the leading French demolition company with annual net sales of € 12.2m, Cardem has gradually diversified into asbestos removal, environmental risk audits of works, installations and land, the development of decontamination techniques and the recycling of materials. This acquisition allows Eurovia to develop a complete range of services in environmental protection, from the dismantling of works to the recycling of materials and their added value use for roadwork.

## DECEMBER

### ISO 14001 certification for SCE

SCE (Société Champenoise d'Enrobés) has on the same site an emulsion plant, a plant for producing modified coating binder, a fluxed bitumen plant and a road surfacing plant. Having received ISO 9002 certification in December of 1997, this industrial site obtained ISO 14001 certification of its environmental management system.



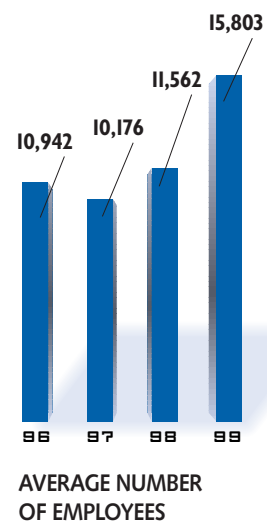
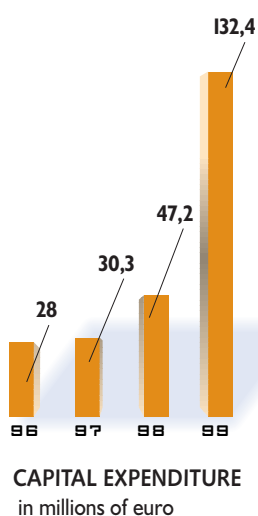
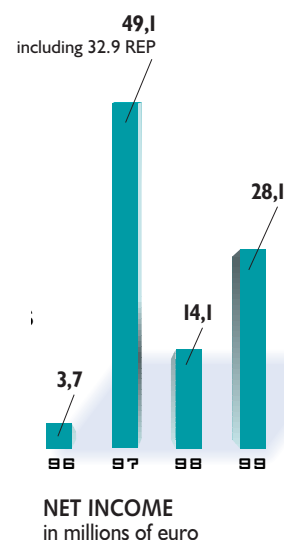
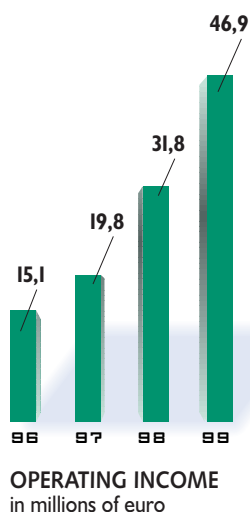
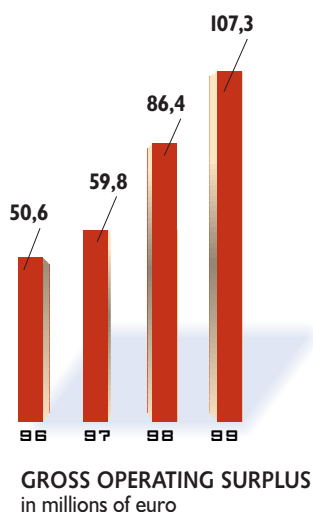
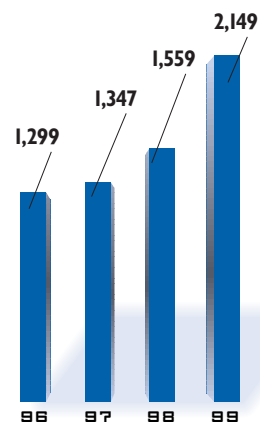
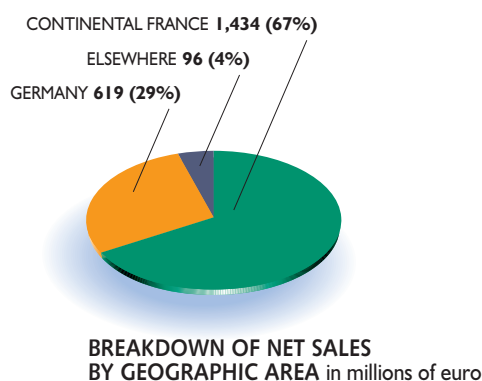
# KEY FIGURES

THESE ARE ECONOMIC CONSOLIDATED  
FINANCIAL FIGURES OF THE EUROVIA  
GROUP (NOTE 2.0 ON PAGE 39).

## KEY FIGURES *in millions of euro*

	1999	1998
<b>NET SALES BEFORE TAXES</b>	<b>2,149,1</b>	<b>1,559,3</b>
Of which outside France	714,7	224,0
<b>GROSS OPERATING SURPLUS</b>	<b>107,3</b>	<b>86,4</b>
As % of net sales	5,0 %	5,5 %
<b>OPERATING INCOME</b>	<b>46,9</b>	<b>31,8</b>
As % of net sales	2,2 %	2,0 %
<b>OPERATING INCOME PLUS NET FINANCIAL INCOME</b>	<b>51,1</b>	<b>35,9</b>
As % of net sales	2,4 %	2,3 %
<b>NET INCOME</b>	<b>39,0</b>	<b>21,2</b>
before amortisation of goodwill		
As % of net sales	1,8 %	1,4 %
<b>NET INCOME</b>	<b>28,1</b>	<b>14,1</b>
As % of net sales	1,3 %	0,9 %
<b>CASH FLOW FROM OPERATIONS</b>	<b>90,0</b>	<b>64,1</b>
As % of net sales	4,2 %	4,1 %
<b>CAPITAL EXPENDITURE AND INVESTMENTS</b>	<b>132,4</b>	<b>47,2</b>
Of which capital expenditure	75,0	39,9
<b>SHAREHOLDERS' EQUITY</b>	<b>243,9</b>	<b>254,2</b>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	<b>280,5</b>	<b>165,8</b>
As % of total balance	15,7 %	13,6 %
<b>LONG-TERM BORROWING AND DEBT</b>	<b>39,0</b>	<b>12,3</b>
Of which > 1 year	29,5	11,1
<b>NET FINANCIAL SURPLUS</b>	<b>+86,8</b>	<b>+209,6</b>
<b>AVERAGE NUMBER OF EMPLOYEES</b>	<b>15,756</b>	<b>11,562</b>
Of which outsider France	5,765	1,777





The 1996 and 1997 data only concern the Eurovia consolidation scope (excluding SGE VBU).



# KEY FIGURES

## CONSOLIDATED STATEMENT OF INCOME *in millions of euro*

	1999	1998
<b>NET SALES</b>	<b>2,149,1</b>	<b>1,559,3</b>
<b>GROSS OPERATING SURPLUS</b>	<b>107,3</b>	<b>86,4</b>
<b>OPERATING INCOME</b>	<b>46,9</b>	<b>31,8</b>
Net financial income	4,2	4,1
Operating income plus net financial income	51,1	35,9
Net exceptional income (expense)	0,7	(0,7)
Taxes and equity holdings	(12,7)	(14,0)
Affiliated companies	1,6	0,1
Depreciation of goodwill	(12,1)	(7,4)
Consolidated net income	28,6	13,8
<b>NET INCOME GROUP SHARE</b>	<b>28,1</b>	<b>14,1</b>

## ASSETS

## CONSOLIDATED BALANCE SHEET *in millions of euro*

	1999	1998
Intangible fixed assets	110,7	38,7
Tangible fixed assets	258,6	194,2
Financial assets	84,2	68,6
<b>FIXED ASSETS</b>	<b>453,4</b>	<b>301,4</b>
<b>WORKING CAPITAL</b>	<b>100,7</b>	<b>130,0</b>
Inventories and work in progress	20,7	19,5
Trade accounts receivable	934,4	541,0
<b>WORKING CAPITAL REQUIREMENT</b>	<b>(12,8)</b>	<b>(87,4)</b>
Cash	374,1	355,0
<b>TOTAL BALANCE SHEET ASSETS</b>	<b>1,782,6</b>	<b>1,216,9</b>





## CASH FLOW STATEMENT

*in millions of euro*

	1999	1998
Operating cash flow	88,5	63,8
Net change in operating capital requirements	18,8	2,4
<b>OPERATING TRANSACTIONS</b>	<b>107,4</b>	<b>66,2</b>
Net capital expenditure	(66,0)	(34,4)
Net financial investments	(50,9)	(24,3)
<b>INVESTMENT TRANSACTIONS</b>	<b>(116,9)</b>	<b>(58,6)</b>
Change in shareholder's equity	(24,5)	5,1
Dividends paid out	(12,8)	(32,0)
Change in long term debt	(0,5)	0,1
<b>FINANCING OPERATIONS</b>	<b>(37,8)</b>	<b>(26,8)</b>
<b>CASH FLOWS IN THE YEAR</b>	<b>(47,4)</b>	<b>(19,3)</b>
Net financial surplus (deficit) on January 1	209,5	246,0
Consolidation scope and others changes	(75,3)	(17,2)
<b>NET FINANCIAL SURPLUS (DEFICIT) on December 31</b>	<b>86,8</b>	<b>209,5</b>

## SHAREHOLDER'S EQUITY AND LIABILITIES

	1999	1998
Shareholder's equity	243,9	254,2
Provisions	280,5	165,8
Long-term debt	29,8	11,4
<b>TOTAL CAPITAL EMPLOYED</b>	<b>554,1</b>	<b>431,4</b>
Trade accounts payable	967,9	647,8
Cash liabilities	260,6	137,6
<b>CASH POSITION</b>	<b>113,6</b>	<b>217,4</b>
<b>TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES</b>	<b>1,782,6</b>	<b>1,216,9</b>



# R O A D W O R K S

ROADS, THROUGH THEIR ASSOCIATION  
WITH COMMUNICATION, WITH  
FREEDOM AND WITH  
ECONOMIC DEVELOPMENT,  
ARE MORE INDISPENSABLE  
THAN EVER BEFORE.

## **PARTICIPATING IN REGIONAL DEVELOPMENT**

As a roadwork enterprise with expertise in both black (bituminous surfacing) and white (concrete paving) techniques, Eurovia actively participates in the creation of new traffic arteries. This year the Group was responsible for development of the northern road network of Melun (Seine-et-Marne), for construction of the Katowice-Gliwice expressway (Poland), creation of the Cergy-Roissy (RN184) and Sarreguemines-Bitche (RN62) links, for construction of the RD31/A320 semi-junction (Moselle) and the roundabouts of Genthin (Saxony-Anhalt), of Darneuilles-Uxegney (RD166) in the Vosges, of Aigueperse in Puy-de-Dôme and of Voiron in Isère. To complete this roadwork, Eurovia developed some special products, such as bituminous micro-concrete, rutting resistant bituminous concrete and discontinuous bituminous concrete, and also perfected procedures to avoid surface cracking, especially for roads with heavy traffic. Eurovia was also involved in the modernisation of some major

traffic arteries, with widening to 2X2 lanes of the RN11 between La Laigne and Ferrières (Charente-Maritime), to 2X3 lanes of the M6 and M7 sections of the A2 motorway (Saxony-Anhalt), and construction of the intersection of the B104 and B192 in Neubrandenburg (Mecklenburg-Vorpommern), and by bringing the RN455 (Nord) up to motorway standards. In connection with the Bordeaux-Clermont-Ferrand motorway (A89) construction project, Eurovia paved the Barrail and Crempse viaducts (Gironde) in 1999.

## **ROAD MAINTENANCE**

Most of Eurovia's business is in the maintenance of installed roadwork, for which it has mastered techniques for strengthening concrete and asphalt surfaces, surface coatings and cold mix. The night-time motorway work sites, the A7 at Chanas (Isère) and the A6 between Dordives and Nemours (Seine-et-Marne), were particularly spectacular for the speed of work, the volume of resources involved and the detailed organisation required to allow for re-opening of the motorways to traffic at a given time. In so far as motorway maintenance is concerned, it is also worth mentioning the renovation of the A4 between Apolda and Magdala (Thüringen), of the A62 between Podensac and Langon (Gironde) and of the A43 between Dülmen and Nottuln (North-Rhine Westphalia). As Eurovia's first major contract won through an international call for tenders, the first phase of the work to rehabilitate the RN13 between





Brasov and Bogata-Hill (Romania) ran from March to October with no hitches in the work schedule. Some of the other major maintenance operations in the year included surface reinforcement on a bridge at Ladce-Sverepec (Slovakia), and renovation of the Dreieck Spreeau interchange connecting the A10 and A12 motorways (Brandenburg) and of the Myslowice interchange on the A4 (Poland).

### SUPPORTING THE DEVELOPMENT OF AIR TRAFFIC

As in previous years, the construction and maintenance of airport runways constituted a non-negligible share of Eurovia's business. Special requirements connected with aeroplane movements, jet exhausts, exposure to aggressive substances and with the shearing caused by access ramps make it necessary to use dedicated procedures, for which the Group's know-how is well known (high module surfacing, kerosene resistant surfacing, aeronautical bituminous concrete and cement concrete). This year the Group did work at the airports of Paris-Roissy, Hamburg, Amsterdam-Schiphol (Netherlands), Hahn (Rhineland-Pfalz), Montpellier-Méditerranée (Hérault), Dortmund (North-Rhine Westphalia) and Basel-Mulhouse-Fribourg, as well as on the air base at Orange-Caritat. It also builds and maintains parking facilities at airports such as Tarbes-Ossun (Hautes-Pyrénées) and Bordeaux-Mérignac (Gironde), and access roads at, for example, the Albanian airport of Rinas.



### Private funding of infrastructure

Private funding of infrastructure makes it possible to meet the demand for new roads in countries with limited public sector budgets. This has become a fully fledged component of the overall service offered by Eurovia. Two projects currently under way in Germany are based on partial pre-financing: the roundabout road at Gardelengen (Saxony-Anhalt) and the construction of the RN6 at Leipzig (Saxony). These two contracts, won by Eurovia on the occasion of a 1998 call for tenders for 15 infrastructure pre-financing projects, foreshadow roadwork market trends in Europe and especially in Central Europe.



# STREETS

STREETS REPRESENT AN EVERYDAY LIVING  
ENVIRONMENT, WHICH MUST BE  
CONSTANTLY ADAPTED TO MEET  
USERS' EXPECTATIONS IN  
RESPECT OF SAFETY,  
COMFORT AND USER  
FRIENDLINESS.

Eurovia's business: the density of its network of agencies guarantees that the service will be suited to the local context and expectations. Significant public space development work was also done in the district of Mayville in Gonfreville l'Orcher (Seine-Maritime), the "Schmale Enden" residential area in Schönwalde (Brandenburg), the centre of the town of Gosselies (Belgium), the ministries district in Berlin, the Commercial Activities Zone of Gros Grelot in Thourrotte (Oise), the urban centre of Briey (Meurthe et Moselle) and the streets of Tirana (Albania).

## IMPROVING TOWNS AND VILLAGES

Eurovia serves municipalities, urban communities and agglomerations by contributing to the adaptation of urban areas to new traffic patterns and plans. More and more frequently such work includes an aesthetic dimension, with the use of high quality techniques, such as paving stones and flagstones, coloured surfacing and de-activated concrete. In 1999 the Group used such techniques to build Riches-Clares Street in Brussels (Belgium), to develop main arteries in Morsbach (Moselle) and in Poprad (Slovakia), Bel-Air Avenue in Uccle (Belgium), the ring road at Sterkrade-Oberhausen (North-Rhine Westphalia), Côte d'Argent Avenue in Biganos (Gironde), the Jean Jaurès Square in Tours (Indre-et-Loire), and the Bastogne Square in Brussels (Belgium). Such grass roots projects traditionally make up a major share of

## EQUIPPING CITIES

For Eurovia, developing living environments for people also means doing infrastructure work in the new Commercial Activities Zone of Val d'Europe (Seine-et-Marne), developing the banks of Canal St-Denis (Seine-Saint-Denis) and the customs station of Kapshicé (Albania), equipping the bus station of Saint-Mard (Seine-et-Marne), creating the regional parking lot of Savigny le Temple (Seine-et-Marne), renovating the old town centre of Ferté-Bernard (Sarthe), contributing to the building of a postal sorting centre in Nancy (Meurthe-et-Moselle), and improving an intersection between the RD904 and the RD9 in Quevilloncourt (Meurthe-et-Moselle). The Group is also active in the field of leisure and sport, with the creation of a go-kart course (Muret, Haute-Garonne), a race course (Pau, Pyrénées-Atlantiques), as well as tennis courts, football fields and a golf course (Parc du Château d'Enghien





in Brussels). Eurovia has also done development work in parks and gardens, such as at the Château de Sanssouci in Potsdam (Brandenburg).

### IMPROVING SEWAGE NETWORKS UP TO MEET NEW STANDARDS

Most of Eurovia's projects include a sewage component. The Group also had some specific sewage work sites, such as trenching work for the maintenance and extension of sewage and drinking water networks in the Alpes-Maritimes, reconditioning of networks under Rue des Aunes in Colmar (Haut-Rhin) and in the Bivort district in Charleroi (Belgium), extension of the irrigation network in Mondlar-de-Quercy (Tarn-et-Garonne), installation of the piping system at the Volkswagen factory in Wolfsburg (Niederschassen) and the implementation of a sewage programme for the town of Auxerre (Yonne).



### Transport in dedicated zones

New urban transport facilities with dedicated sites to meet the needs of municipalities and urban communities, that wish to link outlying suburbs with urban centres, and to facilitate access to shopping streets and public services for citizens. Transport in dedicated sites also gives satisfaction to users, who are now eager for public transport that is more user friendly, speedier and more respectful of the environment. Putting dedicated site tramway lines and bus lanes in place has become a significant source of business for Eurovia. The Group is currently working on platforms for tramways in Strasbourg, Montpellier, Nancy, Orléans, Rouen and Lyon, and for the VAL underground in Rennes. Eurovia has also developed dedicated lanes for the new ring road bus line in Paris.



# COMMERCE AND IN

THE COMMERCIAL AND INDUSTRIAL  
FACILITIES THAT BECOME NECESSARY  
AS A RESULT OF ECONOMIC  
DEVELOPMENT ARE THEMSELVES  
GENERATORS OF BUSINESS  
ACTIVITY AND PROSPERITY.



## DEVELOPING INDUSTRIAL AND COMMERCIAL CENTRES

With a view to diversifying the sources of its orders, Eurovia sought to extend its private sector clientele in the course of the year. The expansion of the Glaxo head office (Hauts-de-Seine), the construction of Volkswagen factories in Slovakia and in Germany (Dresden, Saxony), the development of a Leclerc centre in Thionville (Moselle), of an OBI shop in Potsdam (Brandenburg) and of three Billa supermarkets (Slovakia), the access roads and amenities for Cap Gemini in Grenoble (Isère), for Elf service stations along the A24 (Brandenburg), for the Lidl logistics warehouse in Baziège (Haute-Garonne) and for the NTN factory in Allones (Sarthe) are just some examples of the specific services now being offered by Eurovia in the field of construction and maintenance of industrial and commercial sites.

## INSTALLING INDUSTRIAL FLOORING

As a complementary activity to external amenities, Eurovia produces and applies resins for specialised flooring, be it industrial or recreational. This year Sept was responsible for restoration of flooring in factories of the l'Oréal Group in Turin (Italy) and in Orléans (Loiret).



# D U S T R Y



Among the various references of Eurorésine, it is worth mentioning flooring for the ASP factory in Dunquerque (Nord), the Citroën factory in Caen (Calvados) and a Valéo factory (Loir-et-Cher), as well as the paint coating of public parking facilities for Carrefour in Cesson (Ille-et-Vilaine) and for the Tour Egée at La Défense (Hauts-de-Seine).

## CONTRIBUTING TO THE DEVELOPMENT OF NEW INFORMATION TECHNOLOGIES

On the basis of the diverse forms of its know-how, Eurovia can take a position on new markets emerging from the development of information technologies. The Group is currently doing the civil engineering work required to lay sheaths of optical fibres in urban settings, such as Fontaine and Pont de Claix (Isère) and along existing road networks (Bouches-du-Rhône).



## Partnerships

Every year, Eurovia teams in Toulouse work on the Alcatel site for very short maintenance activities and for longer projects to enhance this industrial site (construction of parking facilities, running new internal roads through the site, drainage work).

This partnership is based on the length of the relationship, on a good knowledge of the processes specific to Alcatel and on the high quality of service provided. Similarly, the Eurovia teams in Le Havre provide a continuous maintenance service to companies with operations at the port and specialising in logistics: road repair work is done every year for Sogestrol, a company specialising in the storage of chemical products, and for Groupe André (GCA), a shipping company.



# T H E E N V I R O N

**TAKING GOOD CARE OF THE ENVIRONMENT  
IS MORE THAN EVER A NECESSARY CONDITION  
FOR SUSTAINABLE DEVELOPMENT,  
WITH FULL RESPECT FOR THE  
ECOLOGICAL BALANCE AND FOR  
NATURAL RESOURCES.**

## **DEMOLISHING AND DISMANTLING IN ORDER TO RECYCLE**

As the leading European company in demolition, Eurovia has mastered all the techniques of mechanical demolition, of demolition by explosion, of asbestos removal and of dismantling, which are pre-conditions for the selective sorting of waste. Adding value to waste from building and civil engineering has become a priority project for Eurovia, which will be giving its French agencies the benefit of know-how acquired in Germany. A substantial proportion of material collected from the demolition of roads and buildings can now, after processing (crushing, screening, sorting of ferrous components, etc.), be utilised as embankment material or for lower strata when building new roads. Among the various references in the year, the demolition by explosion of two cooling towers at the power plant in Stendal (Saxony-Anhalt), the dismantling of the Nouvelle France barracks (Paris) and the demolition of a bridge on the Isar River in Munich (Bavaria) are characteristic of this new business, which has a very promising future. As one ecological alternative, aimed at preserving natural resources, recycled aggregates were used in the construction of light-traffic roads in a suburban housing development in Tours (Indre-et-Loire).

## **SEALING TO PROTECT THE NATURAL ENVIRONMENT**

Through its specialised subsidiaries and agencies, Eurovia is developing its expertise in sealing with geo-membranes, with bentonitic geo-composites or with the use of asphalt. The sealing of civil engineering works, of buildings and of facilities for the treatment and storage of waste has become a significant source of business. For instance, Cotra undertook the sealing of the 258 bridges and the 17 viaducts of the South-East TGV (high speed train), of the new Météor metro line (Paris) and of a factory in Méry-sur-Oise (Val-d'Oise). The Charvieu work centre was involved in the technical burial centres of Pourcieux (Drôme) and Puy Long (Puy-de-Dôme) with a view to ensuring tight sealing of the closed honeycomb cells. Euro-Concept Etanchéité has worked more specifically on covers for waste storage sites and on the sealing of ageing centres (Valogrove clinker centre in the Hauts-de-Seine). In Germany, Teerbau has renovated the sealing of the dams at Neustadt (Thüringen) and Carlsfeld (Saxony), as well as the bridge over the Elbe River at Pirna (Saxony).

## **BUILDING WASTE STORAGE FACILITIES**

The construction of facilities for the treatment and storage of solid and liquid waste (waste incinerators, household waste facilities, treatment centres, lagoons) is an important source of business for the Group's agencies. In 1999, the development of household waste facilities in the Vienne and Finistère departments, the opening of a storage area for used paper in Saint-Etienne-du-Rouvray (Seine-Maritime),



# M E N T



and the creation of honeycombs for technical burial centres in Blaringhem (Pas-de-Calais), Ochtendung (North-Rhine Westphalia), Aboncourt (Moselle), St-Fromond (Manche) and Etagnac (Charente) were some of the work sites typical of the new lines of business, whose necessity for preservation of the natural environment is no longer in doubt.

## DEVELOPING ENVIRONMENTALLY FRIENDLY TECHNIQUES

In order to take environmental constraints more fully into consideration, Valentin has developed techniques without the use of trenches: the renovation of works with access by concrete spraying, the installation of piping by micro-tunnelling, the maintenance and repair of small diameter piping by means of robots have become part and parcel of Eurovia's specialised environmental know-how. For instance, Valentin completed a micro-tunnelling operation under SNCF (French state railway) lines in connection with the creation of the Boulevard Intercommunal du Parisis (Val-d'Oise) sewage network, did the upgrading by sheathing of a conduit along the A6 (Yonne) and buried electric cables by micro-tunnelling under the South-East TGV railway lines (Val-de-Marne). At the same time, the Group is developing its ground decontamination business (industrial decontamination work site at Mühlheim).



## Recycling of ashes from the incineration of urban sludge for use in roadworks

Several experimental work sites were run this year at Rouen, Forbach and Lyon, to test the environmental impact of the use of ashes from the incineration of sludge from sewage purification stations. For instance, under a partnership with OTV and Grand Lyon, and with support from ADEME (French environmental agency), three instrumented test beds of 100 by 60 metres were built by the Lyon agency. These beds were isolated from the natural environment by a sealing arrangement, so as to collect and analyse the percolating water. The first bed was made with ashes humidified up to a water content of 50%, and then combined with lime by means of a pulverising mixer. The work site will be monitored for one year to allow for analysis of the geo-technical and environmental behaviour of the ashes, before the process is put into general application.



# EQUIPMENT FOR

EQUIPPING ROADS IS WHAT PROVIDES  
USERS WITH SAFETY AND COMFORT,  
THEREBY CONSTITUTING  
A GUARANTEE OF  
INFRASTRUCTURE QUALITY.



## PROVIDING INFRASTRUCTURE WITH APPROPRIATE SIGNALLING

Through TSS, GTU and Signasol, Eurovia offers all forms of signalling. With its specialisation in roadway markings, GTU's business operations this year included marking parking facilities at the shopping centre in Parinor (Saint-Denis), the runway at the Europort in Vatry (Marne), and the A20 (Corrèze), A86 (Hauts-de-Seine), A10 (Loiret) and A11 (Sarthe) motorways. In vertical road signing, Signasol supplied and installed panel signs, road marker cones and warning fences in Paris, and components for electronic signalling in Vernou (Seine-et-Marne). With its specialisation in large vertical road signs, mainly for motorways, TSS installed arched signs over the RN11 (Deux-Sèvres) and the RN12 (Yvelines). TSS is also present on the promising market of removal of painted road markings. Under a partnership with a Netherlands company, it uses the Zoab Clean process, which takes paint off with a high pressure jet at 2,700 kg/cm<sup>2</sup>.

## INSTALLING NOISE PROTECTION SYSTEMS

Noise reduction is a high priority for users and for people living near busy roads, who favour the use of noise protection barriers. Having already been present on this market through its subsidiary TSS, Eurovia can benefit from the expertise of TECO, the leader of the German market for the production of components and the installation of noise protection

# R O A D S



systems, with a market share of 35%. Made of wood, concrete or aluminium, these noise protection barriers make it possible to meet new noise protection requirements, while offering a range of aesthetic choices. The installation of a noise protection wall along the A86 and A3 motorways (Seine-Saint-Denis), the equipping of the A2 between Helmstedt (Saxony-Anhalt) and Hannover (Niedersachsen) and of the Perray en Yvelines roundabout on the RN10 (Yvelines) were the most significant work sites of the year.

## PROTECTING DRIVERS

Road equipment constitutes a significant related market, on which TSS is particularly well positioned. Among the year's work sites, it is worth mentioning the rehabilitation of the central traffic divider on the Paris ring road by means of slip form paving machines, the widening of the central traffic divider on the Bordeaux ring road (Gironde), and the provision of transposable lane separators for the RN1 on Ile de la Réunion. In 1999, TSS won its first contracts for transposable metallic lane separators for which it has an exclusive operating licence; the Safeguard system was put into use on the A6 for 8 months, to protect a lane widening work site (Côte-d'Or), and on the A13 to allow for mineralisation of the central traffic divider (Eure).

## Civil engineering works

As a line of business related to roadwork, the construction and maintenance of civil engineering works constitutes a complementary activity for Eurovia. The overhauling of civil engineering works in the Eure and Seine-Maritime departments, the reconstruction of an access ramp to the A13 (Calvados), the construction of a railway line cross-over on the ring road at Bourges (Cher) and the development of an interchange on the A77 were among the most significant work sites in the year. In Germany, the construction of the Berliner Brücke bridge, started in 1998, was continued. This is the largest infrastructure project in Leipzig (Saxony): this new bridge on the B2 national road soars over two railway lines and will allow for the intersection of two four-lane traffic arteries and a tramway line.





# INDUSTRIAL PROD

THE INDUSTRIAL PRODUCTION  
OF ROADWORK MATERIALS IS A LINE  
OF BUSINESS IN AND OF ITSELF,  
WHICH CONTRIBUTES TO THE  
QUALITY OF EUROVIA'S  
WORK IN EUROPE.

## PRODUCING ROADWORK MATERIALS

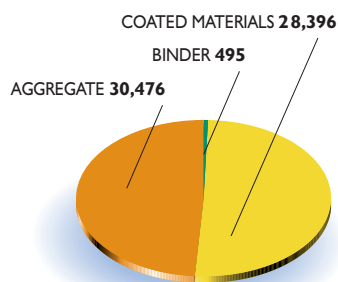
The industrial activities, which today accounts for 11% of consolidated group sales, contributes to the Group's operations by ensuring supplies for work sites under the best possible quality, timing and pricing conditions, by smoothing out income figures since this business is not highly sensitive to market ups and downs, and by using recycling to save on natural resources and to protect the environment.

## AGGREGATE

Eurovia is present both on local markets, through its medium-size quarries, each serving an area with a radius of several dozen kilometres and with an annual production of several hundreds of thousands of metric tons, and on the national market, through its larger quarries, which use rail to serve areas with an under-supply of materials, such as the Paris region, or which supply TGV work sites.

The quarries of Chailloué (1.9 million metric tons) in the Orne department, of Roy (3.5 million metric tons) and of Kleber Moreau (2.6 million metric tons) in the Deux-Sèvres department, of Meilleraie (2.5 million metric tons) in the Vendée department, and the Société des Agrégats du Rhône (1.9 million metric tons) are in this latter category of major suppliers.

In 1999 the Group was involved in the production of 30 million metric tons (for a Group share of 16 million metric tons), and extension of this network of quarries, especially outside France, is part and parcel of its strategy.



PRODUCTION in thousands of metric tons

# UCTION



## BINDER

With bitumen as the raw material, Eurovia develops roadwork binders to be used as binding layers, prior to the application of surface materials and superficial coatings, and also for the production of special surfaces. With its presence in 35 plants in France and 5 plants abroad, the Group produced 495,000 metric tons of binder (for a Group share of 223,000 metric tons).

In this field, as in that of surface materials, innovation to improve safety, comfort and durability of running layers continues to be one of the Group's major objectives.

## COATED MATERIALS

As a product specific to roadwork, the market for coated materials amounts to approximately 39 million metric tons in France and 65 million metric tons in Germany.

In France, the 147 wholly or jointly owned stations, which provide virtually all the Group's agencies with a competitive source of supply, produced 15 million metric tons (for a Group share of 6,5 million metric tons).

Outside France, where Teerbau is now a significant player with its 154 wholly or jointly owned stations, the Group was involved in the production of 13 million metric tons (for a Group share of 5 million metric tons).



## The development of recycling

The construction and maintenance of roadwork infrastructure generates substantial demand for materials, part of which can be met by recycling. In France, Eurovia has 28 wholly or jointly owned recycling units, which provide 12% of the national production. In Germany, 1.5 million metric tons of recycled materials were produced by the Group's 32 installations, on a market that has reached maturity (80% of material is recycled). On the other hand, the French market holds out substantial promise, since only 18% of recyclable waste is presently re-utilised.

In the years to come, Eurovia will be pursuing a deliberate policy of development of fixed and mobile crushing units, with a view to reaching 4 million metric tons of production within two years.



# INNOVATION

THE MISSION OF EUROVIA'S RESEARCH AND  
DEVELOPMENT TEAMS IS TO IMPROVE  
THE ROAD SURFACING OF TODAY AND  
TO INVENT THE PRODUCTS AND  
PROCESSES OF TOMORROW.

## DESIGNING "CLEAN" PRODUCTS

Research and development activity was particularly significant in the field of bitumen emulsions, with the development of a "clean" emulsion for the binding layer (one that does not result in any related soiling), and in the development of cold mixed dense or semi-dense coated materials. This work was complemented with basic research on the potential of bitumen to constitute an emulsion, through the study of bitumen drops in an aqueous environment. Eurovia's expertise in the field of emulsions was given concrete form through a transfer of technology to Switzerland and to Mexico. Eurovia also undertook to introduce "green" fluxes into its coating binders.

## FORMULATING THE SURFACINGS OF TOMORROW

The most important advances in the field of running layers are illustrated by the development of

anti-rutting processes with B.B.H.R., a bituminous concrete combining resistance to both rutting and cracking, by the industrial production of the Polygrade binder, and by the use of Accorex at a number of work sites in Germany. In the field of "comfort" coatings, the Drainovia draining surfacing and the Viaphone silent surfacing played a predominant role.

## DEVELOPING THE USE OF GPS

Studies to pinpoint the location of construction machinery with the use of GPS (Global Positioning System) were continued under the European CIRC (Computer Integrated Road Construction) research programme. They took on concrete reality through validation of the process with two rollers working simultaneously and exchanging information between themselves.

## RECYCLING WASTE FOR ROADWORKS

Environmental protection has been given high priority in the Group's research and development, with the launching of a study on the recycling of coated material waste, and also, within the framework of a Corporate Vivendi project, the re-utilisation in roadwork techniques of dismantled materials. The recycling of ashes from the incineration of sewage purification plant sludge was pushed forward with the setting up of three experimental work sites. The year 1999 also witnessed continuation of the European research





programme on utilisation of clinker for roadwork, and also on understanding the phenomenon of bulging in the presence of hydraulic binders.

### **SIMULTANEOUS APPLICATION OF ROAD LAYERS**

After having studied through 1998 the feasibility of simultaneous application of a thin layer of mix over a first and still "hot" layer of asphalt, this year Teerbau pursued the implementation of this new technique. Tests carried out in the year resulted in the laying of a double layer of entirely satisfactory quality.

In the area of cement concrete, the technique of simultaneous application of the base course and the wearing course was also a subject of targeted research. As the difficulty consisted mainly in the positioning of dowels, Teerbau patented a system for putting these "pegs" into place, with validation of correct positioning by geo-radar at the first work sites.



### **Outstanding products**

#### **GCO (Grave Ciment Optimisée or Optimised Cement-Bound Sand and Gravel)**

With a view to offering an alternative to "100% bitumen", Eurovia pursued its efforts in the field of courses treated with hydraulic binders, and was awarded an Innovation Certificate under the Roadwork Innovation Charter for its optimised cement-bound sand and gravel. GCO is a cement-bound product with high quality performances, applied in a single layer very thick and pre-cracked. The design of the product allows for substantial thickness reductions.

#### **Viaphone, a sound abatement mix**

A fine graded sand asphalt, Viaphone was also selected by the Road Department under the Roadwork Innovation Charter. With its 0/6 discontinuous grading, this sound abatement mix allows for substantial attenuation of driving noise. Thanks to its large macro-texture and an excellent longitudinal friction coefficient, Viaphone provides a high level of safety.



# HUMAN RESOU

EUROVIA'S SUCCESSES DEPEND  
ON THE QUALITY OF ITS PEOPLE,  
WHO ARE CAREFULLY  
INTEGRATED, WELL TRAINED  
AND OFFERED LONG  
CAREERS IN A GROUP  
WITH SIGNIFICANT  
DEVELOPMENT  
PROSPECTS.



## TRAINING WORKERS AND MACHINE OPERATORS

Created by Eurovia, the GIRF training institute at Gevrey-Chambertin hosted 479 trainees in 1999. Two permanent teachers provided 26,354 hours of instruction to train roadwork masons and machine operators (rollers, finishers) and to develop expertise in roadwork techniques (white and black).

In addition, all the Group's employees benefit from a strong skill development policy. For instance, almost 1,700 employees in Germany were encompassed by the training programme. In 1999 the department in charge of training in France received from AFAQ (French Quality Assurance Agency) an ISO 9002 certification for "implementation of the general management's training policy, and for the organisation, monitoring and evaluation of the Group's training activities".

## PREPARING TOMORROW'S MANAGEMENT

For a number of years Eurovia has been following an ambitious policy of recruitment and training of young engineers. In 1999, 64 young engineers were hired by the Group: they then follow a precise integration programme, which involves having them trained right through the first three years (work site preparation, quality approach, public procurement, labour legislation, white and black materials, financial management, etc.). In coming on board with Eurovia,

# R C E S

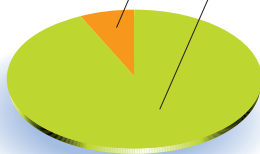


young engineers are now joining an international group capable of offering significant career opportunities in Europe.

## A DECENTRALISED ORGANISATION

Eurovia is a group organised on the basis of regional subsidiaries: each company constitutes the reference framework for its employees, who thereby benefit from the proximity of a local management and from the expertise of a large international group. The subsidiary structure ensures competitiveness and is also a guarantee of high quality of human relations. It also means that the organisation of working time can be discussed locally, very close to the grass roots.

WORKERS  
AND FOREMEN 14,392  
MANAGERS AND ENGINEERS 1,364



BREAKDOWN OF EMPLOYEES



## The Eurovia Company Foundation

The purpose of the Eurovia Company Foundation is to help children of salaried workers to gain access to post-secondary education. In 1999, 71 families were able to benefit from scholarships in the amount of 7,000 French francs each. One of them, a family with eight children of school age, received a scholarship for the first born, who is currently studying at the post-secondary school of commerce in Nancy. Following in their sibling's footsteps, three other children, currently in the last and second-last years of secondary school, will also be able to attend post-secondary institutions. In 1999, an annual allocation of 500,000 French francs was made to the Foundation for 5 more years, to allow for the financing of studies in electronics, medicine or the humanities.





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## MANAGEMENT REPORT

Through its acquisition of the German group Teerbau, which was the most important event in 1999, Eurovia, which was already number two in France, crossed a new threshold by becoming number two on the European market. As a result, Eurovia's 1999 net sales climbed to € 2.149 billion (with Teerbau consolidated only for the second half), for an increase of more than 38% against 1998.

Eurovia's business now breaks out into 58% in France and 42% elsewhere.

Through this acquisition, Eurovia also strengthened its industrial business, which has long been one of its successful trump cards, and which constitutes the Group's second most important line of business.

With 310 road surfacing stations, 60 quarries, 40 binder plants and 60 material recycling units, some wholly owned and some jointly operated, Eurovia has control of the entire chain, from production to recycling of materials, and including application and demolition.

The Group's industrial facilities produce 30 million metric tons of aggregate, 28 million metric tons of coated materials and 495,000 metric tons of roadwork binder, thereby ensuring supplies under competitive conditions for the works centres, and generating recurrent income that is not highly sensitive to market ups and downs.

With its strength on a favourably evolving French market, with its unavoidable presence on a German market that is improving, and with its ambitions in Central Europe, Eurovia has all the advantages required to pursue further growth.

### A FRENCH MARKET THAT IS STILL SHOWING FAVOURABLE TRENDS

In France, Eurovia, which accounts for approximately 18% of the roadwork market, had net sales in 1999 of € 1.4 billion, or 7.5% more than in 1998, which is in line with growth in the market, which expanded for

the third successive year. It was only in major roadwork projects that a drastic volume reduction occurred, with repercussions for price levels.

The taking of orders also developed favourably, making it possible to keep the order book at a good level right through the year.

The Group strengthened its market position by taking over the company Joulié in the Hérault department, and also the company SETHY, which specialises in hydraulic works in the Paris region and in the east of France.

In line with its industrial policy, the Group also strengthened its position in the area of quarries, by participating in the take-over of quarries at Meilleraie in the Vendée department (2,5 million metric tons) and of the Vigot quarries in Burgundy (1 million metric tons).

In the light of its German experience and in line with its overall strategy, Eurovia also undertook to commit itself to the demolition and dismantling lines of business by acquiring Cardem, the leading French company in this sector.

### GERMANY AS A NEW DOMESTIC MARKET

The German roadwork market has started to recover slowly in the old Länder but remains depressed in the new Länder, although the situation there has improved somewhat with the disappearance of a number of competing companies and agencies of other groups.

The recent failure of a major German building and civil engineering company highlights the difficulties of a sector whose market seems to have reached its nadir.

The corporate re-organisation of VBU several years ago, which bore fruit in 1999 with a return to positive operating income, demonstrates the capacity for anticipation of the Group, whose experience in

## MANAGEMENT REPORT

Germany was a decisive factor in the acquisition of Teerbau, the number one roadwork group in that country.

Eurovia's 1999 net sales in Germany came to € 619m, of which € 189m were generated by VBU, which has been consolidated in the Group's financial statements since 1998. This amount includes Teerbau's business only for the second half of the year.

The Group is now the German roadwork market leader, with a market share of about 7%. Moreover, on a market characterised by a low level of integration of industrial facilities, Teerbau and VBU stand out as exceptions, in that they combine production capacity and means of application, as is the case for the Group in France.

Thanks to VBU, the Group is also the largest German company specialising in demolition.

The new entity has now been re-organised, with very complementary geography between Teerbau and VBU, giving very good coverage of German territory.

VBU and Teerbau, which already have common references, are seeking to intensify the synergy between them under the common Eurovia standard, in order jointly to develop new proposals for the German market.

### INTERNATIONAL DEVELOPMENT

In 1999 Eurovia posted net sales of € 77m in Belgium, Switzerland, Poland, Slovakia, Romania, Albania and Mexico.

However, this conversion into euros under-estimates the volume of business actually done in the countries of Central Europe.

The Group pursued its policy of expansion in Poland by acquiring the company SPRD located near Katowice in Silesia, where the company PBK, already operates.

Other acquisition operations are being studied and could well be completed in the near future.

Despite the market downturn observed in 1999, due to the ongoing decentralisation process which has delayed many operations, the outlook in this country remains very promising.

In Slovakia, Slov-Via, which was created at the beginning of the year in Poprad in the eastern part of the country, is experiencing strong growth even though its net sales remain modest. In this country as well a substantial acquisition may well see the light of day.

In Romania, Eurovia is in charge of work to overhaul the national road number 13 between Brasov and Bogata-Hill (€ 11m). Work on this site will continue through to the end of the year 2000.

Albavia, created in Tirana in 1998, has become a reference in Albania, where the outlook is good albeit on the scale of the country itself.

In Mexico, Bitunova, a company that is not yet consolidated and that was created with a top-notch local partner, produced more than 10,000 metric tons of emulsion. Further development of this company in the area of production and application of coated materials is envisaged.

### STRONG IMPROVEMENT IN FINANCIAL RESULTS

The financial statements of the Eurovia Group include economic consolidated financial information pertaining to all the companies making up the Eurovia Group as defined above, and therefore including the companies of the German sub-groups SGE VBU and Teerbau.

Net sales posted in 1999 came to € 2.149 billion, for absolute growth of 38% and growth of 7.6% on a like-to-like basis.

The increase in net sales, thanks to favourable market trends in France and to carefully targeted and controlled external growth, the full effect of



completed or ongoing re-organisation, and rigour of everyday management are all factors that had a positive impact on Eurovia's operating income, which, despite the negative effect of the price increase for petroleum products, came out at €46.9m, that is, 2.2% of net sales, for an increase of 47% over the €31.8m earned in 1998. The contribution of German companies to this amount was €4.7m.

This improvement was reflected in the level of operating income plus net financial income, which increased from €35.9m in 1998 to €51.1m in 1999.

The gross operating surplus came out at €107.3m, or 5.0% of net sales.

The Group share of net income came to €28.1m, double the level reached in 1998.

The Group's development was reflected by its €132m of net capital expenditure and financial investments, the latter category accounting for €57m.

Shareholders' equity amounts to €244m, the working capital stands at €101m and provisions for liabilities and charges equal €280m.

Cash on hand at the end of the financial year came to €114m, despite substantial capital expenditure and investment. The year-end net financial position was in surplus to the tune of €87m.

The impact of this growth and of Teerbau's consolidation over a full year will be reflected in a large increase in net sales. It is expected that the operating income and the net income will improve.

## GOOD OUTLOOK FOR THE YEAR 2000

In France, the order book at the beginning of the year is at a good level and the market is showing favourable trends. However, it is still not easy to assess the introduction of the law on reducing working hours.

The German market is not expected to experience any major upheavals, but the re-organisation completed within Teerbau in the second half of 1999 should bear fruit and allow for a substantial improvement in the operating income.

At the international level, growth in the countries of Central Europe will continue at a reasonable rate.

## ECONOMIC CONSOLIDATED FINANCIAL STATEMENTS\*

## CONSOLIDATED STATEMENT OF INCOME

FOR 1999

In thousands of euro

		1999	1998
	NOTES		
<b>NET SALES</b>	<b>I</b>	<b>2,149,106</b>	<b>1,559,271</b>
Other current revenue	<b>I</b>	67,541	63,077
Share in net income of industrial holdings		15,040	13,512
<b>TOTAL OPERATING REVENUE</b>		<b>2,231,687</b>	<b>1,635,860</b>
Purchases and other operating expenses		(1,596,098)	(1,121,701)
Wages, salaries and benefits		(528,307)	(427,732)
<b>TOTAL OPERATING EXPENSES</b>		<b>(2,124,405)</b>	<b>(1,549,433)</b>
<b>GROSS OPERATING SURPLUS</b>		<b>107,282</b>	<b>86,427</b>
Depreciation allocations	<b>2</b>	(57,173)	(44,310)
Provision allocations and reversals	<b>3</b>	(3,242)	(10,347)
<b>OPERATING INCOME</b>		<b>46,867</b>	<b>31,770</b>
Financial revenue		(11,753)	5,218
Provision allocations and reversals	<b>3</b>	15,978	(1,099)
<b>NET FINANCIAL INCOME</b>	<b>4</b>	<b>4,225</b>	<b>4,119</b>
<b>OPERATING INCOME PLUS NET FINANCIAL INCOME</b>		<b>51,092</b>	<b>35,889</b>
Exceptional revenue		(3,491)	(8,662)
Depreciation allocations	<b>2</b>	(1,464)	(848)
Provision allocations and reversals	<b>3</b>	5,619	8,801
<b>NET EXCEPTIONAL INCOME (EXPENSE)</b>	<b>5</b>	<b>664</b>	<b>(709)</b>
Employee profit-sharing		(2,407)	(2,386)
Income taxes	<b>6</b>	(10,302)	(11,638)
Amortisation of goodwill	<b>2 and 9</b>	(12,099)	(7,432)
<b>NET INCOME BEFORE EQUITY INTEREST AND MINORITY INTEREST</b>		<b>26,948</b>	<b>13,724</b>
Equity in net earnings of companies accounted for by the equity method	<b>II</b>	1,616	99
<b>CONSOLIDATED NET INCOME</b>		<b>28,564</b>	<b>13,823</b>
Minority interest		(489)	306
<b>NET INCOME GROUP SHARE</b>		<b>28,075</b>	<b>14,129</b>

\* These are the economic consolidated financial statements as defined in note 2.0 on page 39.

## ECONOMIC CONSOLIDATED FINANCIAL STATEMENTS

## CASH FLOW STATEMENT

FOR 1999

In thousands of euro

		1999	1998
	NOTES		
<b>OPERATING TRANSACTIONS</b>			
Gross operating surplus		107,283	86,427
Financial and exceptional transactions		(6,067)	(8,623)
Taxes and contributions		(12,710)	(14,024)
<b>OPERATING CASH FLOW</b>	<b>17</b>	<b>88,506</b>	<b>63,780</b>
(excluding dividends received from companies accounted for by the equity method)			
Net change in working capital requirements		18,848	2,373
<b>TOTAL OPERATING FLOWS</b>	<b>(I)</b>	<b>107,354</b>	<b>66,153</b>
<b>INVESTMENT TRANSACTIONS</b>			
Capital expenditure	<b>7 and 8</b>	(75,012)	(39,945)
Disposals of fixed assets		9,021	5,551
<b>Net capital expenditure</b>		<b>(65,991)</b>	<b>(34,394)</b>
Acquisition of investments	<b>10</b>	(57,393)	(7,304)
Proceeds from the disposal of securities		3,796	2,869
<b>Net financial investments</b>		<b>(53,597)</b>	<b>(4,435)</b>
<b>Net change in financial fixed assets</b>		<b>2,680</b>	<b>(19,818)</b>
<b>TOTAL INVESTMENT FLOWS</b>	<b>(II)</b>	<b>(116,908)</b>	<b>(58,647)</b>
<b>FINANCING OPERATIONS</b>			
Increase (reduction) in shareholders' equity		(24,533)	5,076
Income paid to the parent company	<b>13</b>	(14,294)	(32,323)
Dividends paid to minority interest in subsidiaries	<b>13</b>	(30)	(61)
Dividends received from companies accounted for by the equity method	<b>11</b>	1,538	346
Other long term liabilities		(510)	147
<b>TOTAL FINANCING FLOWS</b>	<b>(III)</b>	<b>(37,829)</b>	<b>(26,815)</b>
<b>CASH FLOWS FOR THE YEAR</b>	<b>(I + II + III)</b>	<b>(47,383)</b>	<b>(19,309)</b>
<b>NET FINANCIAL SURPLUS (DEFICIT) ON JANUARY 1</b>		<b>209,549</b>	<b>246,030</b>
Impact of exchange rates, scope of consolidation and other		(75,323)	(17,172)
<b>NET FINANCIAL SURPLUS (DEFICIT) ON DECEMBER 31</b>		<b>86,843</b>	<b>209,549</b>



## ECONOMIC CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED BALANCE SHEET

AT 31 DECEMBER 1999

<b>ASSETS</b> <i>in thousands of euro</i>		<b>31/12/99</b>			<b>31/12/98</b>
	NOTES	GROSS BOOK VALUE	AMORT. AND PROV.	NET BOOK VALUE	NET BOOK VALUE
<b>INTANGIBLE FIXED ASSETS</b>	<b>7</b>	<b>11,156</b>	<b>(8,032)</b>	<b>3,124</b>	<b>1,636</b>
<b>GOODWILL</b>	<b>9</b>	<b>152,856</b>	<b>(45,311)</b>	<b>107,545</b>	<b>37,032</b>
<b>TANGIBLE FIXED ASSETS</b>	<b>8</b>	<b>756,575</b>	<b>(499,634)</b>	<b>256,941</b>	<b>192,599</b>
<b>TOTAL</b>		<b>920,587</b>	<b>(552,977)</b>	<b>367,610</b>	<b>231,267</b>
<b>FINANCIAL ASSETS</b>					
Investments unconsolidated subsidiaries and affiliates	<b>10</b>	44,943	(10,346)	34,597	27,897
Investments accounted for by the equity method	<b>11</b>	8,937		8,937	730
Other financial assets	<b>12</b>	42,792	(2,130)	40,662	39,924
<b>TOTAL</b>		<b>96,672</b>	<b>(12,476)</b>	<b>84,196</b>	<b>68,551</b>
<b>DEFERRED CHARGES</b>		<b>1,624</b>		<b>1,624</b>	<b>1,585</b>
<b>TOTAL FIXED ASSETS</b>		<b>1,018,883</b>	<b>(565,453)</b>	<b>453,430</b>	<b>301,403</b>
Inventories and work in process	<b>16</b>	22,314	(1,658)	20,656	19,494
Trade accounts receivable	<b>16</b>	979,692	(48,171)	931,521	539,245
Short-term financial receivable	<b>15</b>	115,797	(17,913)	97,884	115,609
Marketable securities, other short-term financial Receivable and cash	<b>15</b>	276,252	(3)	276,249	239,413
<b>TOTAL CURRENT ASSETS</b>		<b>1,394,055</b>	<b>(67,745)</b>	<b>1,326,310</b>	<b>913,761</b>
Adjusting items	<b>16</b>	2,868		2,868	1,732
<b>TOTAL ASSETS</b>		<b>2,415,806</b>	<b>(633,198)</b>	<b>1,782,608</b>	<b>1,21,896</b>

## SHAREHOLDERS' EQUITY AND LIABILITIES

in thousands of euro

31/12/1999

31/12/1998

	NOTES		
<b>SHAREHOLDERS' EQUITY</b>			
Capital stock		183,199	174,554
Group consolidated reserves		31,119	40,004
Net income for the year		28,075	14,129
<b>TOTAL</b>		<b>242,393</b>	<b>228,687</b>
<b>MINORITY INTEREST</b>		<b>1,441</b>	<b>843</b>
<b>OTHER FIXED CAPITAL</b>		<b>63</b>	<b>24,629</b>
<b>TOTAL FIXED CAPITAL</b>	<b>13</b>	<b>243,897</b>	<b>254,159</b>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	<b>14</b>	<b>280,463</b>	<b>165,833</b>
<b>LONG AND MEDIUM-TERM DEBT</b>			
Borrowing	<b>15</b>	29,519	11,059
Other debt > 1 year		259	390
<b>TOTAL</b>		<b>29,778</b>	<b>11,449</b>
<b>TOTAL CAPITAL EMPLOYED</b>		<b>554,138</b>	<b>431,441</b>
Advances and deposits received against contracts	<b>16</b>	35,063	14,649
Trade accounts payable	<b>16</b>	874,547	593,330
Short-term debt	<b>15</b>	108,544	18,964
Cash liabilities	<b>15</b>	152,039	118,668
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,170,193</b>	<b>745,611</b>
Adjusting items	<b>16</b>	<b>58,277</b>	<b>39,844</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>1,782,608</b>	<b>1,216,896</b>

## ECONOMIC CONSOLIDATED FINANCIAL STATEMENTS

## REPORT OF THE STATUTORY AUDITORS

## ON THE ECONOMIC CONSOLIDATED FINANCIAL STATEMENTS

FOR FINANCIAL YEAR ENDED 31 DECEMBER 1999

In accordance with our appointment by your Shareholders' General Meeting, we have audited the accompanying consolidated financial statements of the company EUROVIA, prepared in euros, for the year ended 31 December 1999.

As indicated in Notes 1.2 and 2.0 to the statements, the absence of a common legal structure allowing for consolidation of the assets and liabilities and the results of operations of the companies EUROVIA SA and EUROVIA GmbH has led to the presentation of economic consolidated financial statements including these companies and their subsidiaries, grouped under the name of EUROVIA.

The joint management of EUROVIA SA and EUROVIA GmbH is responsible for the preparation of the resulting consolidated financial statements. It is our responsibility to express an opinion based on our audit on these consolidated financial statements.

We conducted our audit in accordance with French professional standards. Those standards require that we plan and perform our audit to obtain reasonable

assurance that the consolidated financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statements' presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above give a true and fair view of the EUROVIA group's financial position, and its assets and liabilities at 31 December 1999, and of the results of operations of the companies included in the consolidation for the year then ended.

We have also carried out the verification of the information given on the management of the EUROVIA group. We have no comment to make as to its fair presentation and its conformity with the consolidated financial statements.

Paris, 3 March 2000

**The Statutory Auditors**

**MAZARS & GUÉRARD**  
**José MARETTE - Raymond PETRONI**

**SALUSTRO REYDEL**  
**Bernard CATTENOZ - Denis MARANGÉ**



## SCHEDULES TO THE ECONOMIC CONSOLIDATED FINANCIAL STATEMENTS

# 1. KEY EVENTS IN THE FINANCIAL YEAR

The financial year of 1999 was marked by the following events:

### 1.1. ACQUISITION OF THE TEERBAU GROUP

The financial year was marked first and foremost by the control of the German group Teerbau, which is discussed at length in the group's business report. This acquisition was made by the German company EUROVIA GmbH, which is legally connected with the SGE group's German holding company, SGE DEUTSCHE HOLDING.

The impact of this integration on the present financial statements is significant, and can be summarised, with respect to key figures from the opening balance sheet, as follows (in thousands of euros):

- Capital employed	144,612
- Net fixed assets	62,270
- Provisions for liabilities and charges	119,652
- Working capital requirement	134,885
- Cash position	(52,544)
- Net debt	(77,504)
- Employees (number)	3,462

Given the date on which Teerbau securities were acquired, the new entity was consolidated on the basis of the balance sheet at 30 June 1999, and the 1999 financial statements include Teerbau only for the second half of the year.

### 1.2. INFORMATION RELATING TO EUROVIA AS A CONSOLIDATED ENTITY

If the consolidated financial statements were drawn up according to the criterion of legal holding of company stock, they would not show roadworks activity in Germany. So as to include the full business and financial scope of SGE's roadworks operations as represented by Eurovia, it has been decided to draw up the consolidated statements according to the principles set out in note 2.

### 1.3. EVOLUTION OF THE GROUP'S LEGAL STRUCTURE

The process of giving the holding companies EUROVIA S.A. and EUROVIA G.P.I. S.A. a subsidiary structure was continued and completed, with the creation of regional

subsidiaries individually specific to or common to these two companies.

### 1.4. REIMBURSEMENT OF ADVANCES IN A FROZEN CURRENT ACCOUNT

The frozen advances, previously extended by the shareholders of the SGE group, with fully reimbursed in the amount of € 24,566,000.

### 1.5. SCOPE OF CONSOLIDATION

At 31 December 1999 the scope of consolidation consisted of 115 companies, in comparison with 100 companies at 31 December 1998.

FULL CONSOLIDATION 105 (of which 27 outside France)

PROPORTIONAL  
CONSOLIDATION 2

ACCOUNTED  
FOR BY THE EQUITY  
METHOD 8 (of which 7 outside France)

The movements in the scope of consolidation were as follows:

-Newly consolidated companies:

TEERBAU and its subsidiaries

JOULIE SA

JOULIE SNC

SETHY

SPRD (Poland)

PBK (Poland)

EUROVIA ROMANIA (Romania)

ALBAVIA (Albania)

SLOV-VIA (Slovakia)

-Companies no longer consolidated:

ROLDAN (Spain) ] sale to our former partner

VIALEX (Spain) ] sale to our former partner

SETARS ] cessation of business

SARU ] cessation of business

C.B.A. (Equity method) ] removal from consolidation

S.I.L.F. (Equity method) ] removal from consolidation

ERCA (Equity method) ] removal from consolidation

S.T.P.L. ] absorption by EUROVIA

MÉDITERRANÉE

-Special case:

KLEBER MOREAU

Proportional consolidation in 1998. Equity method in 1999 (dilution of our holding).

## 1. KEY EVENTS IN THE FINANCIAL YEAR

**LIST OF PRINCIPAL  
CONSOLIDATED COMPANIES:**

	Consolidation method	% holding
EUROVIA SA	FC	100.00 %
EUROVIA GPI SA	FC	100.00 %
EUROVIA SERVICES SNC	FC	100.00 %
EUROVIA INTERNATIONAL S.A.	FC	100.00 %
EUROVIA ALSACE-FRANCHE-COMTÉ SNC	FC	100.00 %
EUROVIA AQUITAINE SNC	FC	100.00 %
EUROVIA ATLANTIQUE SNC	FC	100.00 %
EUROVIA BOURGOGNE SNC	FC	100.00 %
EUROVIA BRETAGNE SNC	FC	100.00 %
EUROVIA CENTRE LOIRE SNC	FC	100.00 %
EUROVIA CHAMPAGNE-ARDENNE-LORRAINE SNC	FC	100.00 %
EUROVIA ILE-DE-FRANCE SNC	FC	100.00 %
EUROVIA MÉDITERRANÉE SNC	FC	100.00 %
EUROVIA MIDI-PYRÉNÉES SNC	FC	100.00 %
EUROVIA NORD SNC	FC	100.00 %
EUROVIA NORMANDIE SNC	FC	100.00 %
EUROVIA POITOU-CHARENTES-LIMOUSIN SNC	FC	100.00 %
EUROVIA RHÔNE-ALPES-AUVERGNE SNC	FC	100.00 %
CARRIÈRES DE CHAILLOUÉ SA	FC	100.00 %
COCHERY ILE-DE-FRANCE SNC	FC	100.00 %
EMULITHE SNC	FC	100.00 %
GERCIF SNC	FC	100.00 %
MOTER SA	FC	99.46 %
ROL NORMANDIE SNC	FC	100.00 %
ROY SA	PC	50,00 %
SOCIÉTÉ ROUTIÈRE DU MIDI SNC	FC	100.00 %
TSS SNC	FC	100.00 %
VALENTIN SNC	FC	100.00 %
VIAFRANCE NORMANDIE SNC	FC	100.00 %
WATELET SNC	FC	100.00 %
<b>Germany*:</b>		
EUROVIA GmbH	FC	100.00 %
SGE VBU	FC	100.00 %
BETON UND MONIERBAU GmbH	FC	100.00 %
MILKEBAU GmbH	FC	100.00 %
TECO SCHALLSCHUTZ GmbH	FC	100.00 %
TEERBAU GmbH	FC	100.00 %
TEERBAU HOCHBAU GmbH	FC	100.00 %
TEERBAU IHS GmbH & Co KG	FC	100.00 %
TEERBAU INGENIEURBAU GmbH	FC	100.00 %
VBU	FC	100.00 %

\* Legally owned by SGE DH (directly or indirectly)

## SCHEDULES TO THE ECONOMIC CONSOLIDATED FINANCIAL STATEMENTS

# 2. ACCOUNTING PRINCIPLES

## APPLIED TO THE ECONOMIC CONSOLIDATED FINANCIAL STATEMENTS

### 2.0. PRELIMINARY REMARKS

Nature of the present financial statements:

For some years the roadworks business of S.G.E. (Société Générale d'Entreprises) has been under a common General Management, and endowed with a unified organisational, operational and administrative structure.

However, the legal structure diverges from this rule, as business carried out in Germany depends on the legal entity EUROVIA GmbH, a subsidiary of SGE's German holding company, called SGE DEUTSCHE HOLDING (SGE DH); therefore there is no direct legal link between EUROVIA S.A. and its roadworks holdings in Germany.

Under the circumstances, and in order to give the full business and financial picture of all of SGE's "roadworks" Division, as represented by EUROVIA, it has been decided to draw up economic consolidated financial statements for the operational entity consisting of EUROVIA S.A. and its subsidiaries, on the one hand, and of EUROVIA GmbH and its subsidiaries, on the other hand.

Consolidation of business activity has been done on the basis of overall tax integration of Eurovia GmbH as if Eurovia held the stock directly, in exchange for financial debt vis-à-vis the shareholder SGE DH, reflecting current acquisition conditions.

It should be recalled that the financial figures presented for 1998 already included information prepared according to this principle, with SGE-VBU included; these 1998 figures are therefore used for comparison with the financial year n-1.

N.B.: For the sake of clarity and simplicity, the term "consolidated financial statements" will be used in the following document.

### 2.1. GENERAL REMARKS

The consolidated financial statements of the EUROVIA Group, which are included in the consolidated financial statements of S.G.E. (Société Générale d'Entreprises) and of VIVENDI, have been prepared in accordance with the accounting principles described in this note.

These principles are in accordance with French accounting standards, as defined by the general chart of accounts ("Plan comptable général"), by the Act of

3 January 1985 and by its application Decree of 17 February 1986; they have been adapted to take into consideration the accounting treatment recommended by the National Accounting Board in its opinion of 18 June 1997.

### 2.2. CONSOLIDATION CRITERIA

The consolidated financial statements group together the financial statements of substantial companies controlled by EUROVIA directly or indirectly, by law or in reality. In this respect, companies are consolidated provided their contribution to consolidated net sales is greater than € 1.5m.

Companies over which EUROVIA exercises majority control are fully consolidated.

Jointly controlled entities are consolidated by the proportional method, provided their net sales and assets and liabilities are significant.

Work projects carried out in the form of joint ventures, without their own material and financial resources, are included by semi-proportional consolidation (with entry of a share of net sales and a share of charges); this method has the advantage of better reflecting of the economic reality of these operations.

Companies over which the group exercises substantial control are consolidated by the equity method.

On the other hand, equity holdings in companies producing mix, binder or materials, operated jointly with other groups, are not included in the scope of consolidation.

These companies, of which there are 232, would increase consolidated net sales, if included, by the estimated amount of € 70,517,000; most of these companies have transparent legal structures (joint-venture company, general partnership); their income is included in the consolidated statement of income under the heading "share in net income of industrial holdings" and they do not individually meet the net sales threshold criterion.

### 2.3. INTEGRATED FINANCIAL STATEMENTS

#### 2.3.1. Individual financial statements in France and other euro zone countries

The financial statements of consolidated companies are prepared in accordance with accounting standards



## 2. ACCOUNTING PRINCIPLES APPLIED TO THE ECONOMIC CONSOLIDATED FINANCIAL STATEMENTS

applied by the profession.

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

### 2.3.2. Foreign financial statements

The financial statements of foreign integrated companies and establishments are translated in accordance with the following principles:

- the investments in subsidiaries and affiliates account on the assets side, and the net Group position account and non-Group share of income account on the liabilities side are kept in the balance sheet at their historical value;
- the other balance-sheet accounts are translated at year-end exchange rates.

### 2.4. GOODWILL

The principle is to allocate goodwill (which represents the difference between the cost of acquiring shares in a consolidated company and the corresponding proportion of the net position at the date of acquisition) to the appropriate balance sheet assets and liabilities of the acquired company.

The unallocated balance of goodwill is recorded on the assets side of the consolidated balance sheet, and amortised over a period not exceeding 20 years, with faster amortisation being justified in some cases.

When the goodwill amount is less than € 150,000, it is fully amortised in the year of acquisition.

However, goodwill arising from the acquisition of companies that operate quarries is amortised over the expected operating life of the quarry, up to a maximum of 40 years.

When justified by specific circumstances, goodwill may be subject to accelerated amortisation or to a depreciation provision.

### 2.5. TANGIBLE FIXED ASSETS

Land, buildings and equipment are generally valued at their acquisition cost (historic cost). Depreciation of tangible fixed assets is calculated using the straight-line or reducing-balance method over the estimated useful economic life or the period generally applied in the industry. These periods are given in the notes to the

consolidated financial statements (paragraph 3, note 2).

Loans are entered at their nominal value, less any provision for depreciation.

### 2.6. INVESTMENTS IN SUBSIDIARIES AND AFFILIATES

The gross book value of unconsolidated investments in subsidiaries and affiliates is equal to their acquisition cost.

If this value is greater than the fair value, a provision for depreciation is made to cover the difference.

### 2.7. PENSION COMMITMENTS

The pension commitments concerning lump-sum payments made on retirement and supplementary pension schemes are covered by balance sheet provisions for the staff with this entitlement.

These commitments are assessed by means of an actuarial forecasting method known as the projected unit credit method.

For French workers however, these commitments are covered by contributions to a provident fund.

### 2.8. INCOME RECOGNITION

The method used to account for construction contract income is the percentage of completion method; if a contract is expected to end with a negative margin, a provision for anticipated losses on completion is made.

The individual financial statements of German companies, in particular, have been restated with this method applied.

### 2.9. INCOME TAXES

The French holding companies EUROVIA S.A. and EUROVIA GPI S.A. are linked to their parent company through a tax integration agreement running through to the end of 2003. Tax charges reported in this respect amounted to € 9,800,000.

Deferred taxes result from timing differences occurring between the taxable and accounting income of consolidated entities, and also from restatements relating to changes in the method of consolidation. They are

calculated by the liability method.

Any deductible timing differences giving rise to deferred tax assets are recognised in relation to their probability of being utilised against future taxable profits.

This probability is assessed at the year-end using tax and corporate forecasts.

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## **2.10. NON-GROUP INTEREST**

Incomes and net positions are divided into their group and non-group shares, as a function of percentage equity holdings.

For any company whose shareholders' equity after net income or loss is negative, the group assumes the share normally allocated to the minority interest, except when minority shareholders are prepared to participate in their share of losses.

## SCHEDULES TO THE ECONOMIC CONSOLIDATED FINANCIAL STATEMENTS

## NOTES TO THE STATEMENT OF INCOME

**NOTE 1: NET SALES AND CURRENT REVENUE** *in thousands of euro*

31/12/99

31/12/98

**NET SALES**

- of which net sales on newly consolidated companies
- of which net sales of companies no longer consolidated

2,149,106  
(484,892)1,559,271  
(11,885)**NET SALES AT COMPARABLE SCOPE OF CONSOLIDATION**

1,664,214

1,547,386

**OTHER CURRENT REVENUE**

67,541

63,077

On a like-to-like basis net sales increased by 7.6%. They include the Teerbau sub-group's sales, in the amount of €457,539,000, only for the second half of the year.

**BREAKDOWN OF NET SALES BY BUSINESS SECTOR AND BY GEOGRAPHICAL AREA** *in thousands of euro*

BUSINESS SECTORS	Total	France		Germany	Rest of Europe	Africa and Asia
		Continental	Overseas			
Roads and other networks	1,864,844	1,281,890	5,240	483,017	94,697	0
Quarries	84,509	83,630	0	15	864	0
Other business*	199,753	62,748	912	135,747	252	94
<b>TOTAL</b>	<b>2,149,106</b>	<b>1,428,268</b>	<b>6,152</b>	<b>618,779</b>	<b>95,813</b>	<b>94</b>

\* Flooring, accessory equipment for roads and others

**NOTE 2: ALLOCATIONS TO FIXED ASSET DEPRECIATION ACCOUNTS** *in thousands of euro*

31/12/99

31/12/98

Allocations to operating depreciation

(57,173)

(44,310)

Allocations to exceptional depreciation

(1,464)

(848)

Amortisation of goodwill

(12,099)

(7,432)

**TOTAL****(70,736)****(52,590)**

The economic lives of tangible fixed assets, used to calculate depreciation, are as follows:

- Buildings
- Civil engineering equipment
- Vehicles
- Fixtures and furnishings
- Office furniture and equipment

25 years  
from 4 to 7 years  
from 3 to 5 years  
from 8 to 10 years  
from 3 to 5 years



### NOTE 3: PROVISION ACCOUNTS

ALLOCATIONS AND REVERSALS *in thousands of euro*

		31/12/99	31/12/98
Movements in provisions having affected the statement of income were as follows:			
Operating provisions	(allocations)	(108,268)	(73,588)
	Recoveries	105,026	63,241
		<b>(3,242)</b>	<b>(10,347)</b>
Financial provisions	(allocations)	(4,663)	(4,374)
	Recoveries	20,641	3,275
		<b>15,978</b>	<b>(1,099)</b>
Exceptional provisions	(allocations)	(12,918)	(15,548)
	Recoveries	18,537	24,349
		<b>5,619</b>	<b>8,801</b>
<b>TOTAL</b>		<b>18,355</b>	<b>(2,645)</b>
Of which having affected working capital requirements:		(1,895)	(451)
Of which involving short-term financial assets:		16,205	(957)
Of which with an impact on the working capital:		4,045	(1,237)

### NOTE 4: NET FINANCIAL INCOME *in thousands of euro*

	31/12/99	31/12/98
Financial revenue	9,606	6,045
Dividends	2,915	1,727
Partnership gains (losses)	385	(134)
Financial expense	(6,195)	(2,420)
Gross movements in financial provisions	15,978	(1,099)
Restatement of financial provisions	(18,464)	
<b>TOTAL</b>	<b>4,225</b>	<b>4,119</b>
Of which financing cost	1,786	3,625

### NOTE 5: EXCEPTIONAL INCOME (EXPENSE) *in thousands of euro*

	31/12/99	31/12/98
Income from disposals of assets	5,133	3,983
Restructuring costs	(6,828)	(7,318)
Other exceptional expense and revenue	(1,796)	(5,327)
Movements in exceptional depreciation and provisions	4,155	7,953
<b>TOTAL</b>	<b>664</b>	<b>(709)</b>

### NOTE 6 : INCOME TAXES *in thousands of euro*

	31/12/99	31/12/98
Current taxes	(10,922)	(14,142)
Deferred taxes	620	2,504
<b>TOTAL</b>	<b>(10,302)</b>	<b>(11,638)</b>

# NOTES TO THE STATEMENT OF INCOME

## NOTE 7: INTANGIBLE FIXED ASSETS OTHER THAN GOODWILL *in thousands of euro*

	Gross book value						Net book value
	Opening Balance	Investments	Disposals and Restatements	Scope of Consolidation Changes	Closing Balance	Cumulative Amortisation At 31/12/1999	Closing Balance
Start-up costs	364	97		2	463	(351)	112
Research costs			449		449	(449)	
Business goodwill and brand names	2,002	343	6	677	3,028	(1,641)	1,387
Leases	38				38	(38)	0
Software	1,593	161	386		2,140	(1,928)	212
Patents	1,170	395	(583)	2,159	3,141	(2,040)	1,101
Other intangible assets	2,252	117	(485)	13	1,897	(1,585)	312
<b>TOTAL</b>	<b>7,419</b>	<b>1,113</b>	<b>(227)</b>	<b>2,851</b>	<b>11,156</b>	<b>(8 032)</b>	<b>3,124</b>

## NOTE 8 : TANGIBLE FIXED ASSETS *in thousands of euro*

	Gross book value						Net book value
	Opening Balance	Investments	Disposals and Restatements	Scope of Consolidation Changes	Closing Balance	Cumulative Amortisation At 31/12/1999	Closing Balance
Land	79,786	5,679	(32,160)	20,655	73,960	(19,382)	54,578
Buildings	70 141	4,636	(13,599)	1,935	63,113	(33,628)	29,485
Plant and equipment	288 218	48,324	(38,062)	119,846	418,326	(318,428)	99,898
Other tangible assets	106,691	15,820	28,769	48,348	199,628	(128,196)	71,432
Assets under construction	2,086	1,531	(4,769)	2,700	1,548		1,548
Capital gains or losses from disposals		(3,150)	3,150				
<b>TOTAL</b>	<b>546,922</b>	<b>72,840</b>	<b>(56,671)</b>	<b>193,484</b>	<b>756,575</b>	<b>(499,634)</b>	<b>256,941</b>
Of which impact of restatement of capital leases:					34,873	(10,407)	24,466

**NOTE 9 : GOODWILL**  
in thousands of euro

Movements in the year break down as follows:

Net goodwill value

Goodwill acquired during the year

Current amortisation

Exceptional amortisation

Goodwill no longer consolidated

**NET GOODWILL VALUE AT YEAR END**

31/12/99

31/12/98

37,032

43,587

82,612

877

(4,895)

(2,894)

(7,204)

(4,538)

**107,545**

**37,032**

Goodwill acquired during the year consists mainly of the teerbau sub-group.

**NOTE 10 : INVESTMENTS  
IN UNCONSOLIDATED SUBSIDIARIES AND AFFILIATES**

This item consists mainly of:

- Investments in industrial companies producing mix, binder or materials, for a total net book value of € 26m;
- Wholly owned subsidiaries whose net sales are below the consolidation threshold;
- Real-estate development companies whose business is not significant.

Financial investments represented a total of € 57m, of which € 53m was in consolidated companies (€ 7m outside France, € 41m for the Teerbau sub-group and € 5m in France). The remainder consists mainly of equity holdings in industrial companies for € 3m, and in foreign companies for € 1m.

**NOTE 11 : INVESTMENTS ACCOUNTED FOR  
BY THE EQUITY METHOD** in thousands of euro

Value of investments

at the beginning of the year

Group share of income in the year

Dividends paid

**Changes in scope:**

Newly included

No longer included

Value of investments

at the end of the year

730

1,616

(1,538)

8,859

(730)

8,937

**NOTE 12 : OTHER FINANCIAL ASSETS** in thousands of euro

31/12/99  
net

31/12/98  
net

Long term receivable

Fixed asset investments

Loans, deposits and other financial assets

**TOTAL**

2,812

3,219

3,149

340

34,701

36,365

**40,662**

**39,924**

## NOTES TO THE CONSOLIDATED BALANCE SHEET

**NOTE 13 : MOVEMENT IN FIXED CAPITAL (BEFORE ALLOCATION)** *in thousands of euro*

	Opening balance	Scope of consolidation and accounting changes	Capital increase	Income for the year	Amount distributed in the year	Other movements	Closing balance
<b>CAPITAL STOCK</b>	<b>174,554</b>		<b>8,645</b>				<b>183,199</b>
Additional paid-in capital			(8,645)			(1)	(8,646)
Corporate reserves					104	17,352	17,456
Consolidated reserves	40,004	(634)			386	(17,447)	22,309
Income group share	14,129	655		28,075	(14,784)		28,075
<b>SHAREHOLDERS' EQUITY</b>	<b>228,687</b>	<b>21</b>	<b>0</b>	<b>28,075</b>	<b>(14,294)</b>	<b>(96)</b>	<b>242,393</b>
- Reserves	1,149	177			(368)	(6)	952
- Income	(306)	(32)		489	338		489
<b>MINORITY INTEREST</b>	<b>843</b>	<b>145</b>	<b>0</b>	<b>489</b>	<b>(30)</b>	<b>(6)</b>	<b>1,441</b>
<b>OTHER FIXED CAPITAL</b>	<b>24,629</b>					<b>(24,566)</b>	<b>63</b>
<b>TOTAL FIXED CAPITAL</b>	<b>254,159</b>	<b>166</b>	<b>0</b>	<b>28,564</b>	<b>(14,324)</b>	<b>(24,668)</b>	<b>243,897</b>

**NOTE 14 : PROVISIONS FOR LIABILITIES AND CHARGES** *in thousands of euro*

	Opening balance	Accounting changes, restatement and for: curr. translation differences	Allocations	Reversals	Scope of consolidation changes	Closing Balance
Pension commitments	15,566	15	2,132	(1,419)	65,868	82,162
Work in process and after-sales service	65,019	95	47,735	(52,511)	25,051	85,389
End-of-contract losses	9,443	(1,769)	12,940	(9,129)	6,567	18,052
Disputes	10,138	241	7,323	(5,212)	1,517	14,007
Other operating liabilities and charges	25,568	1,513	12,731	(13,243)	5,922	32,491
<b>TOTAL OPERATING PROVISIONS</b>	<b>125,734</b>	<b>95</b>	<b>82,861</b>	<b>(81,514)</b>	<b>104,925</b>	<b>232,101</b>
Financial liabilities and charges	298		321	(288)		331
<b>TOTAL FINANCIAL PROVISIONS</b>	<b>298</b>	<b>0</b>	<b>321</b>	<b>(288)</b>	<b>0</b>	<b>331</b>
Restructuring	5,968	21	(150)	(2,412)	8,067	11,494
Subsidiary risks	421		116	(177)	1,374	1,734
Other exceptional provisions	33,412	112	12,823	(15,858)	4,314	34,803
<b>TOTAL EXCEPTIONAL PROVISIONS</b>	<b>39,801</b>	<b>133</b>	<b>12,789</b>	<b>(18,447)</b>	<b>13,755</b>	<b>48,031</b>
<b>TOTAL</b>	<b>165,833</b>	<b>228</b>	<b>95,971</b>	<b>(100,249)</b>	<b>118,680</b>	<b>280,463</b>



**NOTE 15 : NET FINANCIAL SURPLUS  
(DEFICIT)** *in thousands of euro*

	31/12/99	31/12/98	Of which impact scope of consolidation changes
Long-term borrowing and debt	(29,519)	(11,059)	(24,877)
Portion < 1 year of long-term debt	(9,478)	(1,249)	
<b>I - LONG-TERM DEBT</b>	<b>(38,997)</b>	<b>(12,308)</b>	<b>(24,877)</b>
<b>II - LONG-TERM FINANCIAL RECEIVABLES</b>	<b>2,812</b>	<b>3,219</b>	<b>(10)</b>
Bank overdrafts	(152,039)	(118,668)	
Other short-term debt	(99,066)	(17,715)	(81,591)
Short-term financial receivables	97,884	115,609	19,161
Marketable securities and cash (I)	276,249	239,413	11,746
<b>III - NET CASH POSITION (EXCLUDING PORTION &lt; 1 YEAR OF LONG-TERM DEBT)</b>	<b>123,028</b>	<b>218,639</b>	<b>(50,684)</b>
<b>NET FINANCIAL SURPLUS (DEFICIT) (I+II+III)</b>	<b>86,843</b>	<b>209,550</b>	<b>(75,571)</b>
Maturity of debt			
Up to 2 years	7,223		
Between 3 and 5 years	14,542		
More than 5 years	2,999		
Undetermined	4,755		

(I) this item consists mainly of cash held on account by the parent company.

**NOTE 16 : WORKING CAPITAL REQUIREMENT**  
*in thousands of euro*

	31/12/99 1	31/12/98 2	Variation 1-2	Of which consolidation change impact
Inventories and work in process	20,656	19,494	1,162	8,324
Trade accounts receivable	865,455	484,751	380,706	359,881
Other receivables	66,066	54,494	11,572	9,463
Assets adjusting items	2,868	1,732	1,136	
<b>TOTAL (I)</b>	<b>955,045</b>	<b>560,471</b>	<b>394,576</b>	<b>377,668</b>
Advances and instalments received	35,063	14,649	20,414	
Trade accounts payable	663,333	459,189	204,142	201,132
Other accounts payable	211,214	134,141	77,073	83,174
Liabilities adjusting items	58,277	39,844	18,433	
<b>TOTAL (II)</b>	<b>967,887</b>	<b>647,823</b>	<b>320,062</b>	<b>284,306</b>
Working capital requirement <b>(I) - (II)</b>	<b>(12,842)</b>	<b>(87,352)</b>	<b>74,514</b>	<b>93,362</b>

## ADDITIONAL INFORMATION

### NOTE 17 : CASH FLOW FROM OPERATIONS *in thousands of euro*

The reconciliation of net income of consolidated companies to cash flow and to cash flow from operations is as follows:

#### NET INCOME OF CONSOLIDATED COMPANIES

Net amortisation/depreciation allocations

Net allocations to provisions

#### GROSS CASH FLOW FROM OPERATIONS

Losses from disposals of assets

#### CASH FLOW

(excluding dividends received from companies accounted for by the equity method)

Dividends from companies accounted for by the equity method

#### CASH FLOW FROM OPERATIONS

**31/12/99**
**31/12/98**

	31/12/99	31/12/98
<b>NET INCOME OF CONSOLIDATED COMPANIES</b>	<b>26,948</b>	<b>13,724</b>
Net amortisation/depreciation allocations	70,737	52,589
Net allocations to provisions	(4,046)	1,240
<b>GROSS CASH FLOW FROM OPERATIONS</b>	<b>93,639</b>	<b>67,553</b>
Losses from disposals of assets	(5,133)	(3,773)
<b>CASH FLOW</b>	<b>88,506</b>	<b>63,780</b>
(excluding dividends received from companies accounted for by the equity method)		
Dividends from companies accounted for by the equity method	1,538	346
<b>CASH FLOW FROM OPERATIONS</b>	<b>90,044</b>	<b>64,126</b>

### NOTE 18 : COMMITMENTS AND CONTINGENCIES *in thousands of euro*

#### Commitments given

Performance bonds and guarantees (1)

Guarantees given to partnerships

Other commitments

#### TOTAL

#### Commitments received

Performance bonds and guarantees

Other commitments

#### TOTAL

(1) impact of performance bonds transferred by Teerbau

**31/12/99**
**31/12/98**

	31/12/99	31/12/98
<b>Commitments given</b>		
Performance bonds and guarantees (1)	421,053	165,476
Guarantees given to partnerships	48,061	36,384
Other commitments	12,902	13,419
<b>TOTAL</b>	<b>482,016</b>	<b>215,279</b>
<b>Commitments received</b>		
Performance bonds and guarantees	986	1,093
Other commitments	928	1,747
<b>TOTAL</b>	<b>1,914</b>	<b>2,840</b>
(1) impact of performance bonds transferred by Teerbau	248,588	

### NOTE 19 : AVERAGE NUMBER OF EMPLOYEES

#### PERSONNEL CATEGORY

Engineers and managers

Other

#### TOTAL

**31/12/99**
**31/12/98**

	31/12/99	31/12/98
<b>PERSONNEL CATEGORY</b>		
Engineers and managers	1,364	1,092
Other	14,392	10,470
<b>TOTAL</b>	<b>15,756</b>	<b>11,562</b>

The net impact of scope of consolidation changes in 1999 corresponds to a net increase of 4,163 employees.





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