

2003

ACTIVITY REPORT



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01

THREE COMPLEMENTARY BUSINESS LINES

Eurovia, a subsidiary of VINCI, is a world leader in roadworks. Beyond its core business – designing and building road pavements and surfacings – the company continues to develop two additional and complementary business lines: industrial production of materials and protection of the natural environment. Eurovia is the leading producer of road aggregates in France and a European leader in industrial by-product recycling. Environmental activities (installation of noise barriers, waterproofing, drainage systems, etc.) constitute Eurovia's third business line.

AN INTERNATIONAL COMPANY

Eurovia comprises 330 works agencies and subsidiaries as well as 770 industrial production sites located in 17 countries throughout the world. The company's three main geographic areas – beyond France – are Central Europe, Western Europe and North America. In all the countries where it operates, Eurovia has created a solid network of works companies and materials production units.

INNOVATION AND NEW MARKETS

The design of innovative products and techniques and the development of new types of contracts are a strategic focus at Eurovia. The company is constantly expanding and enriching its service offering so as to meet its customers' needs. Similarly, Eurovia is committed to fostering the creation of new partnerships through which the company can make the full range of its services available to road users.





03

2003
PANORAMA



04

THE YEAR IN FIGURES

IMPLEMENTING A POLICY OF SELECTIVE ORDER-TAKING AND STREAMLINING ITS MANAGEMENT METHODS, EUROVIA INCREASED ITS PROFITABILITY SIGNIFICANTLY IN 2003, WITH OPERATING INCOME UP BY MORE THAN 20%.

KEY FIGURES

SOLID ROOTS ON A LARGE NUMBER OF LOCAL MARKETS

35,000 employees
330 works agencies and subsidiaries
770 road materials production sites
Locations in **17** countries
60,000 projects carried out every year

CONSOLIDATED INDUSTRIAL BASE

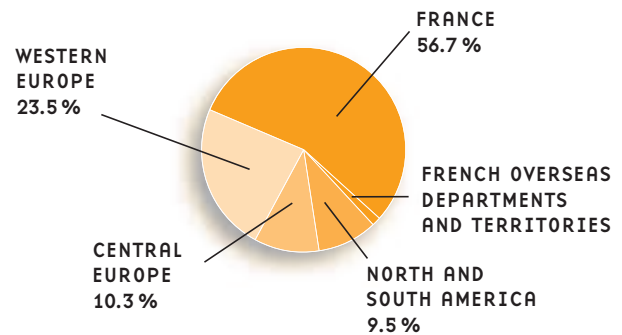
150 quarries producing **47** million tonnes of aggregate per year^{*}
455 coating plants producing **23** million tonnes of asphalt mix per year^{*}
62 binder plants producing **430,000** tonnes of binder per year^{*}
105 recycling units producing **3.4** million tonnes of recycled materials per year^{*}
1.6 billion tonnes of materials reserves

ENHANCED INNOVATION POTENTIAL

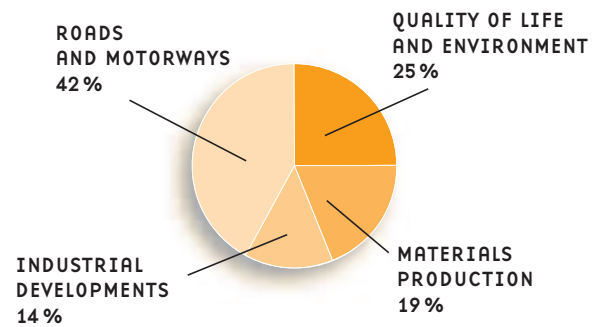
1 benchmark Research and Development Centre in Bordeaux
4 central and **22** regional laboratories world-wide
An annual R&D budget of **6** million euros
A range of over **40** special products and processes

^{*}Group share

NET SALES BY GEOGRAPHIC AREA



NET SALES BY BUSINESS LINE



SUMMARY TABLE

IN MILLIONS OF EUROS	31/12/03	31/12/02
NET SALES	5,332.2	5,205.9
OUTSIDE FRANCE*	2,352.7	2,297.5
OPERATING INCOME	200.6	165.7
AS A % OF NET SALES	3.8 %	3.2 %
INCOME BEFORE TAXES AND GOODWILL AMORTIZATION	212.2	179.7
AS A % OF NET SALES	4.0 %	3.5 %
NET INCOME	125.2	96.5
AS A % OF NET SALES	2.3 %	1.9 %
CASH FLOW FROM OPERATIONS	269.5	224.6
AS A % OF NET SALES	5.1 %	4.3 %
INVESTMENTS	149.7	179.4
OF WHICH CAPITAL EXPENDITURE	144.9	151.0
SHAREHOLDERS' EQUITY	741.2	660.3
NET FINANCIAL POSITION	476.5	197.7

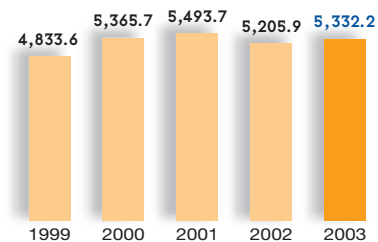
AVERAGE WORKFORCE

34,691	34,085
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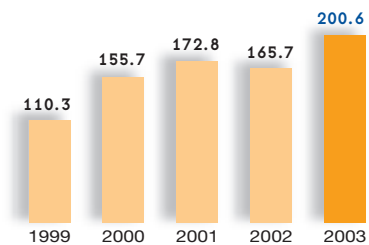
With operating income up 21% at 200.6 million euros and net income up 30% at 125.2 million euros, 2003 was a very good year for Eurovia. In addition, Eurovia's net financial position – 476.5 million euros – was 278.8 million euros above the 2002 level as a result of rigorous management and a major effort to collect receivables.

*including exchange rate impact amounting to – 130 million euros

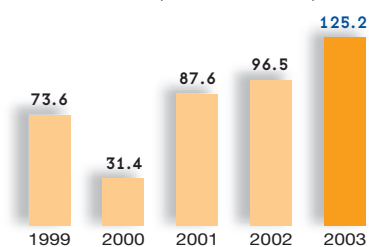
NET SALES



OPERATING INCOME



NET INCOME (GROUP SHARE)



TRACKING CHANGES IN CUSTOMER EXPECTATIONS, EUROVIA IS SUBSTANTIALLY RE-DEFINING ITS BUSINESS ACTIVITY TO REFLECT A NEW “INTELLIGENCE” IN ITS BUSINESS LINES.

DESIGNING ROADS

06

Moving beyond conventional contract execution, Eurovia is taking a new approach to its activities with a greater focus on added value and technical content, in order to meet the new requirements expressed by its customers and more broadly by road users. This change is reflected in a variety of ways in each of the company's three business lines.

ROADWORKS are Eurovia's primary business line. It includes the full range of pavement construction and maintenance work on transport infrastructure (roads, motorways, airport runways, rail corridors, etc.). It also includes work carried out as part of urban development projects (roads and main services, quality upgrades, dedicated-lane transport systems) and at industrial and commercial sites (car parks, storage areas, etc.) and leisure centres (stadiums, artificial ski runs, etc.). In this business line, Eurovia is increasingly taking a global approach to projects, from design to execution and site maintenance, putting the full range of its competencies (design studies, techniques, works, management) to use for the benefit of its public and private sector customers.





INDUSTRIAL PRODUCTION OF ROAD MATERIALS (aggregates, binders, mixes, recycled materials) constitutes Eurovia's second business line. This business has also changed as products have been adapted in response to customer needs and new environmental standards. Quarry operation and aggregate marketing have thus benefited from the work Eurovia has done on equipment, quality, environmental protection and transport logistics. Similarly, the recycling of industrial by-products (household waste bottom ash, building and civil engineering waste, coal shale, etc.) has been developed, enabling such products to be used as an alternative and secure source of materials. Finally, binder and mix production has been modified to accommodate the use of the new aggregates from recycling and to provide alternative solutions that meet aesthetic, safety and comfort criteria.

PROTECTION OF THE NATURAL ENVIRONMENT, Eurovia's third business line, covers the manufacturing and installation of road equipment (road marking and traffic signs, safety barriers, etc.) and activities directly related to the preservation of the environment (demolition – deconstruction, pollution reduction, noise protection, waste storage site waterproofing, drainage systems). This business line has benefited most from the innovations generated by Eurovia's R&D programme, with two-thirds of the Group's research budget devoted to road safety and the environment. Driven by its specialised entities, these activities are one of the main avenues of Eurovia's development, providing an opportunity for the company to demonstrate its capacity for innovation, customer focus and ability to adapt to the changing expectations of the community at large.

**EXECUTIVE COMMITTEE**

(from left to right)

Daniel ROFFET, Executive Vice President, International

Guy VACHER, Executive Vice President, France

Roger MARTIN, chairman and CEO

Jean-Louis MARCHAND, Co-Chief Operating Officer

Jean-Claude TEXIER, CFO

**EUROVIA'S ORGANISATIONAL STRUCTURE,
DESIGNED TO BE FLUID AND TRANSPARENT AND IMPLEMENTED
AT ALL LEVELS OF THE COMPANY, FOSTERS INITIATIVE,
FORWARD PLANNING, AUTONOMY AND EMPOWERMENT
OF ITS SUBSIDIARY AND AGENCY MANAGERS.**

AN ORGANISATIONAL STRUCTURE FOSTERING INITIATIVE AND NETWORKING

THE EUROVIA SA HOLDING COMPANY sets out the organisational framework for the company and its procedures, appoints its top management and defines and implements overall its financial and investment policies. Beyond these fundamental strategic responsibilities, the holding company oversees and guides the network of agencies and subsidiaries.

These agencies and subsidiaries are the company's basic commercial and operating entities and have their own human, material and financial resources. They place bids, execute contracts and hand over projects within a commercial and operational process based on autonomy. In France, these entities all report to the same administrative body – Eurovia Management.

Eurovia Management is divided into central services and shared services. It has its own organisational system which is both close to the operating entities

and coordinated by a single company bringing together the Eurovia departments. Thus the full range of management tools and methods made available to the network provide uniform, real time information reported to central services. This makes decision-making at all levels of the company transparent and responsive.

The company's management methods are structured by a unified information system called Khepra, which has been operational in France since 1 January 2002. Eurovia initiated the deployment of the tool among its international subsidiaries in 2003. The high-performance, high-reliability SAP R/3 software was specially adapted to the needs of the company and reflects the general Eurovia policy geared to innovation and forward planning in all areas, from decision-making to operational and financial management of projects.

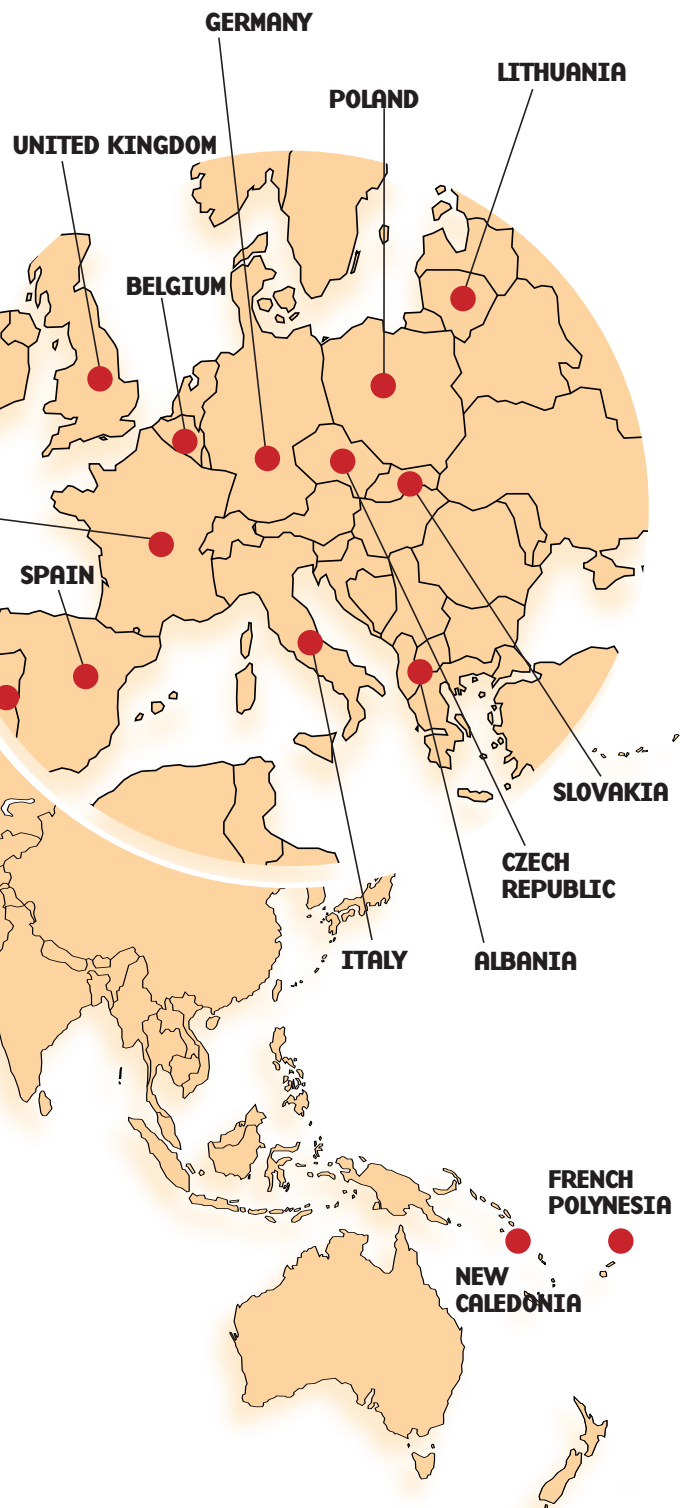
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A STRUCTURED HIGH-PERFORMANCE NETWORK

EUROVIA IS AN INTERNATIONAL GROUP GENERATING 2.3 BILLION EUROS IN NET SALES, REPRESENTING 44% OF ITS TOTAL BUSINESS ACTIVITY, OUTSIDE FRANCE.



ORGANISED in geographic zones, as illustrated opposite, Eurovia entities constitute a structured network of over 1,000 locations in Europe and the rest of the world. In organisational terms, these entities are commercially and administratively autonomous while benefiting from the pooling of tools, management systems and industrial and technical expertise across the Group as a whole. The subsidiaries specialising in demolition, road equipment and resin formulation and application work all over Europe, heralding the creation of European companies in the near future.



AMERICAS

● ARGENTINA

Probiar, a partnership formed by Probisa, a Spanish group and a local company, is expanding its cold slurry surfacing activity from its emulsion plant located south of Buenos Aires.

● CANADA

DJL's strength derives from the upstream integration of its quarry and coating plant activities, its strong roots in a major portion of Quebec and its mastery of road technologies and special Eurovia techniques.

● CHILE

The group of Bitumix-Probisa subsidiaries makes Eurovia the leader in road construction and processing of bituminous products in Chile.

● MEXICO

With business activity focused primarily on the production of mixes, emulsions and modified bitumens, Bitunova is recognised for its high-tech projects.

● UNITED STATES

As leading companies in Florida and North and South Carolina, Hubbard and Blythe specialise in design-build contracts.

EUROPE

● ALBANIA

Albavia, a subsidiary set up with a local partner, offers the full range of road techniques and has become one of the main companies in this sector in Albania.

● BELGIUM

Operating throughout the country, Boucher and Grizaco are specialised in urban works and maintenance contracts involving mix, surface dressing and cold slurry surfacings.

● CZECH REPUBLIC

The SSZ subsidiary, the country's leading roadwork and rail line company, gives Eurovia an exceptional position in the countries that will be joining the European Union in 2004.

● FRANCE

France, where the Group originated and has its head office, has the greatest density of locations with 200 works agencies and subsidiaries throughout the mainland territory.

● GERMANY

Through Eurovia VBU and Eurovia Teerbau, the Group has a network of works and services companies operating throughout the country and supported by an industrial base of coating plants.

● ITALY

The 50-50 partnership between Eurovia and Italy's IES (Italiana Energia e Servizi) oil group has become the country's leading producer of modified bitumens.

● LITHUANIA

Sauskelis, which grew substantially in 2003, has its own industrial production facilities and takes part in road construction and maintenance projects in Lithuania.

● POLAND

Eurovia Polska, originating in the merger of SPRD (in the Katowice region) and Beskidskie Drogi (in Biesko Biala), is developing its activity in the south of Poland, focusing on maintenance markets where its customers have the benefit of the Group's industrial and technological potential.

● PORTUGAL

Probigalp and Probisa Portuguesa are developing emulsion-based and cold techniques—markets expected to expand in coming years.

● SLOVAKIA

Based in Kosice and Poprad in the east of the country, CSK and Slov—via work for both public and private sector customers, with a focus on transport infrastructure and production of road aggregates.

● SPAIN

Having initially developed an emulsion and cold slurry surfacing activity, Probisa broadened its industrial operations to cover production of aggregates and mixes. This company, recognised for its technological expertise, hosts the Group's emulsions research centre at its Madrid laboratory.

● UNITED KINGDOM

Ringway has focused its activity on public service privatisation contracts and construction—maintenance contracts called public-private partnerships (PPPs); it has become a leading reference for Eurovia in this field.

FRENCH OVERSEAS DEPARTMENTS AND TERRITORIES

● MARTINIQUE

● NEW CALEDONIA

● FRENCH POLYNESIA

Moter Martinique, CARAIB, Jean Lefebvre Pacifique and Jean Lefebvre Polynésie cover the full range of techniques needed for maintenance and repair of road, airport and port infrastructure. To conserve materials resources, these subsidiaries also promote recycling techniques.

BITUMEN STORAGE SITE
IN FOS SUR MER (FRANCE)



RENOVATION OF THE SAVINES BRIDGE
(FRANCE)



2003 LOG

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JANUARY

NEW DESIGN-BUILD MOTORWAY CONTRACT IN THE UNITED STATES

Eurovia's American subsidiary Blythe won a further design-build motorway contract, worth 86.9 million euros, to build four new lanes and renovate the surfacing of a 13 km section of I-85 in Charlotte, North Carolina.

JANUARY

MOTORWAY OPERATING CONTRACT IN THE UNITED KINGDOM

Working in a consortium with Cofiroute UK and Scottish design office Babbie, Eurovia's British subsidiary Ringway won the operating contract for the Thames crossing at Dartford, east of London. This is the largest toll bridge in Europe in terms of traffic volume (approximately 150,000 vehicles per day).



FEBRUARY

ECOLOGICAL PROJECT IN LILLE

Leduc, a subsidiary of Eurovia, is beginning work on the "centre collector main" in Lille. The 2.6 million euro contract is part of the renovation work being carried out under the "Lille 2004, European Cultural Capital" programme. On this project, for which the first selection criterion listed in the call for tender was an environmental clause, Leduc used the Recycan® process developed by Eurovia, which converts material excavated from drainage trenches into a self-compacting backfill in situ.



MARCH

SIGNATURE OF A ROAD SAFETY PARTNERSHIP CHARTER

In signing a charter with the *Direction de la Sécurité et de la Circulation Routières* (DSCR) road safety authority, Eurovia made a commitment to reduce the number of traffic accidents involving its employees by 30% in 3 years. To this end, Eurovia is using Vigiroute®, its in-house traffic accident prevention plan. On the occasion of the signature, Eurovia initiated a major debate on the theme of "the accident as a system involving the driver, the vehicle and the road". More than 110 meetings were organised on 27 March, bringing together 13,000 employees, customers and partners, in the French agencies.





BORDEAUX TRAMWAY ROADBED
(FRANCE)

INTERSTATE I-85
(USA)



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→ APRIL

2X3 LANE UPGRADE CONTRACT ON THE RN 286 HIGHWAY

The *Direction Départementale de l'Équipement des Yvelines* awarded to Eurovia subsidiaries in the Ile-de-France region a 16 million euro contract to upgrade to 2x3 lanes the section of the RN 286 highway between Vélizy and the A12 motorway. The operation, part of the “new infrastructure” section of the 2000–2006 master plan contract signed by the French government and the Ile-de-France region, improves traffic to the new city of St. Quentin en Yvelines, facilitates integration of traffic flows on the western section of the A86 motorway and contributes to decongesting traffic on the bypasses south of Paris.

→ APRIL

MOTORWAY OPERATING CONTRACT IN THE UNITED KINGDOM

Eurovia won, via its British subsidiary Ringway, a multi-year maintenance contract with a value of 105 million euros covering maintenance, inspection and a portion of the design of the road network in the west of Surrey County. With an initial duration of 4 years, the “open book” contract provides for a high level of performance, to be monitored by the Surrey County Council.

→ MAY

WATERPROOFING OF TWO ENGINEERING STRUCTURES

Eurovia subsidiaries in the Mediterranean area are carrying out two major engineering structure waterproofing projects. The Port de Bouc agency is applying the Orthoplast® process to the Caronte viaduct in Martigues, while Routière du Midi is applying the Etanplast® process to the Savines bridge in Embrun.

→ JUNE

CONTRACT AWARDED FOR THE MAUBEUGE BYPASS

EJL Nord, a Eurovia subsidiary, won the earthmoving and drainage contract for the 4.4 km trunk section of the Maubeuge bypass. The project, with a value of 7.3 million euros, will be completed during 2004.



→ JUNE

NEW BITUMEN STORAGE CENTRE IN FOS SUR MER

Eurovia subsidiary Asphaltex is inaugurating a bitumen reception and distribution centre at the Lavéra site near Fos sur Mer. This new facility can distribute 80,000 tonnes of bitumen per year from three 2,500 cubic metre tanks.

→ AUGUST

RENOVATION OF MEXICO'S "CHAMPS-ELYSEES"

Eurovia's Mexican subsidiary Bitunova is carrying out the comprehensive rehabilitation of the lateral streets along the Paseo de la Reforma, the largest avenue in Mexico City. The municipal authorities and the Secretary of State for Tourism awarded the contract to Bitunova, which proposed an innovative alternative solution specifically tailored to the local context.

→ SEPTEMBER

MAJOR CONTRACT IN THE CZECH REPUBLIC

SSZ, Eurovia's subsidiary in the Czech Republic, obtained a 140 million euro contract to build a 6.5 km section of the D47 motorway through Ostrava, the country's third-largest city, which lies 360 km east of Prague. The motorway, linking Prague and Krakow, is being financed by the Czech government.

→ OCTOBER

LAUNCH OF POLLUTION-REDUCING NOISE BARRIERS

Eurovia presented a process, developed in conjunction with Mitsubishi, which is based on a photocatalytic reaction of ambient nitrogen oxides (NOx), one of the main sources of air pollution, with titanium dioxide (TiO₂). The reaction converts NOx into water-soluble compounds which are then washed away by rain. Experiments carried out at the Eurovia Research and Development Centre demonstrate that the process reduces air pollution by up to 90%.



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➔ OCTOBER

CONSTRUCTION OF THE THIRD GRENOBLE TRAM LINE

Eurovia obtained, as part of a consortium, the 60 million euro contract to carry out the façade-to-façade work on the 5 works packages of the third tram line in Grenoble. The line, which will be operational in 2006, will run through 5 municipalities including Grenoble over a total distance of 13,5 km; it will have 26 stops and serve a population of 60,000 and an employment basin of 30,000.

➔ NOVEMBER

INAUGURATION OF THE EUROVIA RESEARCH AND DEVELOPMENT CENTRE

Eurovia inaugurated its new Research and Development Centre at Bordeaux-Mérignac on 17 November. The Centre has a surface area of 4,000 square metres, of which 1,900 are devoted to laboratories, and it has a highly qualified staff and outstanding equipment. It is at the core of the company's R&D programmes.

➔ NOVEMBER

PASSAGE OF THE TRIAL CONVOY OVER THE AIRBUS A 380 ROUTE

The passage of the first trial convoy over the Wide Gauge Route confirms the success of this exceptional project which consisted in developing, within a period of 17 months, a 240 km route through 10 municipalities, in compliance with environmental and social constraints. Eurovia which, as part of a consortium, covers the two main works packages of the route, mobilised the full range of its human, technical and material capabilities for the project.

➔ DECEMBER

INAUGURATION OF THE BORDEAUX TRAM

After more than three years of work, the first section of Line A of the Bordeaux tram was inaugurated on 21 December. This is the first stage in the launch of the new network designed to decongest the city's metropolitan area. Through its local subsidiaries Eurovia led the consortium which completed this substantial urban development project.

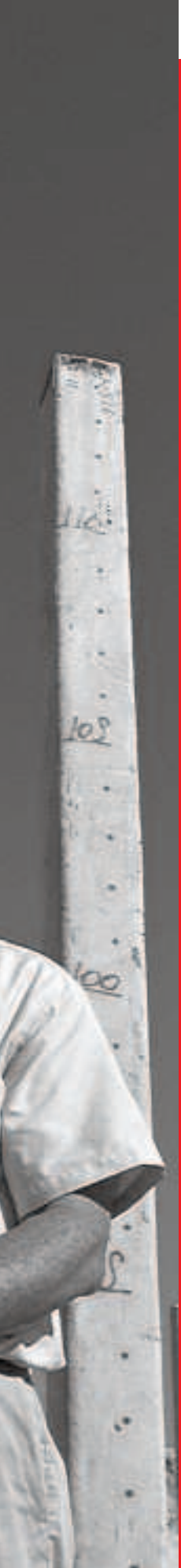




NEW RESEARCH AND DEVELOPMENT
CENTRE IN BORDEAUX-MERIGNAC
(FRANCE)

PASSAGE OF THE TRIAL AIRBUS A 380
CONVOY OVER THE WIDE GAUGE ROUTE
(FRANCE)





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TEAMWORK
INNOVATION
RESPONSIBILITY
ATTENTIVENESS

A SENSE OF VALUES



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A TALK WITH THE CHAIRMAN

ATTENTIVE TO SOCIETAL CHANGE, THE REQUIREMENTS OF ITS CUSTOMERS AND THE NEEDS OF ITS EMPLOYEES, EUROVIA HAS DEVELOPED A POLICY BASED ON TRANSPARENCY, RESPECT AND FORWARD PLANNING. WE TALK WITH ROGER MARTIN, CHAIRMAN AND CEO OF EUROVIA.



What is your view of the past year and of Eurovia's results?

Roger MARTIN/ 2003 confirmed the wisdom of the strategies we launched and the actions we took – rapid merger, tight organisational structure, international networking. In particular, I am convinced of the importance of our working as a network. This is a real advantage for large companies. When I say network I mean not just the meshed set of quarries, coating plants and works centres, but also the organised life of a group which operates in many different places and exchanges employees, cultures, experience and ideas. That forms the basis for the values that a group like ours perpetuates. Apart from conventional methods – demonstrations, incentives, meetings and motivation – we have also set up very effective tools for sharing information, such as our Neva intranet. Eurovia's soundness and momentum were confirmed by the 30% increase in net income recorded last year.

In your view, what does respect for people and laws involve, and what is your position on regulations?

RM/ I always give respect for the company's people as one of Eurovia's main values. I believe that respect amounts to more than tolerance and attentiveness ; it must be reflected in ongoing action focused on people – hiring, training, selection, compensation. As for regulations, they are growing more and more complex as time goes on and we must be vigilant and active, particularly with respect to training, motivation and setting an example at all levels. Our top 250 managers have, for example, just taken in-depth training in the NRE (new economic regulations) law. The training was specifically designed for us by a major law firm. I don't know if we are out ahead in this field but we do, here again, want to set an example.

What is the main thrust of your social and environmental policy?

RM/ Social responsibility is obviously focused on fundamental issues such as health and safety – our work-site facilities and the improvement in our equipment demonstrate what we are doing on the first point. Our safety effort, under way for a long time now, is reflected in prevention plans, competitions and innovations. For example in 2003 we deployed the Vigiroute® plan, an outstanding, comprehensive programme to help and

encourage our employees to drive safely. Similarly, our Foundation, which was set up in 1994, helps our low-income employees to finance their children's university education.

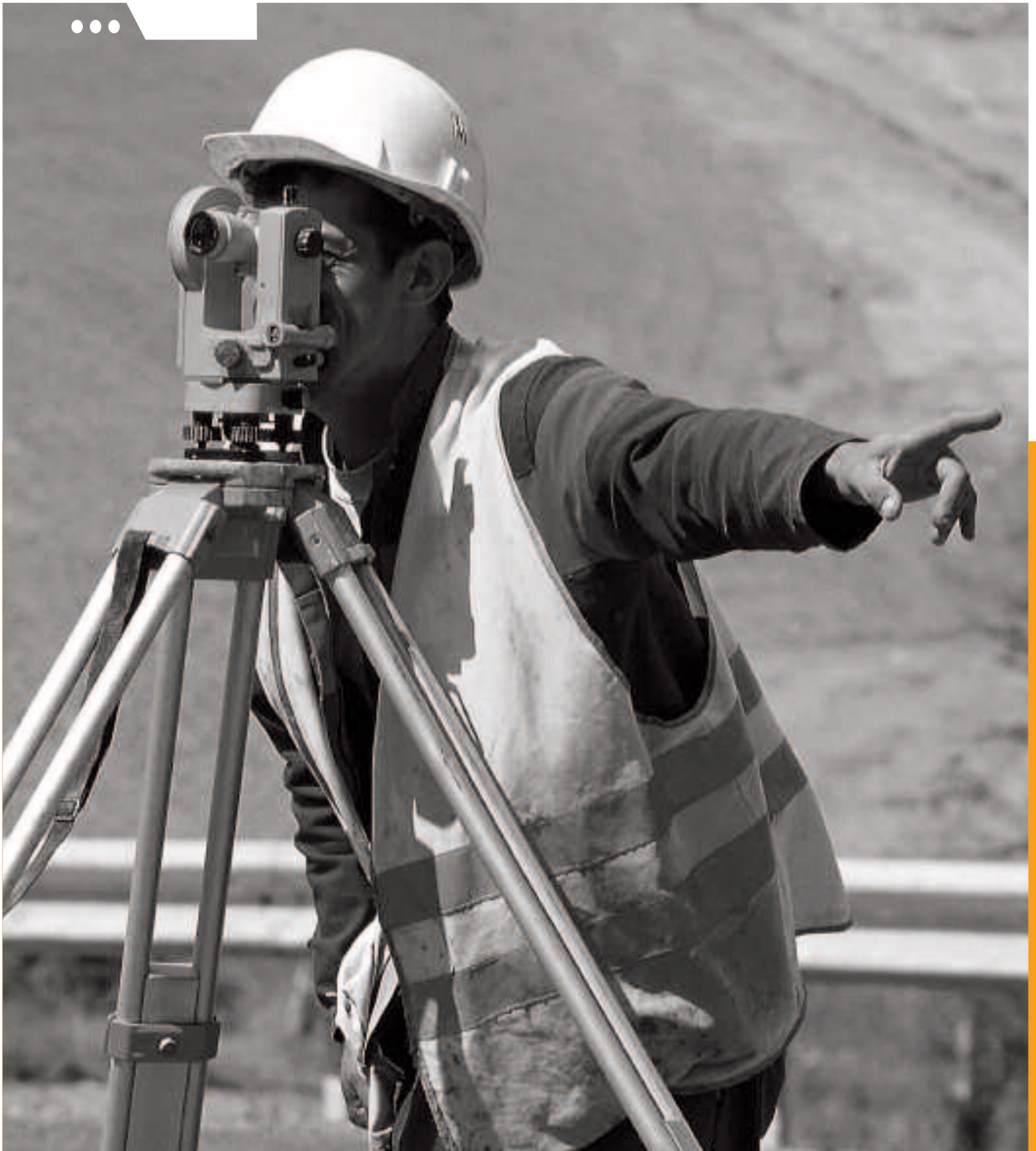
Outside the company, our goal is to contribute to safety and comfort on the roads through specific products such as coloured pavements, safety barriers, skid-resistant pavements and noise barriers. In the area of environmental protection, we are also very active, with processes to reduce nitrogen oxide in air and to recycle waste. This is the focus of our new Research and Development Centre in Bordeaux. Its purpose is not just to do research on the structures we build; its priority remit is to do research on services rendered to the final user, who is, in fact, our primary customer.

As the head of the company, how do you achieve a trade-off between social and environmental investments and economic responsibility?

RM/ There is no need for a trade-off. What is socially beneficial is perfectly compatible with what is economically sound; not just compatible – I believe that social and environmental progress necessarily generates economic improvement. It is part of being professional. The real issue is taking the time and showing the determination needed; the first steps can be difficult and, costly, and can generate doubt, but that is the right way to go and that is what we are doing.

How do you see the expectations of the citizens and the goals of society, and how does Eurovia intend to meet them?

RM/ We operate in a triangular “decision-maker – builder – user” structure. For a long time the decision-maker was dominant. Bit by bit the builder gained influence through alternative bids and involvement in design. The third partner – the user, who has become a customer – has for some years now been making his voice heard. Citizens are expressing their expectations, which are highly qualitative and focused on service. The new balance harbours great potential for our infrastructure. Eurovia intends to play its part with its products, its services and its innovative capabilities. Our ambition, in a nutshell, is to be more and more closely involved in the overall process of designing and building infrastructure projects.



EUROVIA RECRUITS MORE THAN 1,500 EMPLOYEES – MANAGEMENT, ADMINISTRATIVE AND TECHNICAL STAFF AND WORKERS – EVERY YEAR.

EUROVIA APPLIES A MANAGEMENT SYSTEM
BASED ON RESPECT FOR PEOPLE,
TRANSPARENCY AND TEAM SOLIDARITY.

ENHANCING HUMAN RESOURCES

EUROVIA'S HUMAN RESOURCES MANAGEMENT POLICY has the dual goal of fostering the best possible induction of those hired and then guaranteeing its employees career opportunities through training and internal mobility. In September 2003, a new website dedicated to human resources (www.euroviarh.com) was launched; it lists all the job openings and enables applications to be filed on line. Eurovia takes part in 21 job trade fairs in France and has ongoing relationships with schools – in particular a partnership with the Ecole Supérieure des Travaux Publics – organising worksite visits and offering over 1,000 TFE (senior thesis) internships every year.

Transmitting the values of the company, its health and safety policy and developing knowledge sharing are the goals of the induction and training course. With a focus on internal mobility and on enabling employees to move from one business line to another and one country to another, Eurovia also hopes to create an international culture within the company that will be sustained by the experience of its subsidiaries. When it comes to training, a more pragmatic approach, based on listening and feedback, is being developed. The instructor carries out training at the worksite and the agency in accordance with a precise methodology based on observation of operational practice, possible improvements and support of the entity involved in charge. As a company open to the outside world, Eurovia also provides qualifying training recognised by the sector as a whole through the GIRF. A total of 21,270 Eurovia employees took 346,700 hours of training in 2003, of which 21% was focused on health and safety and 17% on technical issues. In addition, the Eurovia corporate Foundation set up in 1994 has a yearly endowment of over 100,000 euros for its programme. In 2003 it provided financial support to 89 employee children, enabling them to continue their studies at university level.

JEAN-MARC JACOB

TRAINING EXPERT FOR THE ASSOCIATION DES CONSTRUCTEURS DE ROUTES
ET GRANDS TRAVAUX DU QUEBEC (QUEBEC'S ROAD BUILDERS' ASSOCIATION)

“We gave the 2002-2003 ‘Excellence – Improvement’ award to DJL for its exceptional participation and significant involvement in the improvement and enhancement of the entire civil engineering and roads sector. In awarding this prize, the Fund recognises the company's efforts to gradually establish an ongoing training culture within the construction industry.”

EUROVIA'S RESEARCH AND DEVELOPMENT POLICY LIES AT THE HEART OF THE IMPROVEMENT AND INNOVATION PROGRAMME IMPLEMENTED THROUGHOUT THE COMPANY.

INVENTING ROADS

INNOVATION

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WITH A DEDICATED BUDGET representing 6% of its net income, Eurovia has made R&D one of its main avenues of development. The inauguration, in November 2003, of its new Research and Development Centre in Bordeaux, a focus of excellence in road technologies, confirmed its ambitions in this field. True to the tradition of its constituent companies, Eurovia continues to innovate in order to help improve the road network and make it safer and more durable.

Eurovia's technical network, made up of 440 employees world-wide, helps carry out its research programmes and disseminate new products throughout the company. The network also provides support and advice to Eurovia's operating teams, contributing to the success of the company's 60,000 annual projects. R&D policy is designed to foster openness and knowledge-sharing. The company is involved in a number of European research programmes – SCORE, NRCC, etc. Eurovia has also forged a large number of working relationships with other private sector players and with ranking scientific and academic institutions. One result of this cooperation was its

work with Mitsubishi to develop an unprecedented process in 2003 – photocatalytic destruction of nitrogen oxides, one of the main causes of airborne atmospheric pollution. Applied to noise barriers, the process can effectively combat both air and noise pollution.

Eurovia's research agenda is three-pronged: environmental protection, road safety and management of road infrastructure. These are the themes corresponding to the requirements and expectations of Eurovia's customers and also of road users. In 2003, Eurovia continued to develop new products and processes that improve quality of life and preserve the environment by such measures as reducing energy consumption during production and recycling quarry waste. In road safety, Eurovia continued its work on surfacing skid resistance, colour and texture, which help prevent road accidents. Last but not least, the focus of day-to-day research work at Eurovia is on increasing the service life of infrastructure and developing flexible maintenance techniques as well as, more broadly, on a comprehensive approach to the road over its life cycle, from design to recycling.

CLAUDE QUINTON

TECHNICIAN AT THE RESEARCH AND DEVELOPMENT CENTRE

“Like each of us here at all levels, I work to drive research forward in the area of roads and their environment. At this Centre we foster ongoing brainstorming and collect everyone's ideas in order to develop new products and processes, be the first and the best to discover them, meet the expectations of our customers and overcome their technical constraints.”



TEAMWORK
INNOVATION
RESPONSIBILITY
ATTENTIVENESS

2/3 OF EUVOVIA'S R&D BUDGET IS DEVOTED TO SAFETY AND THE ENVIRONMENT.

RESPONSIBILITY

AS PART OF ITS RESPONSIBILITY TOWARD ITS EMPLOYEES AND SOCIETY AT LARGE, EUROVIA IMPLEMENTS POLICIES AIMED AT ENHANCING SAFETY AND WORKING METHODS, WITH A PRIORITY FOCUS ON RESPECT FOR THE INDIVIDUAL AND HIS OR HER SAFETY.



EUROVIA ENSURES THE SAFETY OF ITS EMPLOYEES AND USERS ON WORKSITES.

ETHICS

SERVING PERFORMANCE

COMBATING ROAD HAZARDS is a major national goal and companies can and must make a significant contribution to achieving it. Road accidents account for over 60% of work-related fatalities and the company is in a good position to raise awareness and mobilise its people in this area. Against this backdrop, Rémy Heitz, *Délégué Interministériel à la Sécurité Routière*, and Roger Martin, Chairman and CEO of Eurovia, signed a partnership charter on 27 March 2003. Its purpose is to reduce the number of road accidents involving Eurovia employees by 30% over a three-year period. This objective is based on the application of Vigiroute®, an in-house road accident prevention plan designed by the company for its 20,000 employees in France. At the end of 2003, one year after the kick-off, road accidents had already been cut by 21%. With user and employee safety at the heart of its endeavours, Eurovia has made acci-

dent prevention and safety enhancement an ongoing focus at all levels of the company. Blythe, Eurovia's American subsidiary working primarily in major projects, set up a dedicated permanent information system on the I-85 project, which is being carried out under traffic, in order to prevent potential accidents. In the United Kingdom, Ringway, based on its experience with maintaining roadways open to traffic, developed highly reflective marking systems for work vehicles. Day by day, Eurovia employees pro-actively ensure their own safety, with a network of 1,000 correspondents – agency equipment managers, engineers – in charge of maintaining and designing new tools, machines, products and processes aimed at improving productivity and safety.

Quality is another primary focus at Eurovia. Beyond the certification of its French works agencies under the ISO 9001: version 2000

standard, Eurovia is developing its own quality tools on its intranet network to track its performance in real time (“Discrepancies”, “Improvement actions” and “Customer satisfaction” databases). As of November 2003, Eurovia has had a network IT tool to enable design studies and works engineers to better assess and control quality, safety and environmental risks at the tendering and site preparation stages.

ALAIN SIMON
AGENCY MANAGER IN TOULOUSE

“In Toulouse, we wanted to set up simple solutions to deal with safety problems on the worksite. This is how we came up with the idea of the traffic controller in red. Every morning we appoint a person on each worksite to wear a distinctive red vest. He or she is the only person authorized to direct machinery traffic on the worksite. The system has substantially reduced the risks to our employees.”

TO MEET THE CHANGING AND SPECIFIC EXPECTATIONS OF ITS CUSTOMERS, EUROVIA OFFERS SOLUTIONS THAT ARE TAILORED TO THEIR TECHNICAL, AESTHETIC AND ENVIRONMENTAL NEEDS.

ATTENTIVENESS



EUROVIA COMBINES THE POTENTIAL OF AN INTERNATIONAL GROUP WITH ONGOING LOCAL COMMERCIAL RELATIONSHIPS.

SUPPORTING YOUR PROJECTS

EUROVIA ENDEAVOURS TO UNDERSTAND how the needs of its customers will be changing and to devise the solutions that will meet these future needs. This approach is at the heart of the company's research programme. It has prompted the design of infrastructure with reduced noise levels that fits harmoniously into its environment. Eurovia is also expanding the marketing of innovative products under licence. An example is Streetprint®, a process that “prints” asphaltic concrete surfacings by means of a flexible grid and that produces surfaces resembling paving slabs. The surfacing is then covered with a surface dressing in a colour selected from a very broad range of choices.

Another strength is Eurovia's adaptability. Each project is unique and involves close teamwork among the company's works, design studies and technical teams throughout the preparatory and execution phases of projects. Eurovia's technical, human and material capabilities enable it to meet the most complex challenges such as the Wide Gauge Route (development of the roads to be used to transport elements of the Airbus A380 between Bordeaux and Toulouse) and work related to the production of the aircraft. This included a wide

variety of projects to be completed in record time and Eurovia demonstrated its ability to coordinate, respond and make technical proposals (in particular at the Airbus assembly site in the Aéroconstellation development zone). Passage of a test convoy in November 2003 validated the success of the effort.

Whatever the scale of the development project, Eurovia establishes a genuine partnership with all parties involved - contracting authorities, project managers, sub-contractors, etc. For several years now Eurovia has had repair, maintenance and service contracts with a number of its customers. Current changes in the legal framework in France and other European countries have paved the way for public-private partnerships (PPPs) enabling Eurovia to tailor its offering even better by taking on the project as a whole – design, financing, construction, operation. On the strength of the experience gleaned in such countries as the United Kingdom and Spain, and based on the know-how of the company as a whole, Eurovia is prepared to set up true competency partnerships with its customers based on trust, risk-sharing and ability to innovate, in a new approach that will provide the user with the best possible service.

JIM BARTON

DIRECTOR, NETWORK MANAGEMENT DIVISION
(SCOTTISH EXECUTIVE)

“BEAR Scotland have developed a partnering approach with ourselves that has enabled them to deliver the service we need for ourselves and the travelling public. This is particularly important in giving us the confidence we need in the management and maintenance of the trunk road network. BEAR are responsive to the client's needs, and this partnership between a private contractor and a public authority in an innovative contract has led to a number of benefits.”*

* BEAR Scotland :

a joint venture between Ringway, Ennstone Thistle and a consulting firm, Babbie Group, to bid for tenders issued by the Scottish authorities for maintenance of the local road network.

COMMENTS

IN AN UNCERTAIN INTERNATIONAL ENVIRONMENT, **EUROVIA'S NET SALES STOOD AT 5,332.2 MILLION EUROS** IN 2003, UP 5% LIKE WITH LIKE. THE UNFAVOURABLE IMPACT OF THE EXCHANGE RATE (130 MILLION EUROS) REDUCES THIS INCREASE TO 2.4% AT ACTUAL SCOPE AND EXCHANGE RATE. 56% OF NET SALES WERE GENERATED IN MAINLAND FRANCE, 24% IN THE REST OF WESTERN EUROPE, 10% IN CENTRAL EUROPE AND 10% IN NORTH AND SOUTH AMERICA. **OPERATING INCOME** AMOUNTED TO 3.8% OF NET SALES AT **200.6 MILLION EUROS** AND **NET INCOME** AFTER TAXES AGAIN INCREASED SUBSTANTIALLY BY 30% TO **125.2 MILLION EUROS**.

FRANCE (2,982 million euros)

FOLLOWING A TWO-YEAR DECLINE, THE FRENCH MARKET showed a slight upturn in 2003. Sustained by the diversity of its business lines, the quality of its offerings and its close-knit network of local companies, Eurovia's business activity grew by 2.5%. The increase was essentially recorded in the fourth quarter, when business activity increased 8% over the previous year.

Continuing its policy of selective order-taking and rigorous worksite management, and building on the good showing of its industrial activities, Eurovia can post operating income above the record level of last year, representing 5% of net sales. Moving into 2004, the order backlog is 10% higher than at the beginning of 2003, a harbinger of further increases in business activity.

FRENCH OVERSEAS DEPARTMENTS AND TERRITORIES (42 million euros)

THE GROUP OPERATES IN MARTINIQUE, POLYNESIA AND NEW CALEDONIA, where business activity held up overall, generating excellent profitability.

CENTRAL EUROPE (547 million euros)

BUSINESS ACTIVITY INCREASED STRONGLY IN THE CZECH REPUBLIC (20% like-with-like), which became Eurovia's third largest market after France and Germany. SSZ is now the leading roadworks company in the Czech Republic, offering the full range of expertise in transport infrastructure construction and rehabilitation (motorways, urban streets, rail corridors, tram lines, engineering structures, airport runways). EU accession is expected to give the Czech Republic a further development boost.

ACTIVITY WAS SHARPLY UP in Slovakia and Lithuania as well, while Poland and Albania marked time. Overall, Eurovia's performance in Central Europe, where the operating income of all subsidiaries exceeded 4%, confirms the wisdom of a strategy aimed at establishing a close-knit network of locations on a deliberately concentrated territory through subsidiary creation and acquisitions.



WESTERN EUROPE (1,253 million euros)

IN GERMANY, where Eurovia is one of the leading roadworks companies, the Group held up well in a business environment that has been in recession for several years. The completion of the reorganisation of loss-making subsidiaries, combined with a selective order-taking policy, was reflected in a limited decline in activity (-1.6%), essentially in non-road activities, and an improvement in profitability, making it possible to achieve positive results in both operating and net income.

IN THE UNITED KINGDOM, Ringway recorded substantial growth in business activity (16.1% excluding exchange rate impact). A number of multi-year contracts were either renewed or won (Surrey, Lincolnshire, Dartford Crossing in partnership with Cofiroute) in addition to the contract obtained in 2002 for the maintenance of the northern London road network, which bolsters Eurovia's position on the growing long-term contract market combining new construction, maintenance and services.

IN SPAIN, Probisa, probably the country's most technically advanced roadworks company, increased its business activity (5.3%) on a dynamic but competitive market.

IN BELGIUM, where the market remains in recession, reorganisation undertaken in the early part of the year generated results that broke even.

Lastly, Eurovia sold its Swiss binder and special road products production activity.

NORTH AND SOUTH AMERICA (508 million euros)

IN THE UNITED STATES, following a difficult year, subsidiaries Hubbard and Blythe benefited from design-build contracts in which a contractor joins forces with a design company to submit an overall bid, which benefits leading companies on the market. Excluding exchange rate impact (62 million euros), business activity was sharply up (14.2%), and together with reorganisation measures this resulted in a return to satisfactory results.

IN CANADA, following two years of strong growth, Eurovia coped with a slight contraction of the market, while maintaining good results.

IN CHILI, the turnaround which began in 2002 was confirmed, with business activity again increasing (10.7%, excluding exchange rate impact) and results maintained at a very good level.

IN MEXICO finally, business activity also grew strongly (48.5% excluding exchange rate impact).

Across all subsidiaries, business activity outside France was up by 7.9% (excluding exchange rate impact) and operating income doubled in 2003, reaching 2.3% of net sales.

VERY GOOD RESULTS

THE UNCERTAIN OUTLOOK at the end of 2003 and the high performance level sustained in France over the last two years suggested a circumspect approach to the year just ended.

In fact, the results in France turned out to be higher than those of previous years. Germany reported positive results, the United States returned to profit and the other subsidiaries outside France also saw an increase in results, with Group operating income reaching 200.6 million euros (3.8% of net sales), up 21% over 2002 (165.7 million euros, i.e. 3.1% of net sales).

Net income stood at 125.2 million euros (2.3% of net sales), amounting to a 30% improvement over the result of the previous year (96.5 million euros). Investments amounted to 149.7 million euros without significant financial investments.

Shareholders equity (including minority interest) amounted to 741.2 million euros, working capital was 441.3 million euros and provisions for liabilities and charges stood at 402.4 million euros.

The net financial position was 476.5 million euros, up 278.8 million euros, thanks in particular to a major effort to collect amounts receivable.

OUTLOOK

EUROVIA'S BUSINESS ACTIVITY WILL CONTINUE TO GROW IN 2004. The continuation of the selective order-taking and production optimisation the policy, and the intensification of synergies among the various entities should generate a further increase in operating income.

In line with its controlled growth strategy, Eurovia will be consolidating its positions in the countries in Western Europe where it operates. In Central Europe, where impending membership in the EU has sparked major infrastructure upgrade programmes, Eurovia will be basing itself on the quality of its roots to expand its geographic and market coverage in both roadworks and materials production. In the United States and Canada, the trend toward design-build and multi-year (maintenance) contracts is growing - as it did in the United Kingdom - and enhancing Eurovia's significant positions within these markets. In France the forthcoming transfer to the département authorities of a major portion of the national road network should, in the medium term, generate an upturn in investment in renovation and modernisation programmes. On all the Group's markets, the expected growth of public-private partnerships offers opportunities for Eurovia which, with its full range of competencies and resources, is in a position to take on major construction and maintenance projects.

In roadworks and utility networks, Eurovia will continue to structure and consolidate its offerings in order to optimise coverage of local markets while broadening its access to large and complex projects. In materials production, the targeted acquisition of strategic quarries and the expanded transport of aggregates for both import and export by sea will reinforce Eurovia's ability to supply its own operations in synergy with the ongoing development of recycling of road materials, industrial by-products and building and civil engineering waste. Last but not least, in environmental business lines Eurovia will continue to expand its offering of products and services dedicated to noise reduction, safety enhancement, soil remediation, waste storage and deconstruction.

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