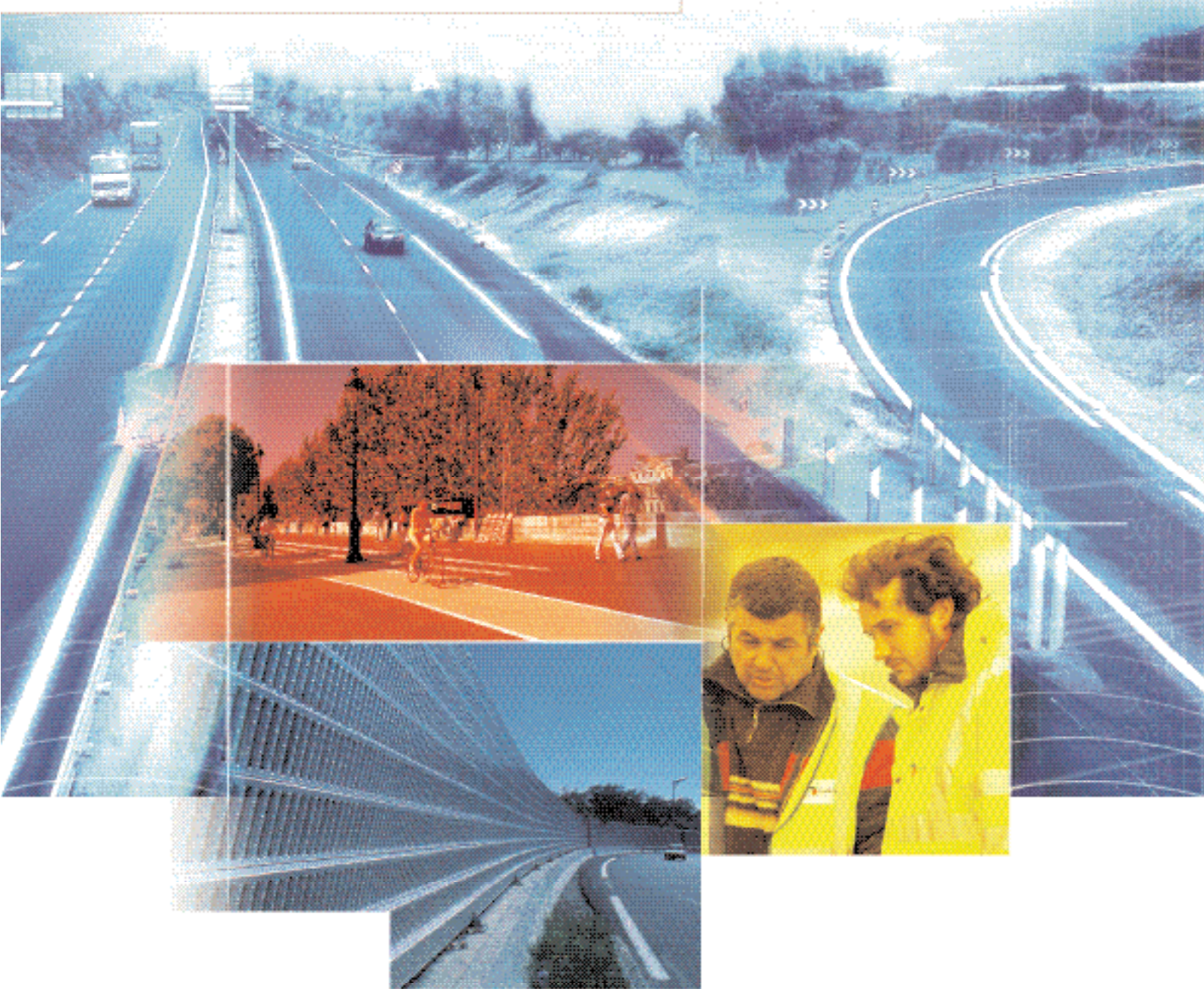




2002 ANNUAL REPORT



Contents

01 - Profile

02 - A Talk with the Chairman

04 - Performance

06 - Highlights

08 - Major projects

10 - Designing the roads of tomorrow

12 - Thinking of future generations

14 - Making the road safer

16 - Connecting transport infrastructure

18 - Combining aesthetics
and convenience in the city

20 - Protecting the natural environment

22 - The focus of the improvement programs

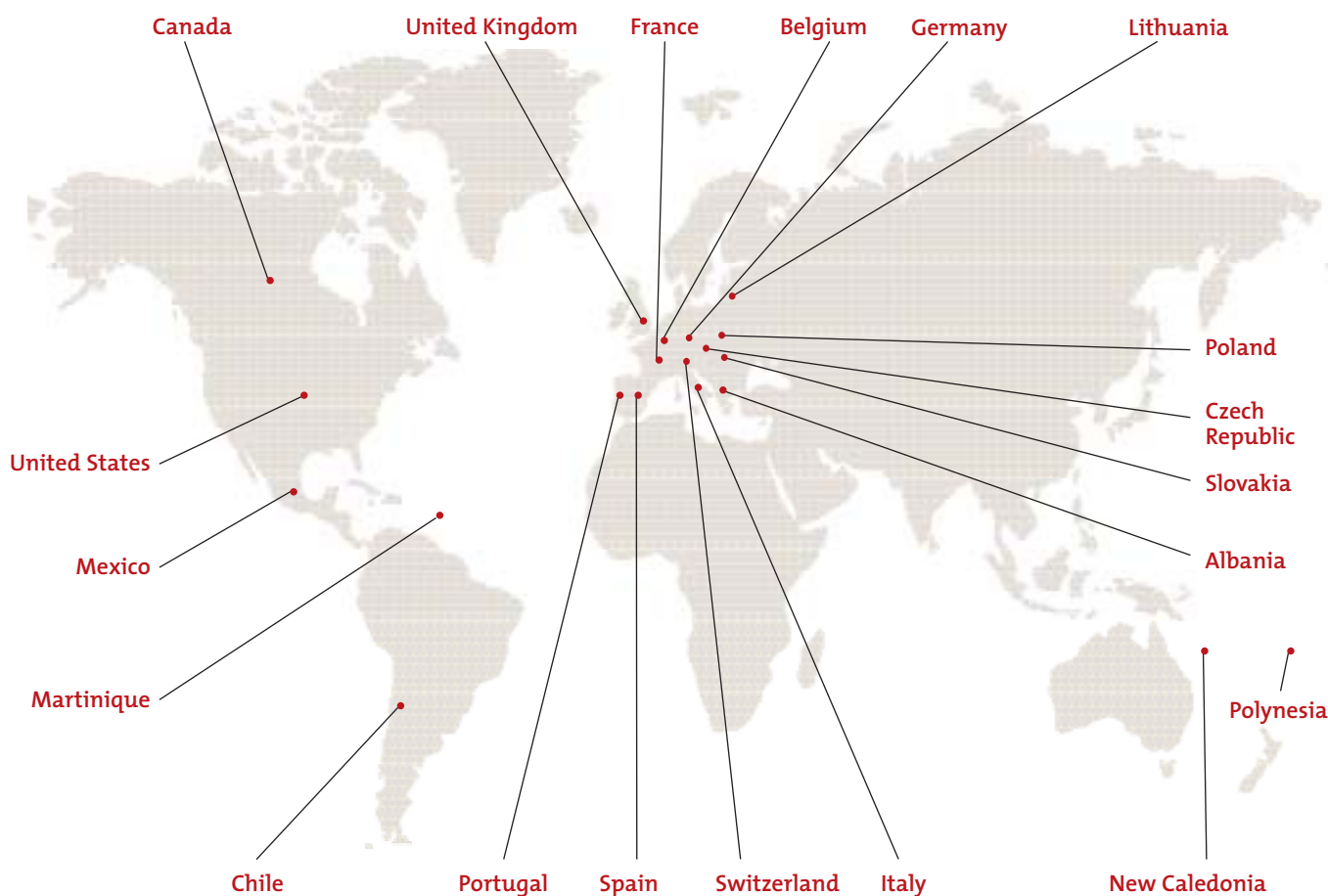
24 - Building partnerships

26 - Comments

> *A world leader
in roadworks*

> *European leader
in materials recovery
and reuse*

> *Leading French road
aggregate producer*



Profile

> Key figures

34,000 employees

330 agencies

50,000 projects
per year world-wide

207 quarries

49 million tons
of aggregate

95 binder plants

460,000 tons
of binder

400 coating plants

23 million tons
of hot mix

90 recycling facilities

9 million tons
of materials recovered
and reused

Roadworks

Specialising in pavements and road and industrial surfacings (hot mix, concrete, asphalt and resins), Eurovia designs, builds and maintains transport infrastructure, develops cities and villages and creates platforms for commercial and industrial facilities.

Industrial production of road materials

Eurovia is the leading road aggregate producer in France and the leading producer of secondary raw materials of domestic and industrial origin in Europe. It is a major player in the production of binders and hot mixes.

Environment

Waste management, recycling and storage; noise abatement; and rainwater and waste water collection are the three main aspects of Eurovia's environmental offering.

2002 business activity

Results increase despite market decline:

5.2 billion euros in net sales;

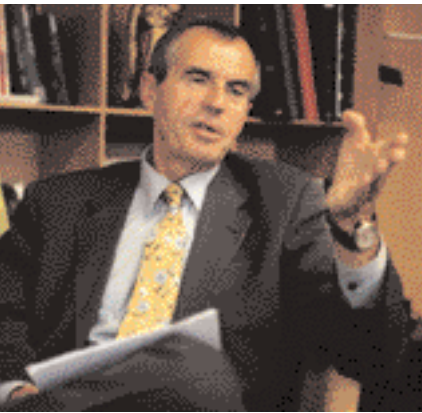
44 % of net sales generated outside France;

166 million euros in operating income;

96.5 million euros in net income, up 10 %.

A Talk with the Chairman

2001 was a year in which the group reorganised (after Eurovia and EIL were brought together). How would you describe 2002?



2002 was a year in which we focused on structuring and consolidating the new entity we had put together. We deployed our new information system, Khepra, nation-wide and thereby put ourselves in a position to perform even better, notably as a result of real-time worksite management.

Meanwhile we undertook an ambitious quality and safety policy to achieve certification of our entities under the new ISO standard, as well as a policy of systematically assessing occupational risks, so as to be able to continue our improvement program in these two essential areas. Guaranteeing optimum quality of our projects and the safety of our employees at the workplace take priority for us.

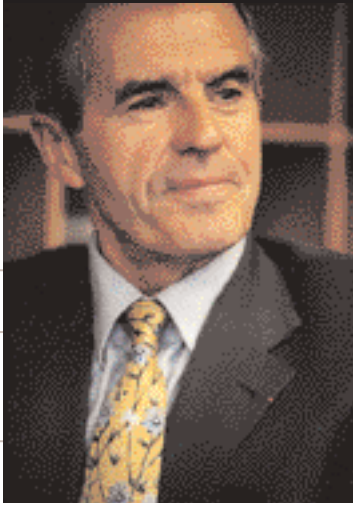
Finally, 2002 was the year in which we expanded our networking process. The founding of European companies, exchanges of staff, equipment and products, the development of a new intranet designed as a forum for knowledge sharing, the dissemination of technical information, the organisation of regional conventions in France and abroad, are examples of the efforts we have made to systematise our networking approach. In a company with a workforce of 34,000 which operates in 20 countries on three continents, it is absolutely essential that we be organised in such a way as to ensure that everyone has the benefit of everyone else's experience. The soundness of these policies is reflected in the substantial improvement in our net income.

This year was also focused on communications, in launching a major advertising campaign on television and in the print press in France. What was Eurovia trying to achieve with this ambitious project?

In deciding to launch this advertising campaign, we were introducing ourselves to the public at large. Eurovia is a young brand that operates in a business sector little known to users, even though the work we do is ultimately done for them. So it was important to enhance our name recognition and to call attention to the fact that the focus of our business is on people. I think the message was very well conveyed in the commercial, which looks at roads from a new angle. The film was designed to be both poetic and surprising, and it made a very positive impression on our external audience (customers, recent graduates, etc.) and on our employees who felt a great sense of pride.

One of the products showcased in the advertising campaign was Viagrip®. Road safety is a core concern for all of us. What is Eurovia doing to enhance it?

Eurovia has a twofold responsibility here. On the one hand, as a road construction company, Eurovia modifies road infrastructure to help prevent traffic accidents - roads being a factor in 46% of all accidents. On the other hand, like any other company Eurovia itself has to cope with the problem - more than 60% of all fatal work-related accidents are traffic accidents - to ensure the physical safety of its employees. For this reason we developed and introduced VigiRoute® in 2002. This is a comprehensive program designed to raise awareness and provide road safety training. It includes, among other things, a systematic analysis of all accidents caused by or suffered by our employees, based on which steps are taken to make improvements. Our goal is a 30% reduction in the number of traffic accidents within 3 years. Meanwhile, we devote a considerable proportion of our Research and Development budget to devising products (surfacing, road equipment, etc.) to make infrastructure safer.



« In 2003 and thereafter,
I would like our growth to be focused
on users and the community. »

ROGER MARTIN
Chairman and CEO

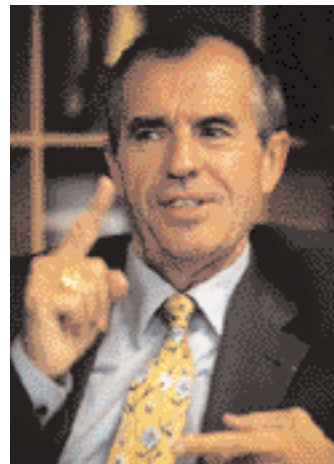
Viagrip®, a high-performance skid-resistant hot mix which is used in accident-prone areas, substantially reduces the number of accidents by shortening braking distance. This is an excellent example of what Eurovia can contribute to the struggle for greater road safety.

The customer is still key. How has Eurovia gone about meeting customer expectations, and how will it be doing so in future?

Our customers are indeed our lifeblood. We need to be attentive to what they tell us, to anticipate their needs, to design products suited to their expectations. Eurovia's strength is based on its decentralised organisational structure which keeps it in close touch with its customers. In 2002 we enhanced this special relationship by organising information meetings for customers at which we presented our latest technical solutions and asked customers to tell us about their concerns. Nearly one hundred such meetings were organised all over France and in 2003 we are going to continue the initiative. But the customer relationship is also and above all a day-to-day matter. For this reason we are reorganising the work done in our agencies to make it possible for our works engineers and our foremen - the people our customers are primarily in touch with - to devote more time to this aspect of their work.

The other key element are the men and women who work for the company, without whom nothing would be possible. What is your policy for developing this human capital?

Last November we brought together more than 200 of our young executives to hear what they have to say about their aspirations and their experience. It brought home to me the fact that Eurovia has the benefit of outstanding human potential. I think that we all share values - entrepreneurship, respect for the environment, listening to others - which we must uphold and transmit from one generation to the next. Our human resources policy is completely focused on this goal. In 2003, we will be taking a number of steps - such as having an "old hand" mentor each of our new recruits - to further strengthen this cohesion. Similarly we will be continuing our outreach program, meeting with young people in their schools. We believe part of our job is to convey our passion for what we do.



Looking towards the future, what do you see as the main areas in which Eurovia will be expanding its activities?

A lot can of course be expected from our Research and Development program. Our ability to innovate, to design new products that meet the expectations of our customers and users, is crucial. Similarly, seeking out new markets outside France and exploring new avenues in our contractual relationships are areas on which we will be focusing. Our main strength that we must keep and leverage consists in being close to people and to their work, travel and leisure activities. We need to take that into account when we design infrastructure and build it. The roads we build must reflect the aspirations of people: respecting the environment, ensuring safety, enhancing quality of life, etc.

Performance

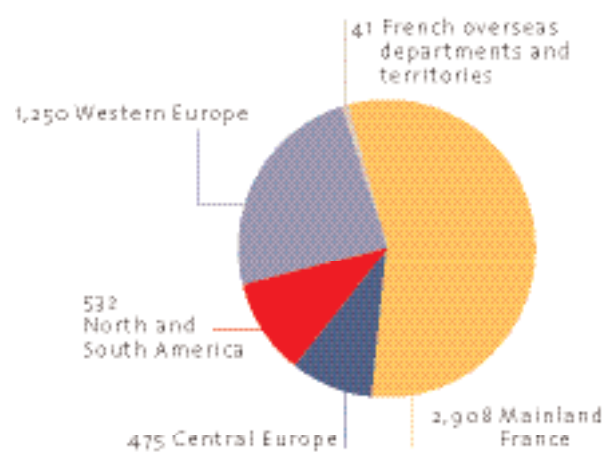
Despite a decline in the market, Eurovia increased its net income, demonstrating that its business lines can achieve a very good level of profitability.

SYNOPTICAL TABLE

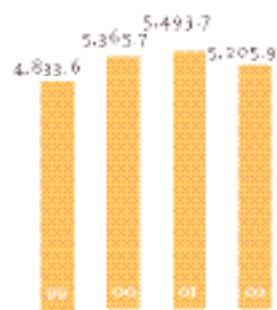
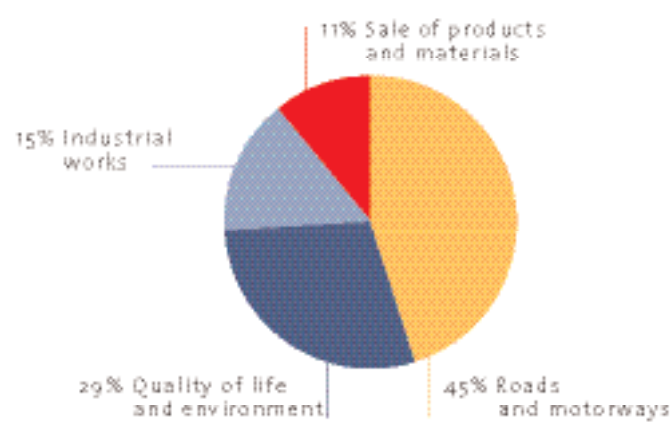
(in millions of euros)	12/31/02	12/31/01
> Pre-tax net sales of which generated outside France	5,205.9 2,297.5	5,493.7 2,255.8
> Operating income as a % of net sales	165.7 3.2%	172.8 3.1%
> Income before taxes and goodwill amortisation as a % of net sales	179.7 3.5%	176.9 3.2%
> Net income as a % of net sales	96.5 1.9%	87.6 1.6%
> Operating cash-flow* as a % of net sales	224.6 4.3%	260.3 4.7%
> Investments of which capital expenditure	179.4 151	174 157.2
> Shareholders' equity	660.3	702.8
<i>* Proforma 2001</i>		
> Average number of employees	34,085	38,084



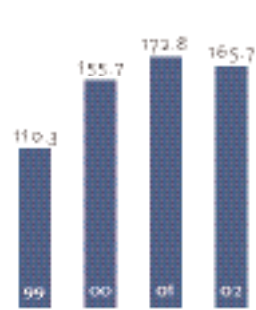
Breakdown of net sales
by geographic area (mM€)



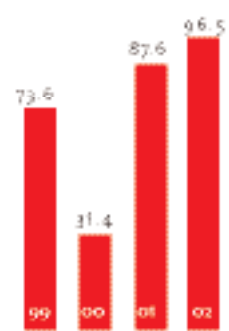
Breakdown of net sales
by business line (mM€)



Net sales (mM€)



Operating income (mM€)



Net income (mM€)

Highlights

MARCH > Eurovia wins a multi-year maintenance contract for upkeep of the northern London road network

Through its British subsidiary Ringway, Eurovia has won a multi-year maintenance contract worth 204 million euros with Transport for London (TfL), the authority in charge of managing London public transport systems. The five-year contract covers the road network in the north-west and north-centre of London, including the historic and tourist centre of the capital (The City, Piccadilly, Chelsea, etc.).

APRIL > Eurovia acquires the Luché quarry

Eurovia acquires 100% ownership of the Luché-Thouarsais quarry in the Deux-Sèvres region (France). Eurovia had previously held a 50% stake in this operation. A high-quality dioritic massive rock quarry, Luché produces 1.6 million tons per annum. With this acquisition, Eurovia boosts its natural resource reserves and enhances its supply autonomy.

JUNE > launch of an advertising campaign in France

Eurovia and Vinci launch a commercial showcasing the roadworks business lines. The film, with its slogan "We build roads, they always lead to you", obtained the Corporate Strategies Grand Prize in December. The advertising campaign continued in the trade press with three ads highlighting flagship products developed by Eurovia Research and Development which confer real benefits for road users: noise abatement with the Viaphone® hot mix, high skid resistance with Viagrip® surfacing and splash reduction with Drainovia® porous asphalt.

JUNE > handover of the B6 national highway project in Germany

Teerbau, Eurovia's German subsidiary, working in a consortium with Leipzig's Tastbau agency and Teerbau Ingenieurbau, hands over the B6 national highway project in Saxony (construction of a new 2 x 2 lane, 10 km section linking the A9 motorway with the western access road into Leipzig). Launched in 1998 as part of an exceptional private-sector road infrastructure pre-financing program in the former East Germany, this project controls traffic on the outskirts of the Saxon capital, famous for its international trade fairs.

JULY > new design-build highway contract won in the US

Eurovia, through its American subsidiary Hubbard, wins a further highway contract in Florida worth 63.3 million euros. The contract covers construction of a new interchange, new access ramps and additional lanes on Interstate I-4, 25 km west of Orlando, Florida.

JULY > Eurovia helps improve drinking water quality in the Ile-de-France region

Valentin, Eurovia's subsidiary in the greater Paris area, wins a 14 million euro contract to replace 3,850 lead branch lines in the drinking water systems of 16 municipalities in the eastern part of the Paris region.

The company, which specialises in trenchless construction techniques, employs this alternative method on a priority basis in order to cause minimum disruption to the surrounding community.



AUGUST > health care assistance in the Czech Republic

Following the flooding that caused widespread damage in Central and Eastern Europe, Eurovia, with the help of the Vinci Medical Department, mobilised to send 400 units of Hepatitis A vaccine to protect the employees of its Czech subsidiary SSZ from the risk of contamination.

SEPTEMBER > Eurovia exhibits at the 7th International Geosynthetics Conference

Eurovia designs, engineers, builds and inspects all types of structures using geosynthetic materials, with a focus on waterproofing. It is now one of the leading geomembrane installers in France, with more than 1.7 million m² laid annually.

SEPTEMBER > Eurovia designs a flux-free emulsion

Eurovia presents Ecolvia®, the first cold dense-graded asphaltic concrete using a flux-free emulsion, at the World Congress on Emulsion; this combines the advantages of a cold technique (energy savings) with those of an environmentally-friendly chemical composition (containing no solvents).

OCTOBER > motorway contract in the Czech Republic

Eurovia's Czech subsidiary SSZ wins the contract to build the Trmice-Knicice section of the D8 motorway linking Prague with Dresden in Germany. The project covers a 2 x 2 lane, 12,24 km section and includes the construction of four interchanges. The 177 million euro contract consolidates Eurovia's leadership position on the Czech market where the company generates net sales of over 400 million euros.

OCTOBER > Eurovia develops the Airbus A380 road

Eurovia - as part of a consortium - obtains two of the three works packages involved in the widening of the road to be used to transport the elements of the Airbus A380 between Langon and Toulouse, a contract with a value of 36.6 million euros. Subsequently Eurovia obtains, also in a consortium, the contract for the taxiways used by the planes within the Aeroconstellation ZAC development zone where the elements of the Airbus A380 will be assembled, as well as for the laying of 40,000 tons of Betonpact® - a compacted cement concrete used to reinforce structures subjected to high loadings - on the road through the Bouconne forest west of Toulouse.

NOVEMBER > acquisition of a majority stake in the Piketty quarry

The century-old Piketty quarry near Fontainebleau processes 600,000 tons of limestone per year, a third of it by crushing (filler, mineral filler, etc.). This 70% holding rounds out the Paris-area aggregate production facilities.

NOVEMBER > Eurovia presents an innovative self-compacting backfill

At Pollutec, Eurovia launched Recycan®, a new self-compacting backfill made in situ from excavated trench material.

✓ Renovation of the Place de la Nation in Paris, France.



✓ Development of the western road access in Papeete, Polynesia.



^ Construction of the Willy-Brandt-Straße project and the pedestrian area in front of the new Chancellery in Berlin, Germany.

✓ Construction of the B6 national highway linking the A9 motorway with the western access road into Leipzig, Germany.



Major projects

✓ Installation of safety equipment on the RD 116 highway near Grenoble, France.



✓ Renovation, using Drainovia® porous asphalt, of the A501 pavement, France.



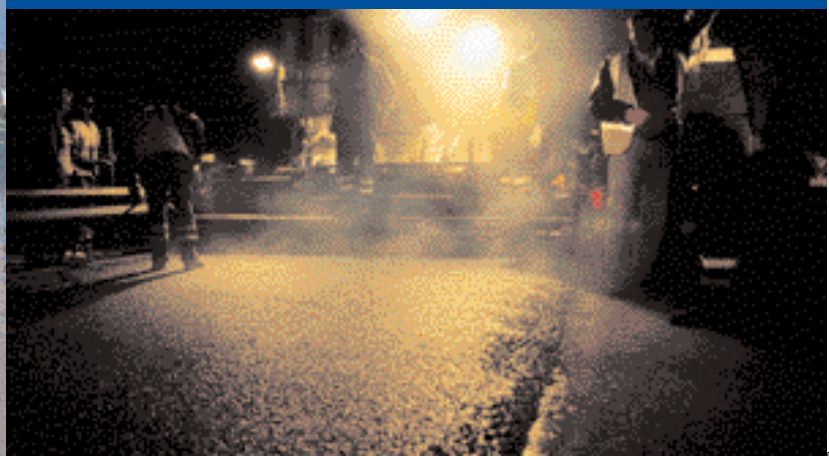
✓ Development of a section of the Cernokostelecka tram in Prague, Czech Republic.



^ Renovation of the ECHO taxiway at Montréal-Dorval airport, Canada.

^ Maintenance of the Jerez-Los Barrios motorway in Andalusia for a period of two years, Spain.

✓ Pavement resurfacing on the A13 between Rocquencourt and Orgeval, France.





^ Construction of the Laversines bypass, France.



^ Expanding the expressway north of Noumea, New Caledonia.



^ Rehabilitation of the concrete pavement of a 2 x 2 lane road in Hannover, Germany.



^ Maintenance contract for the north and central road network in London, United Kingdom.



^ Construction of a new interchange, new access ramps and additional lanes on Interstate I-4, 25 km west of Orlando, Fla. in the U.S.

✓ Construction of a 9.2 km section of the D5 motorway between Prague and Munich to bypass the city of Plzen, Czech Republic.

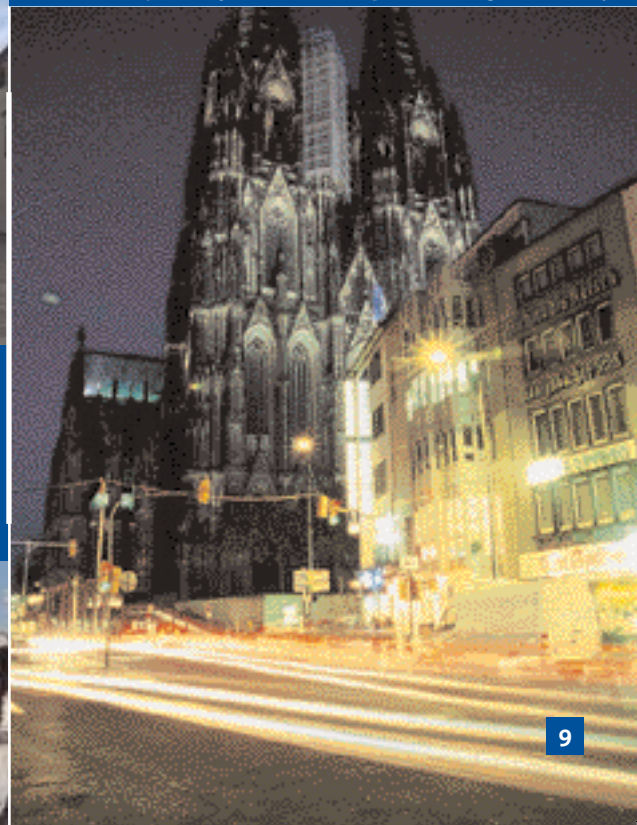


^ Rehabilitation of the streets and squares at the castle in Prague, Czech Republic.

✓ Demolition of the Gérard-Philippe housing project building in Gennevilliers using a high-reach shovel, France.



✓ Development of the cathedral square in Cologne, Germany.



Designing the roads of tomorrow

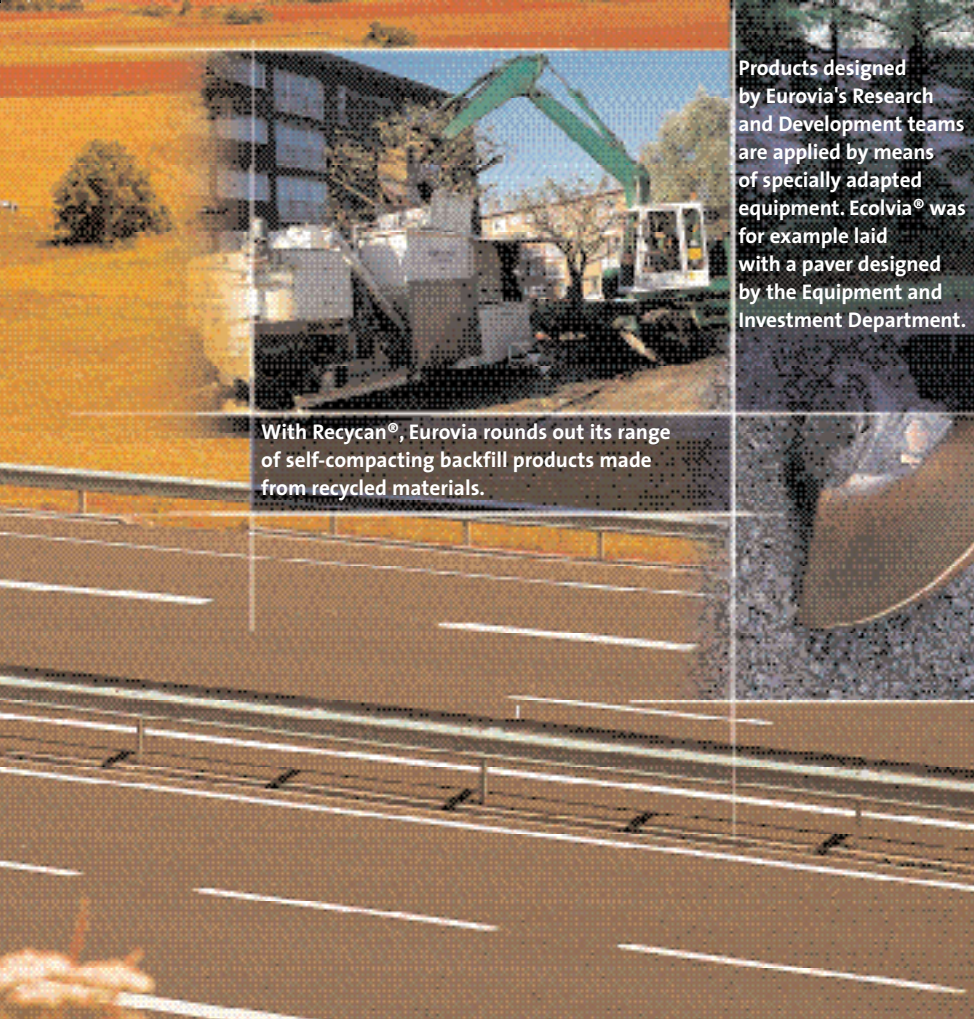
Eurovia's Research and Development policy, with its primary focus on safer and more environmentally-friendly products and processes, also fosters technology transfers among countries.

Cold techniques

Eurovia has a particularly strong reputation in the area of cold techniques which save energy and release less CO₂ into the atmosphere. The company is currently managing - from its new laboratory dedicated to cold techniques - the European SCORE project on cold materials recycling. In 2002, Eurovia launched Ecolvia®, the first asphaltic concrete manufactured cold without flux, which saves 70 thermies per ton, the equivalent of 6 litres of fuel-oil. It is made using a non-fluxed bitumen, i.e. a bitumen without the solvents that facilitate laying in conventional cold mixes. The technique makes it possible to lay pavements without steam or fume emissions and it releases a particularly low amount of volatile organic compounds (VOCs). Ecolvia® was successfully tested on an experimental project in the Côtes d'Armor region in August. Eurovia has also performed a first series of tests on a cold-laid mix comprising 80 - 100% of hot mix plantings, with promising results.

Ecological products

Meanwhile, work on Recycan®, a self-compacting backfill made in situ from trench excavation materials, led to the development of high-performance production equipment that can be used for this type of material. The process saves natural aggregate resources



Products designed by Eurovia's Research and Development teams are applied by means of specially adapted equipment. Ecolvia® was for example laid with a paver designed by the Equipment and Investment Department.

With Recycan®, Eurovia rounds out its range of self-compacting backfill products made from recycled materials.



In 2002, Eurovia successfully tested a cold-laid mix made with 80% of hot mix planings.

WIDE ANGLE

Cold technique specialists

« In April 2002, Eurovia opened a new research unit to study emulsions within the laboratory belonging to its Spanish subsidiary Probisa. Work done in recent years as part of European programs culminated in the establishment of a team specifically dedicated to research on cold techniques. The first program was OPTEL, carried out between 1996 and 2002 and focused on slow-breaking emulsions. The current project is SCORE, supported by the European Union and mobilising the entire Pinto team, which aims to produce emulsions for use with recycled materials. »

JUAN-JOSÉ POTTI,
Director of the Emulsions research
unit in Pinto, Spain

and a patent has been filed for it. Other issues on which research is being conducted include work to improve and expand the utilisation range of household waste bottom ash in different types of pavements, notably Scorive® in edge beams.

Technology transfers within the Group

Eurovia, which has an unrivalled range of polymer bitumen products for use in roads, is expanding its technology transfer to other countries via its subsidiaries. For example, Gripfibre®, a cold-laid mix, was applied to a 160,000 m² section of National Highway 17 in Poland as a result of close co-operation between the Research Centre, Eurovia's Czech and Polish subsidiaries and the local administration. In Slovakia, local teams adapted the Rugovia® mix to make possible its approval by the Slovak authorities.

Finally, in 2002, two Technical Opinions were granted to products within the Eurovia range: Viaplast®, a dual-layer waterproofing process, and Polybitume P ®. The Technical Opinion constitutes recognition by the French administration and highlights the specific qualities of an innovative product.



Sustainable development

Thinking of future generations

Eurovia's approach to sustainable development is aimed at combining economic performance, conservation of natural resources and integration of its activities in its environment.

Recycling to ensure harmonious development

Eurovia is anxious to limit the impact of its activities on the natural environment and is therefore developing products and techniques that save energy and materials. The company has, for example, moved to recover and re-use industrial and domestic by-products in road construction, thereby reducing the use of natural aggregate as well as landfill volumes. As the leading European producer of recycled materials, Eurovia operates 90 recycling facilities, guaranteeing the quality of the secondary raw materials produced. In 2002, the company developed its SCORMAT range of road materials made with bottom ash from household waste incineration. It covers a wide variety of applications (backfill, sub-base, pavement lower and upper base courses) and comprises materials from different production processes (untreated materials, materials treated with hydraulic binder or foamed bitumen, etc.). The formulation of these products was studied in the laboratory and in situ so as to ensure that each product has geotechnical properties comparable to those of a material made with natural aggregates and complies with the applicable regulations so as to pose no risk to the environment. Experimental projects were carried out using three of the products in this range - Scorcim®, Scormousse® and Scorive® - as part of the road innovation charters signed by Eurovia and the Direction des Routes highway



In 2002, nearly 12,000 employees received additional training.



In France, Eurovia recycles 0,7 million tons of bottom ash from household waste incineration every year.

WIDE ANGLE

Medical assistance in Chile

« For over twelve years now Bitumix has provided essential medical support for its employees and their dependants. Initially its purpose was to make up for shortcomings in the Chilean health care system, and Bitumix continues to provide the integrated services of a doctor, a dentist and a family health care support team. The doctor and dentist offer basic medical services and refer patients to specialists as appropriate. This saves time and generates substantial savings for employees and their families. A child protection program enables new mothers and their babies to be supported for one year with nutritional and psychological counselling, donations of staple foods to ensure balanced nutrition and health care visits. This is a valuable, highly professional service which gains the company the loyalty of its employees and their families.»

HERVÉ GRILLOT,
Deputy CEO of Bitumix

department in the case of the first product and by Eurovia and the Eure-et-Loir département authorities in the case of the latter two. The results confirmed the advantages of using these alternative materials.

Knowledge-sharing within the company

Networking helps to enhance individual and group skills and competencies. In 2002, Eurovia developed its internal communication tools (Intranet, technical documentation, etc.) to enable all its employees to access the common experience and knowledge base. In addition, ongoing training remains a key element of the company's human resources policy and enables each employee to build his or her own career and be involved in the common improvement program. Safety is one of the major themes for knowledge-sharing. Eurovia has set up a network of 30 Quality Safety Environment Officers in France who are in charge of both training operating staff and performing internal audits. Other subsidiaries are developing similar programs. In the United Kingdom, Ringway has set up a Safety training program for all company executives, which covers both legal aspects and individual behaviour.



Road risk

Making the road safer

An accident is a complex system involving the driver, the vehicle and the road. To reduce the number of road accidents, Eurovia is actively contributing to progress in all three areas.

Changing driver behaviour

For Eurovia, as for other companies, traffic accidents are the leading cause of work-related fatalities. Eurovia has responded by designing and deploying to its 20,000 employees in France an ambitious accident prevention program called Vigiroute®, with the goal of reducing the number of accidents by 30% within three years. Apart from risk awareness-raising and training by means of a variety of communications tools (good driving charter, driver guide, reminder sticker, quiz for new employees), Vigiroute® includes a special analytical program. Any driver who has an accident must undergo a formal interview performed by a Vigiroute®Correspondent trained by the Prévention Routière road safety agency, in which the causes of the accident are analysed with the goal of identifying solutions and corrective action to be taken. These "cause - solution - action" interviews are to be consolidated nationally to facilitate the introduction of accident prevention measures. Vigiroute® will be gradually extended to the Vinci Group and to Eurovia's international subsidiaries.

An intelligent road with skid-resistant surfacings

Eurovia devotes a major portion of its Research and Development budget to safety projects aimed in particular at strengthening the



Eurovia has European subsidiaries specialised in installing road equipment to improve traffic conditions.

In the United Kingdom, 150,000 m² of Viagrip® are laid every year.

WIDE ANGLE

Viagrip® : treating accident-prone areas

« The Park Lane project is part of a fixed-duration maintenance contract which the Ringway Group has signed with the City of Westminster for Transport for London. Its implementation involved renovating the surfacing of all roads, especially with a skid-resistant coloured product near traffic lights over a length of 50 metres, and the application of coloured surfacings in the bus lanes. The specification defines stringent standards for the coloured surfacing and its skid-resistance behaviour. Viagrip® fully meets these criteria as a result of its stability, service life and economic viability. Once applied, this surface dressing is pleasing to the eye and it provides physical protection from skidding, which is important in the city centre where traffic is heavier and the risk of accident greater. »

ANDY GUDGE,
Babtie Group Ltd.,
Consultant for
the City of Westminster

skid resistance of its surfacings, an essential factor in reducing road accidents since it determines roadholding in curves and braking distance from an obstruction.

Current research is focused primarily on maintaining skid resistance properties over time so as to provide long-term active safety for drivers. Eurovia is also involved in innovative projects related to "intelligent transport", aimed at improving interaction between the road and the vehicle by providing the driver with assistance in the form of real-time information on traffic volume and traffic conditions.

Making travel on streets and roads safer

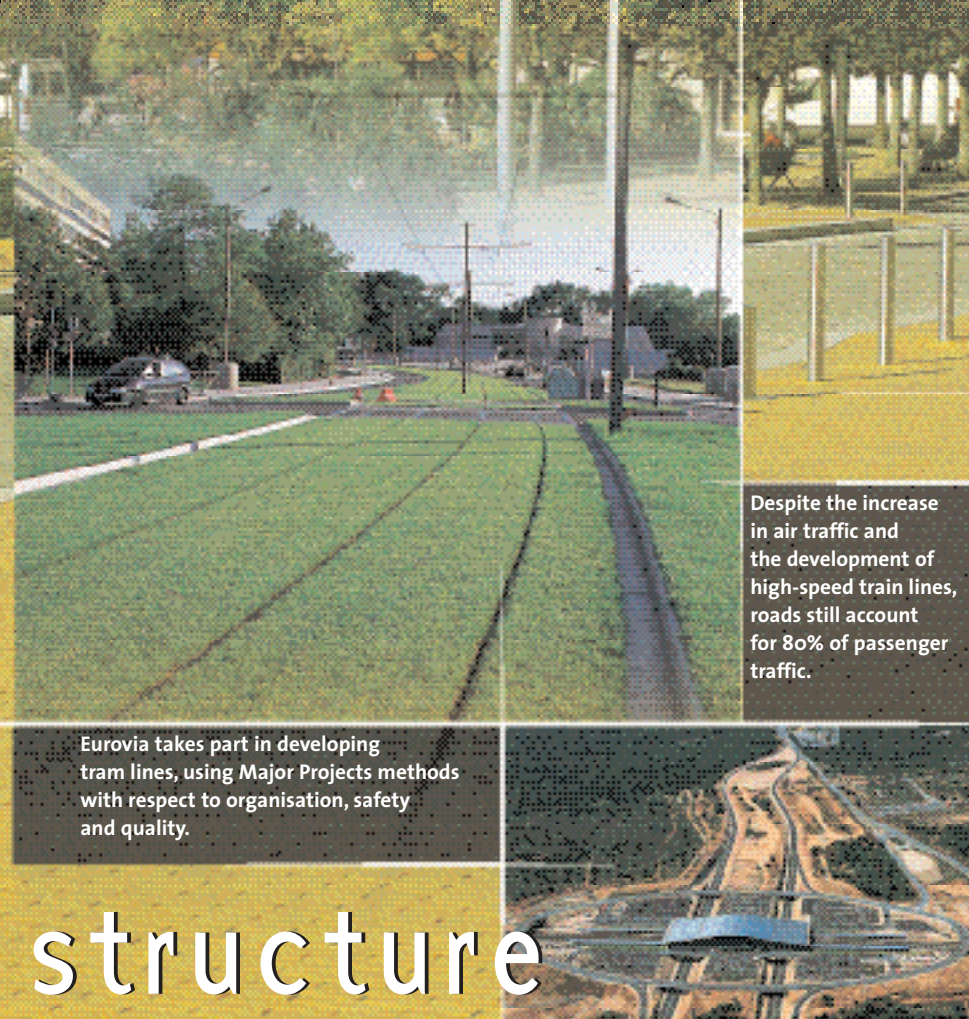
In France, infrastructure is a factor in 46% of traffic accidents, and this means that changing the infrastructure could make a major contribution to enhanced road safety. The improvement in road legibility through the use of colour and suitable road markings and traffic signs, the introduction of dedicated lanes with permanent separators, the construction of roundabouts, the application of porous asphalts, the treatment of accident-prone areas with skid-resistant Viagrip® and the installation of safety barriers are some of the solutions offered by Eurovia.

Connecting transport infra

To facilitate the movement of people and goods, a variety of transport modes need to interconnect: this is what is called intermodality.

Roads and transport infrastructure

If they are to operate properly, major transport infrastructure - railroads, air fields and airports, seaports and inland waterways - must be served by roads and equipped with parking areas for passenger transport and loading and storage areas for goods transport. Roads must be developed whenever new transport infrastructure is built and roads are the main vector of urban and rural planning when it comes to meeting the increasing demand for mobility. Eurovia takes part in creating multimodal corridors, with priority given to freight, by building road-rail platforms and port terminals and by helping to build new high-speed rail lines. In 2002, Eurovia rehabilitated a 17 km section of the Czech rail line between Ustinad Laben and Decin, built the Marie-Galante and Saint-Pierre discharging platform in Martinique and developed two technical platforms as part of the construction of the new TGV East high-speed rail line. In airport infrastructure, examples of Eurovia projects include the rehabilitation of access roads to Terminal 1 at Roissy-Charles de Gaulle and the rehabilitation of the north runway at Montreal-Dorval.



Despite the increase in air traffic and the development of high-speed train lines, roads still account for 80% of passenger traffic.

Eurovia takes part in developing tram lines, using Major Projects methods with respect to organisation, safety and quality.

structure

Roads and public transport

Urban planning now tends to divide public thoroughfares among the different users: dedicated lanes are more and more often being identified by separators or specific colour coding to separate cars from buses, trams and pedestrians. Within these new urban transport systems, interchanges enable drivers to park their cars and take public transport. Eurovia took part in 2002 in the re-development of the Garonne embankments and the introduction of a - partly segregated-lane - tram line in the city of Bordeaux. In Brest, a priority north-south lane for buses is being built - partly on a segregated lane - which involves the complete renovation of the pavement, sidewalks and urban furniture. Following the flooding in the summer of 2002, Eurovia also rehabilitated the platforms of the tram along the banks of the Vltava in Prague.

WIDE ANGLE

Intermodal urban transport: the example of Clermont-Ferrand

« The Public Transport Authority of the city of Clermont-Ferrand is in charge of implementing the action set out in the Plan de Déplacements Urbains (PDU) urban transport plan, which covers 18 municipalities and a population of 280,000. Beyond introducing innovative equipment, the idea is to restore a significant amount of public road transport. To do this we are designing and implementing a genuine intermodal policy which gives drivers a choice, with combined tariffs and integrated services (tram and car park, tram and bus, tram and coach). The goal is to share out the roads equitably, in an urban and suburban environment where space is limited. Roads will have to undergo an overhaul based on pro-active choices to enable public transport to use priority lanes, and to make room for "alternative" transport such as bicycles and pedestrians. This is an irreversible phenomenon in European cities, and these changes require the know-how and experience of roadworks companies, engineers, urban planners, landscape architects and architects. »

JEAN-FRANÇOIS MOULIN,
Director General of the Syndicat mixte des transports en commun de l'agglomération clermontoise



Qualitative work


Combining aesthetics and con

Road, industrial and commercial infrastructure projects now involve a focus on aesthetic quality to enhance user safety and comfort.

Changing demand

Currently all changes in surfacing techniques - bitumen, asphalt, resin, concrete and wood - now include aesthetic criteria. Eurovia performs qualitative development in all types of projects - city centres, sports and recreational facilities, industrial and retail installations - to give its customers the benefit of its teams' expertise in all specialised areas: pavers, asphalt and resin installers, gardeners, road masons. In 2002 Eurovia upgraded the tourist facility in Aven d'Ornac, re-developed all the squares and roads at the castle in Prague which is a historic landmark and built the entire pedestrian area next to the new German Chancellery in Berlin.

Additionally, to limit the noise generated by certain types of transport infrastructure - rail lines, roads - in built-up areas, Eurovia calls on its European teams specialising in the manufacture and installation of all types of noise barriers. These noise-abatement screens made of wood, concrete, glass and metal have now become aesthetically appealing as well.



In Marseille, the cobblestone surfacing of the Place du 26^e Centenaire illustrates the quality and diversity that can be achieved in urban development projects.

Advice on quality projects is one of the services provided by Eurovia's agencies.

StreetPrint® is a decorative process which represents an alternative to cobblestone and slab surfacings in all public and privately-owned areas.

WIDE ANGLE

Beautiful raw materials

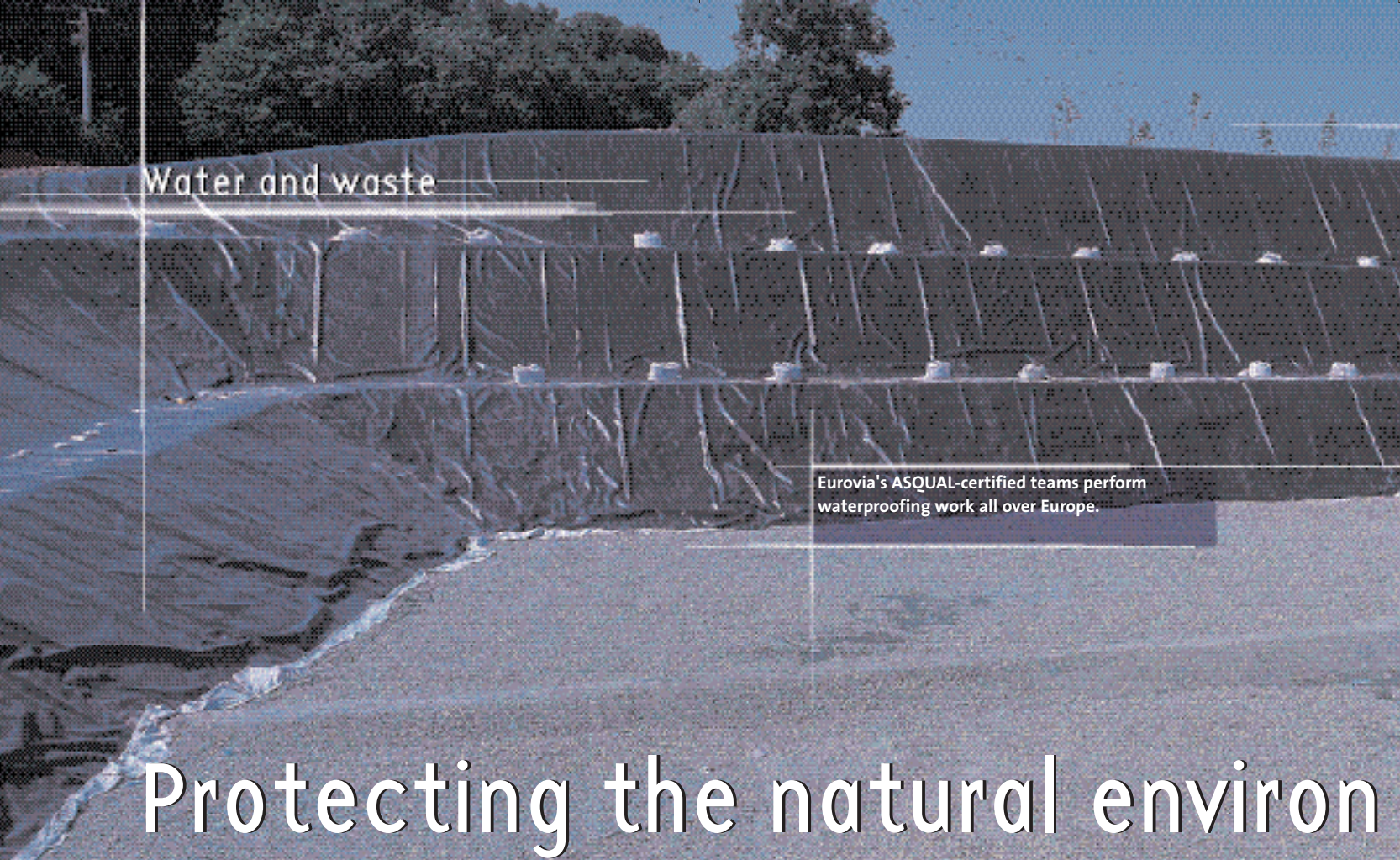
« We produce a material at our Goasq site which is extracted nowhere else in France. It is a Class A rock vein having very good impact resistance and abrasion properties. Even more unusually, this beige-ochre coloured rock releases its colour naturally as it abrades, which makes the material highly sought-after in roadworks. While the colour of a "normal" aggregate remains hidden by the bitumen, the colour of Aplite re-surfaces after the mix is laid thanks to photosynthesis. Its intrinsic qualities are such that we recommend this material for qualitative projects. For example, it was used on the Nantes tramway project and on most of the roads in the Parc d'Armorique. »

CHRISTOPHE LE GARZIC,
Manager of Eurovia's Goarnisson
quarries in the Finistère region

Intuitive marking

Eurovia offers a range of road markings based on intuitive marking. This improves road legibility by introducing new techniques that differentiate between different traffic zones. For example, a number of naturally coloured materials are now selected in preference to others to surface specific areas - bicycle lanes, deceleration lanes, pedestrian zones, etc. Marking techniques are developing apace and are being used over larger and larger areas. Through its subsidiary Emulithe Eurovia has the licence to use the StreetPrint® process which prints bituminous mixes with matrices in different patterns and then colours them. The technique, which has previously been used only on asphalt surfacings, marks the surface and identifies hazardous areas for users who recognise them intuitively, just as they do changes in colour.

venience in cities



Water and waste

Eurovia's ASQUAL-certified teams perform waterproofing work all over Europe.

Protecting the natural environ

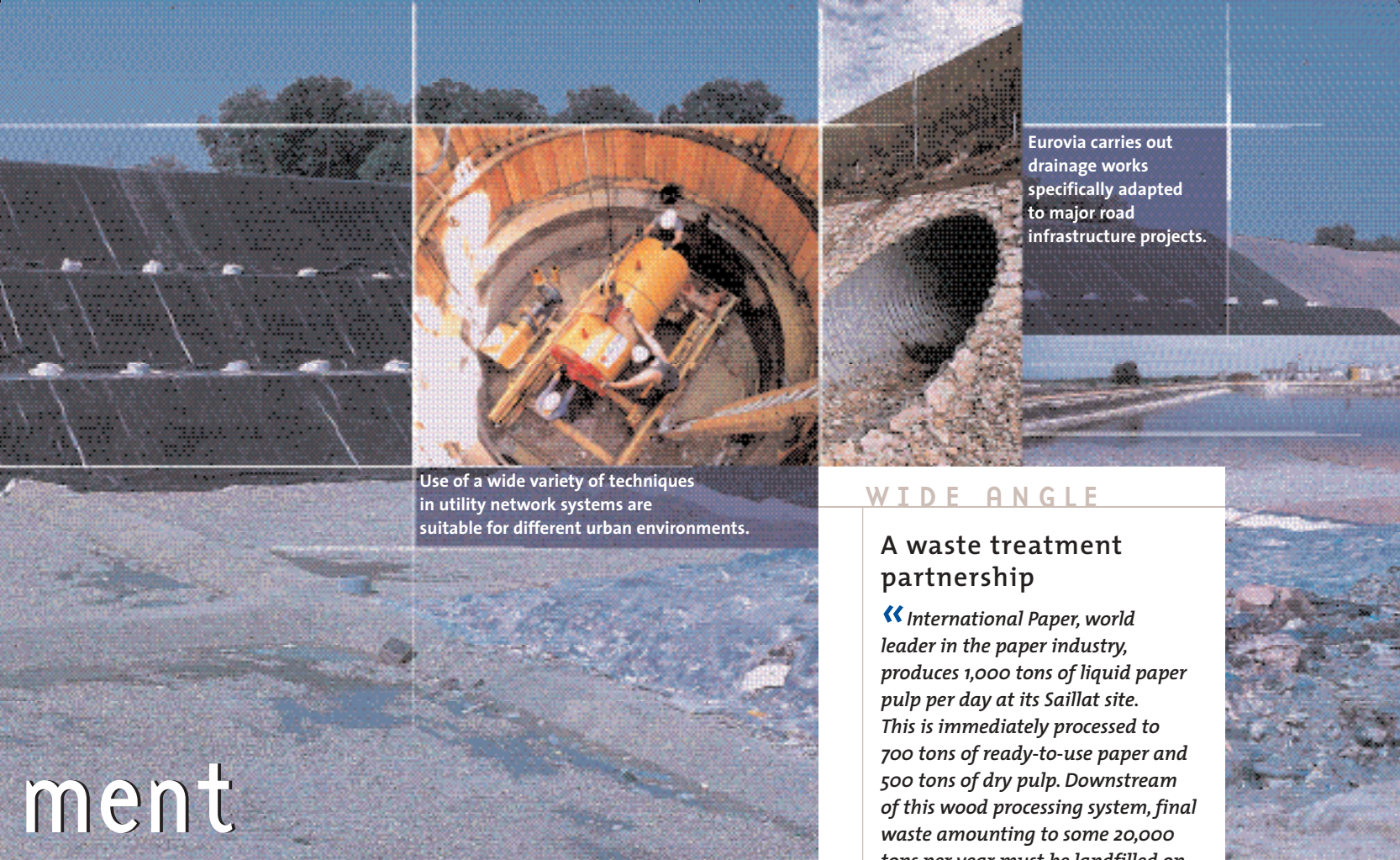
In addition to reducing noise levels by laying low-noise surfacings and building noise barriers, Eurovia works in the area of water and waste.

Making the road an integral part of the landscape

In designing and installing waterproofing systems, Eurovia has developed a full range of techniques to reduce the environmental impact of transport infrastructure on the natural environments through which they pass. Eurovia's three subsidiaries specialising in development works related to road construction give the company the expertise needed to channel run-off water as well as accidental spills from pavements and store it in waterproof treatment basins with no leaks to the outside. In motorway construction in particular, the edges of the pavement must be equipped with waterproofed reservoirs for use in fires, basins, ditches and curved channels.

Storing solid and liquid waste

Laying 1.7 million m² annually, Eurovia is now one of the leaders in France when it comes to the installation of geomembranes and construction, maintenance and renovation of Class I and II solid waste and residue landfills, retention basins, storm basins and storage platforms. Eurovia's teams have the know-how to install a full range of products and processes: HDPE geomembranes, polypropylene, LDPE, VFPE, PVC, bitumen, bentonitic geomembranes, anti-shear, porous and reinforcing geotextiles, draining geocomposites



Eurovia carries out drainage works specifically adapted to major road infrastructure projects.

Use of a wide variety of techniques in utility network systems are suitable for different urban environments.

WIDE ANGLE

A waste treatment partnership

« International Paper, world leader in the paper industry, produces 1,000 tons of liquid paper pulp per day at its Saillat site. This is immediately processed to 700 tons of ready-to-use paper and 500 tons of dry pulp. Downstream of this wood processing system, final waste amounting to some 20,000 tons per year must be landfilled on a daily basis. We work regularly with Eurovia, and in 2002 that company installed waterproof covering on an 11,000 m² controlled landfill, which has now been planted over with grass and restored to nature. »

DAMIEN ROUTIER,
Methods and Maintenance
Investments Manager
for International Paper
at the Saillat site
in the Haute-Vienne region

and soil retaining geocomposites, in particular Geoplast®. In 2002, Eurovia Etanchéité rehabilitated a controlled landfill in mountainous terrain in Buisse-en-Isère by laying an 80,000 m² waterproofing system. In Estaque in the Bouches-du-Rhone region it built a new controlled landfill with a surface area of over 180,000 m².

Developing special sewage system techniques in urban areas

Eurovia uses a wide variety of drilling techniques - reinforced trenches, sloping, sheet-piling, retaining walls - including the micro-tunnelling technique which is particularly suitable to urban applications. Eurovia offers laying techniques together with backfill techniques which reduce the effects of settling over time. Moreover the company develops and implements a large number of robot-based processes in systems that are not accessible for inspection, making it possible to perform trenchless works and thus limit disruption to the community and to vehicle and pedestrian traffic as well as avoid the risks connected with excavating in urban areas.

ment

The focus of the improvement

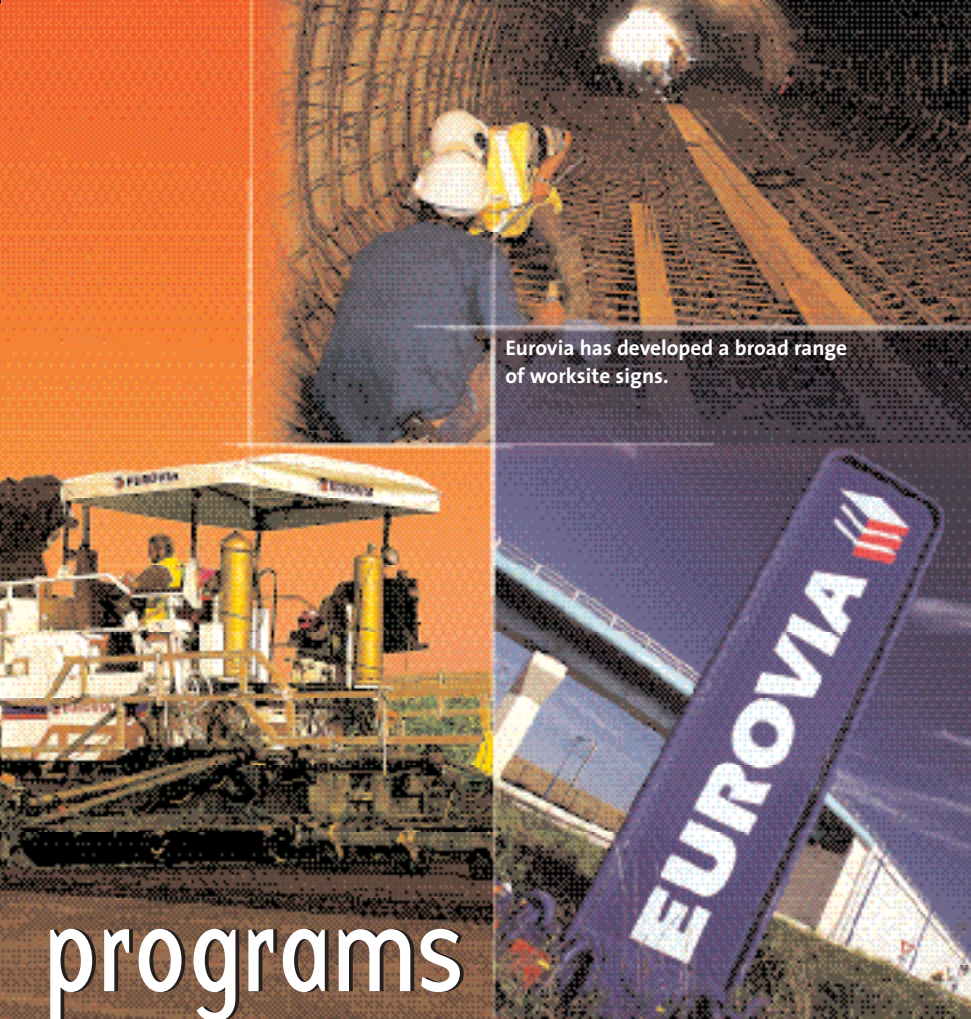
At the heart of the company, the worksite is the place where the company's profitability is determined as well as the place where a close working relationship is established with customers and users.

A real-time information system

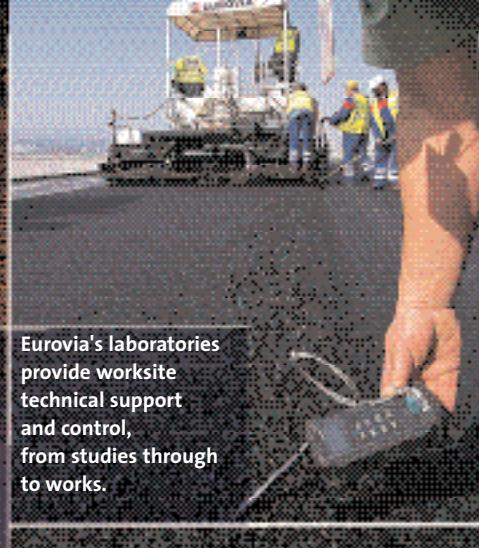
The new Khepra information system has been up and running since 1 January 2002. It is based on the SAP R/3 integrated management software package and it provides unique, transparent and reliable information in real time, covering all operational and financial management data. The system has, in particular, substantially shortened processing times, making it possible to manage worksites through enhanced scheduling, budget optimisation, adjustment of resources and ongoing comparison of actual figures with initial budgets. Operational personnel thus are enabled to forecast better, while modernised management methods make it possible to optimise worksite profitability. In 2002, Khepra was also deployed in Belgium for rollout on 1 January 2003, and preliminary studies got under way in the German, British and Spanish subsidiaries.

Quality management to serve customers

Quality management in its 2000 version is based on a process approach aimed at continual improvement. Beyond compliance with procedures, an assessment of the level of customer satisfaction becomes a yardstick for progress made and improvements in a company's professionalism. This change in the ISO standard is particularly appropriate for worksites, since it validates both the compliance of



Eurovia has developed a broad range of worksite signs.



Eurovia's laboratories provide worksite technical support and control, from studies through to works.

programs

the work done and the company's ability to achieve a result (effectiveness) by using the right methods and resources (efficiency). Eurovia put this quality management system into practice in 2002 through ISO 9001 certification of nearly 80% of its works agencies and its French technical network as well as its largest industrial units. Finally, new Quality tools were created - they are available via the Intranet - including, in particular, the customer satisfaction database and feed-back sharing tools.

Attention to users and the surrounding community

Limiting disruption caused by worksites is one of the goals of the continual improvement system set up within Eurovia. The company strives to reduce noise and environmental impact by using trenchless techniques for drainage systems, recycling materials in situ to reduce the amount of additional materials that must be trucked in, developing thin and ultra-thin surfacings that save materials and can be laid faster, optimising the duration of works, working upstream of a project to achieve more detailed scheduling and expanding night-time work. These efforts earned the company the Clean Worksite prize for its work in building the Bordeaux tramway and ISO 14001 certification for its Toulouse agency.

WIDE ANGLE

Foreman: making the improvement program a reality

« In Khepra, expenditures are entered in quasi-real time, currently in the form of the foreman's report. The system is so responsive that any departure from budget can be immediately identified and execution methods altered accordingly. The system is relatively easy to read, so that differences between the study and the adjusted budget are recognisable, and all this is done in co-operation with the works engineer. Expenditure is broken down (equipment/manpower/supplies) so that a good analysis and comparison with worksite preparation can be carried out. The quality program in roadwork aims at defining the organisation of an agency and setting out the stages of worksite preparation and execution (preparation sheets, control plan, worksite log). Quality programs enable us to check the compliance of our work and improve customer satisfaction. The foreman is the primary contact with the customer on the worksite and thereby the main person to measure customer satisfaction.»

LAURENT GIRARD,
Foreman at the Chartres agency



New contracts

Building partnerships

*Our customers -
in both the public
and the private sectors -
increasingly expect
us to provide a broader
offering, ranging
from infrastructure
design to infrastructure
maintenance.
We need to establish true
working partnerships
with them.*

Introducing partnerships to optimise public services

Over the last few years, new types of contracts based on partnerships between the owners of public infrastructure and contractors have been coming into use in a number of European countries, especially the United Kingdom. These contracts are called PPPs (public-private partnerships) and cover a variety of situations: concessions, PFIs (in which private sector financing is used to develop a public sector facility) and multi-year maintenance contracts. All involve delegating a public service to the private sector - to a greater or lesser degree, depending on the type of contract - based on the idea that a partnership between the administration and a private company can improve the public service covered and reduce its cost to the community. In order to achieve this, PPPs make optimum use of private-sector resources in terms of research and development, technical expertise, engineering capabilities and, in the case of PFIs, financing. These contracts also include quality objectives which must be met for the contractor to be paid. In the United Kingdom public-private partnerships have come into their own over the last decade. A large number of multi-year maintenance contracts were won by Ringway, Eurovia's British subsidiary. In 2002 the company signed a maintenance contract with Transport for London (TfL), the authority in charge of managing London's public transport systems. The con-



During the operating phase, shopping centre car parks require emergency repairs for which Eurovia has developed surfacings that can be re-trafficked immediately.

In Scotland the BEAR joint venture, which includes Ringway, is in charge of maintaining half the main road network.

WIDE ANGLE

Spain: an example of motorway supervision and maintenance

« The contract covering maintenance and operation of the Requena (Valencia Province) section of the A3 includes a number of services such as: 24 hour ongoing supervision to identify any incidents and accidents that occur; restoration, if need be, of the best possible traffic conditions; 24 hour tracking of traffic conditions in the winter time (November to March); repair of damage caused by accidents or weather; preventive maintenance work (network cleaning, plant cover maintenance, road marking and traffic signing, pavement markings, etc.); inspection and preventive maintenance of engineering structures and tunnels; maintaining accident statistics; and work needed to ensure proper use and protection of the road.»

MARÍA MARTINEZ,
Manager of the Probisa-Intersa joint venture in charge of the contract

tract runs for a five-year period and covers the road network in the north-west and north-central parts of London. The partnership relationship is also gaining ground in Spain and such Central European countries as Slovakia and the Czech Republic.

Private-sector customers: towards outsourcing of services

A partnership approach can also be taken with private sector customers via outsourcing of a number of services such as management of the waste produced by an industrial site and maintenance of underground utility networks. Eurovia's expertise and capabilities in a wide variety of fields (road works, rehabilitation of surfacings, road marking, etc.) enable it naturally to provide a full service offering including new construction of a site and its upkeep and/or maintenance. This last aspect paves the way for the development of new types of contract based on a strong added-value service focus, strengthening the contribution Eurovia can make to developing industrial and commercial businesses.



Comments

On a market which is now less buoyant in most countries, Eurovia increased its net income, now standing at 96.5 million euros, by 10%. Net sales, which amounted to 5,205.9 million euros, break down into 56% generated in mainland France, 24% in the rest of Western Europe, 9% in Central Europe and 10% in North and South America.

FRANCE

(2,908 million euros in net sales)

After expanding for three straight years the French market contracted by an estimated 4.3% (industry estimate). The decline was already perceptible in the second half of 2001 and was particularly noticeable in the first few months of 2002, putting pressure on prices and increasing competition. Against that backdrop and thanks to the reorganisation carried out in 2001, which made it possible to streamline geographic coverage, the Group's net sales experienced without damage a drop of 9.1% within essentially the same scope of consolidation. The combined effect of the synergies resulting from the merging of the Group's two constituent companies and the refusal to strive for sales at all costs made it possible to generate operating income equal to that of the previous year and with a margin close to 5%. In 2003 a new decline of some 3% is expected, in view of the fact that the local authority market, which accounts for more than half our net sales, is expected to partly offset the further drop expected in the State and private sector markets.

WESTERN EUROPE

(1,250 million euros in net sales)

The German market remained difficult and the Group's activity in Germany declined by 4.1%. However, the company reorganisation process under way for the last several years generated positive operating income plus net financial income.

In the United Kingdom, where most business is done under contracts reflecting the privatisation of road network maintenance, Ringway's net sales were up 6% and the income level was high.

The outlook for 2003 remains good.

In Spain, following the recovery in 2001, Probisa's positions and performance have held steady.

CENTRAL EUROPE

(475 million euros in net sales)

In the Czech Republic, SSZ and its subsidiaries had a very good year, with net sales up 13% and impact on the Group accentuated by the increase in the value of the Czech crown against the euro.

Given the drop in the Polish market, which has yet to be organised,



the decision has been taken to merge the two subsidiaries operating in the south of that country.

In Slovakia, CSK was reorganised in 2000 and Slovia's good operations have been confirmed; both factors generated excellent income in Slovakia.

Impending European enlargement which will bring most of these countries into the EU should further bolster the Group's interest in these rapidly expanding markets.

FRENCH OVERSEAS DEPARTMENTS AND TERRITORIES

(41 million euros in net sales)

Withdrawal from Africa has been completed and no further risk exists now that we have divested a number of activities (Senegal, Gabon) and ceased a number of operations (Ivory Coast). Business was brisk in the French overseas departments and territories, especially in Polynesia and New Caledonia, and this had a positive impact on results.

NORTH AND SOUTH AMERICA

(532 million euros in net sales)

In Canada, the DJL subsidiary located in Quebec had a very good year, with its net sales up 10% and its already very good income doubled.

In the United States, where the decline in the dollar had a negative impact on its contribution to Group net sales, Hubbard, the leading company in Florida, recorded a drop in activity (4%) - primarily as a result of especially poor weather conditions - and this impacted operating income. The Group also operates in North and South Carolina where its subsidiary Blythe cut back on business activity, adjusting its resources and structure accordingly. In these two companies an excellent order backlog suggests that a recovery may occur in 2003.

In Chile, following a number of difficult years, business has been refocused on local operations and correspondingly reorganised, and this has resulted in positive income this year.

INCOME UP IN AN UNCERTAIN BUSINESS ENVIRONMENT

France has held up well, we are nearly back to break-even in Germany, and in most other countries, with the exception of the United States, results are in accordance with forecasts, so that for the Group as a whole operating income is recorded at 165.7 million euros (3.2% of net sales) compared to 172.8 million euros (3.1% of net sales) in 2001, despite the drop in the market in 2002.

Net income is 96.5 million euros, up 10%, compared to the 87.7 million figure recorded in 2001. Investments stand at 179.4 million euros, of which 28 million are financial investments, primarily in quarries, reflecting our strategy of securing sources of supply. Shareholders' equity is 660.2 million euros, working capital 319 million euros and provisions for liabilities 374 million euros. The net financial position shows a surplus of 198 million euros, 127 million euros above the position at end 2001.

OUTLOOK

The business cycle and the international situation suggest that prudence is in order, but the order backlog on 31 December 2002 was higher than that recorded at the end of 2001 and thus in 2003 we can assume a level of business activity equivalent to that in the past year. Reorganisations carried out in 2001 anticipated this market decline and put the Group on track to move successfully into the new year.

The constant drive for improvement in internal processes and the quest for profitable business activity closely related to our core business lines remain the bases of our confidence in the Group's future. The expansion of the Group will be focused primarily on consolidating its industrial capabilities and on acquisitions in northern and central Europe as well as North America.

Design and implementation: L'ÉGENCE

Photography credit: Photo library Eurovia and subsidiaries

*Lionel Barbe, Eric Bénard, Claude Cieutat, Axel Heise, Christophe Huret,
Philippe Mesguen, Marius Milo, Denis Paillard, Véronique Paul,
Cécile Rogue, Laurent Rothan, Jean-Baptiste Vetter, Francis Vigouroux.*



18, place de l'Europe
92565 Rueil-Malmaison cedex – France
Tél. : + 33 1 47 16 38 00 – Fax : + 33 1 47 16 38 01
e-mail: communication@eurovia.com – <http://www.eurovia.com>