

ANNUAL REPORT 1996

**CAMPENON
BERNARD
SGE**





The Kwai Chung viaduct was inaugurated in early 1997 by the Prime Minister of the Hong Kong government.



national

In 1996 Campenon Bernard SGE's international activity generated 3,475 million francs in turnover, a level very close to that of 1995. Some large projects were completed in the course of the year, such as the first phase of line number 2 of the Cairo Metro in Egypt, the Hub River thermal power station in Pakistan or the Lindencorso building project in Berlin. Others will continue on through 1997, for example, the Metro in Athens, Greece, or the Vasco da Gama bridge over the River Tagus in Lisbon, Portugal. This activity accounts for 45% of the company's total turnover, with more than half of this being generated in Europe. Integrating the business of Compagnie Générale de Bâtiment et de Construction – CBC – will allow Campenon Bernard SGE to increase the scope of its activities in Belgium, Germany, Poland and the Czech Republic, and to draw on additional potential in the area of project financing operations and international building projects.

Far East



One of the tunnels
in the Hong Kong waste water
project.

The 420 metre high
Jin Mao tower in Shanghai.

Hong Kong

In Hong Kong work on the Kwai Chung viaduct was completed in time for delivery of the project at the end of March 1997 in compliance with the contract deadline. The losses incurred by this project were partially offset by compensation from the client subsequent to mediation. The opening ceremony was held on February 19th, attended by representatives of the Hong Kong government.

The construction work on 25 kilometers of tunnel for waste water drainage in Hong Kong continued on until mid-1996. Persistent major water infiltration forced the tunnelling machines to be shut down. The client refused to accept the contractual and financial consequences of this new situation and on November 26th, after seven months of negotiation, declared the contract to have lapsed. Procedures are currently in hand to defend the Group's interest, in particular aimed at proving that the contract cannot be performed.

Vietnam

The two joint companies set up by Campenon Bernard SGE, one at Ho Chi Minh City and the other at Hanoi, have continued to grow.

In the south, Campenon Saigon Builders Ltd. is completing its contract with Potasses d'Alsace for the construction of the first phase of Phu My harbour, with docking facilities for vessels up to 40,000 tonnes, and for Marubeni, the 300MW thermal power station Phu My II.

Having built a packaging plant for CarnaudMetalbox, Campenon Bernard SGE, is now supplying a similar one to Crown Cork and Seal in the north of the country. The company has also been awarded the contract for construction of a 3-star hotel complex with 124 rooms and international-standard offices in Haiphong, after successful completion of a 70-room tourist facility at Nha Trang in the centre of the country.

The group has responded to tender actions for large projects with international funding, and is currently involved in negotiations on one of them: the Pha Lai thermal power station in the north of the country.



China

As a member of a Chinese/Japanese/ French consortium, Campenon Bernard is providing technical assistance in the construction of the Jin Mao Tower in Shanghai, which, at 420 metres, will be the tallest tower in China. By the end of 1996 more than 50 out of the total of 88 floors had been completed, after which the main specialist trades began their

work: metal structures, curtain walls, electricity, fire protection. The tower was designed by architects Skidmore, Owings and Merrill. The peripheral construction has also started and the concreting of the three floors of underground car-parks has made good progress.

The Phu My deep water harbour.

Africa Middle East

Lesotho

In February 1997, the concrete lining was finished on the 45km of tunnels that were due to be covered this way out of the 66km that make up the hydraulic project that will supply water out of Lesotho to South Africa. Delivery of the completed tunnels and the Katsé water intake was made in March.

Linked with this project, the construction work on the Muela dam and underground plant will be finished towards mid-1997 with hand-over to the client planned for the third quarter.

The Group, which has responsibility for this first phase, will take part in the Phase 1B tender action which will involve tunnelling 31.5km of additional galleries.

Egypt

Work on Line 2, phase 1A of the Cairo metro, in which Campenon Bernard has responsibility for the civil engineering, was completed on schedule in July 1996, enabling the experimental phase to start at that date. This 5.5km section was officially opened and commissioned on October 1st, in the presence of President

Mubarak, 42 months after the contract entered into force.

Phase 1B will be completed in September 1997.

Extension work on line 2 towards Gizeh commenced at the beginning of the year and the tunnelling machine started making headway on October 24th, in line with programme forecasts.

The Kasr El Aina hospital was officially opened in April 1996 with a ceremony attended by Presidents Mubarak and Chirac. The guarantee period expired at year-end.

Morocco

The construction of silos in the port of Agadir for the Interprofessional Office for Cereals and Legumes was completed and handed over in 1996 according to plan; no other activity was undertaken by the Campenon Bernard Moroccan agency during the year. The Group is following closely the policy currently being implemented by the Moroccan authorities consisting of resumption of work on some infrastructure as part of the moves towards privatisation.



The Hub River thermal power station in Pakistan.

Foundations for the gas storage tanks in Qatar.

Line 2 of the Cairo metro.



Pakistan

The fourth and last unit of the Hub River thermal power station was handed over to the client early in 1997 one month ahead of the works schedule.

The company, as consortium pilot, signed another contract with the same client for the design and construction of a 12 MW hydro-electric mini-power station at Rohri, 450 Km north of Karachi. Various obstacles have delayed the kick-off of this contract which has been granted financing by the French Government, and work might start before the end of the first half of 1997.

Emirates

Campenon Bernard SGE has continued its commercial operations in the Emirates out of Abu Dhabi, with a focus on activities linked to oil and gas. In Qatar, Campenon Bernard SGE was chosen, along with a Japanese firm, for the construction of two 140,000 m³ liquified natural gas storage tanks in Qatar. The work, started in 1996, proceeded to meet the targets of a very tight schedule. The order for a third tank was placed by the client with the same group in February 1997 on the basis of a bid made at the end of the year.

The 66 kilometres of tunnels for the Lesotho water complex have been completed.

Europe



The Storebaelt tunnels in Denmark.

The Amarante viaduct in Portugal.

The Athens metro project comprises 21 stations.

Portugal

1996 was the year when the construction of the Vasco da Gama Bridge over the Tagus really moved into high gear. Production increased steadily and by July operations were in full swing. Record speeds for this type of project were reached, thanks to which completion can be expected by the planned date in January 1998; in all some 500,000m³ of concrete were poured and 190,000m² of deck laid in 1996. The box girders for the deck of the central viaduct are proceeding according to schedule and the construction of the deck of the cable-stay bridge began on schedule.

The Portuguese subsidiary, HAGEN SA, has made the most of the Community funding allocated to Portugal for infrastructure development. Turnover is well up and profits are improving, mainly through the securing of a number of design and build projects. Prospects for 1997 are satisfactory.

Greece

Drivage with the tunnelling machine of the galleries for the Athens metro has been stopped since August 1996. On line 2 the first tunnelling machine resumed operations after an 8-month lay-off in early June, driving under residential buildings protected by the measures that had been taken. Subsequently, however, poor geological conditions encountered outside the protected zone led to its stoppage once again in August 1996.

At the same time, the second tunnelling machine, after having driven the first 4,450m of line 3 on schedule, entered the so-called "Old Athens" area, and was also forced to stop in order to avoid destroying existing buildings after it had discovered a number of ancient wellshafts in a very complex terrain.

Talks were begun with the client under the supervision of the Ministry of Public Works, and for the moment no conclusion has been reached. There has been agreement so far only on the technical solutions that would allow the work to be completed, but serious disagreements remain as to the contractual and financial plans.



75% of the project is now finished and work is continuing on the stations and workshop.

Eastern Europe

The Polish subsidiary won two contracts in 1996, one for the construction of two bridges over the Oder, and the other for a purification plant at Zielona Gora.

In Hungary, Campenon Bernard SGE is still engaged in negotiations on a contract for

an office building, while the consortium it is a member of is awaiting the outcome of its bid for the motorway concession.

The company is negotiating a project in Kazakhstan for the upgrading of a port on the Caspian Sea.

The Vasco da Gama bridge over the Tagus is to be officially opened for the March 1998 international exposition.

Germany



Above:
Schönefeld housing project, Berlin.
Klee's Oggersheim clinic.
(Architects Schmucker & Partner)
The Allee der Kosmonauten complex in Berlin.
(Architect M. Rössling)

Opposite:
The Lindencorso development
designed by architect C. Maedder, and built
by SGE Hoch- und Ingenieurbau.

In Germany general contracting is performed by Olympia Baugesellschaft – OBG – and its subsidiaries, located in Berlin and the Land of Brandenburg, and by Ostsächsische Baugesellschaft – OBAG – in Saxony; major works are carried out by the subsidiary called SGE Hoch- und Ingenieurbau, headquartered in Berlin. In addition, Campenon Bernard SGE supervises the operations of the Klee building company based in Mannheim. The German construction market is suffering both from slower growth in the East, and a recession in the West, which have aggravated the effects of the especially tough competition that was already adversely affecting the subsidiaries of Campenon Bernard SGE.

The figures for the year reveal a significant down-turn for OBG and SGE Hoch- und Ingenieurbau, while OBAG has progressed slightly. Total turnover in 1996 for all of these subsidiaries taken together was 1.03 billion francs, 13% down on 1995.

SGE Hoch- und Ingenieurbau

The subsidiary delivered the Lindencorso building complex in Berlin's historical centre at the end of May 1996, as well as the three Dianapark office buildings in Babelsberg (architects C. Hoffmann, M. Schmädecke). After the client had finally obtained the necessary funding, construction work could begin on the three office buildings over a two-level underground car-park in Reinhardt Strasse in the centre of Berlin (architects T. Krüger, C. Schubert), the previous buildings having been demolished.

The company also did some design work on several infrastructure projects, in particular some structures for the Frankfurt-Cologne high speed train route, but none of the bids made were successful.

OBG

The Berlin market being at present very unsettled, with supply far outstripping demand and therefore strongly pushing down prices, the company has opted for a highly selective approach in taking orders, thus, deliberately descopeing its



own activity.

OBG's major operations of the year include the delivery of the shell construction for sixteen residential buildings on the Branitzerplatz in Hellesdorf (architect E. Rönspiess), the 18-building complex near the Berlin-Schönefeld airport (architect Peter Lanz) comprising 180 housing units, built jointly with Urban BTP Bau. Its subsidiary UBG completed the structural work on the shopping centre at Basdorf north of Berlin (architect Adams & Partner).

The company continued to adapt to market conditions, in particular significantly reducing staffing levels.

OBAG

The situation in Saxony has not been as difficult as in Berlin, but has deteriorated somewhat nonetheless. While OBAG

maintained a satisfactory level of activity and results on its Bautzen market, it has suffered from increased competition and falling prices in the Dresden area. OBAG was awarded and started work on two buildings for the Bautzen Savings Bank: one was a construction, the other a rehabilitation project (architects A. Hoffmann, K. Elisch).

The company should record the same level of activity in 1997, at the same time as continuing to downsize - the staff complement was cut in 1996 from 600 to 550.

Klee

The Klee group based in Mannheim serves mainly two markets, the traditional building market, major works and turnkey, and the property maintenance and renovation market.

The continued deterioration of the market since 1994 has left no choice but to reduce activity on the traditional building market, concentrating in the short term on the areas around Mannheim and Stuttgart, with a re-orientation in the long-term towards design and build.

Various steps towards re-organization were carried out in 1996 with this in view: closure of some locations, staff cuts and elimination of "micro-tunnelling".

The number of construction workers was thus cut by one third, and turnover fell by 26% from 1995 to 1996; the persisting poor state of this market, accompanied by negative profit margins, will justify keeping these same measures in place in 1997.

Thanks to the renewal of a good number of contracts, property maintenance continued to develop during 1996 while posting positive profit margins.



The roof of the Stade de France is held in place, 42 metres above the playing field, by eighteen tapered masts.



The group's activity in France progressed by around 10% with turnover climbing to 4,285 million Francs, due to growth in Major Projects where substantial orders received in the area of rail and road infrastructure pushed turnover up from 1,190 MF to 2,260MF.

The regional subsidiaries have maintained their business at 1,431MF, only very slightly down compared to the previous year, even though their market was faced with the problem of dwindling public investment. After some re-organization, the specialized subsidiaries once again enjoyed some growth of their activities, with a turnover of 541 MF.

With the integration of some areas of CBC, business in France should be up by 1,800 MF in 1997, 1,200 MF of which would be in the Paris area, and reach a total of 6 billion francs.

Major projects France

For the Major Projects France Division 1996 was a year when a considerable number of orders were taken and the work begun in 1995 progressively gathered momentum.

Business was up by 40%, at 937 million francs, and at the end of the year the order book was close to double the size of the previous year's.

Among the contracts awarded by SNCF in 1996, the construction of the Ventabren viaduct carrying the TGV Mediterranean line over the A8 motorway was able to start early in the year and the notice to proceed, enabling work to begin on the Mornas-Mondragon viaducts in the Vaucluse region, was granted in May.

The AREA motorways authority chose the company to build two parallel viaducts carrying the A51 motorway over the Crozet depression in the Isère region.

On November 25th, the group, that had been shortlisted at the end of 1993, and

for which Campenon Bernard SGE was authorized representative, was awarded the contract by SEMTCAR for the Rennes VAL light railway, which involves building 3.6km of track and 7 stations. The contract is worth 395 MF and is to be completed in 40 months.

Other contracts were also won in 1996: in the Oise region, the motorway concession operator SANEF and the regional public works authority DDE ordered viaducts over the Avre river; COGEMA chose the company to perform the work for a multi-purpose industrial warehouse at Marcoule, as well guttering and connection racks between two buildings on the La Hague site ; for EDF and CEA there was the dismantling of the EL4 power station at Brennilis.

In October COFIROUTE endorsed the framework contract that had been devised for the TOP project that takes the A86 motorway across the west of Paris, and this was followed at the end of the year by an order placed with the group of companies for work relating to the first part of this project, consisting of an



**The Ventabren viaduct
on the TGV Mediterranean line.**

**The multi-purpose industrial
warehouse at Marcoule.**

**The Orelle tunnel
on the A43 motorway.**



underground link between Rueil and Vaucresson. This first phase comprises the construction of an interchange and a 4.5km, 3x3 lane double-deck tunnel. Out of the total contract of 3,750 MF, there is 1,250 MF of work for Campenon Bernard, to be completed in 5 years.

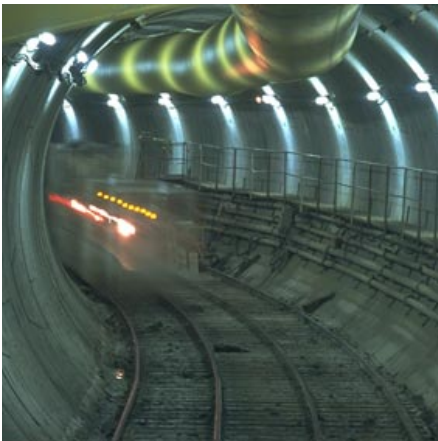
Among the projects already underway at the beginning of 1996, the Stade de France at Saint Denis, designed by architects M.Macary, A.Zublena, C.Constantini and M.Regembal, proceeded apace throughout the year. After completion of the shell construction, the project entered a new phase in August when work began on the installation of the 18 sections of the metal frame for the

roof, a complex operation requiring 9 months of work, but at year-end, progress was still keeping to the very demanding work schedule.

The Orelle tunnel site on the Mauriennne motorway (A43) and section B of the TGV Marseilles arrival tunnels were progressively brought up to full capacity working by the end of the year.

The SOCASO subsidiary (Société de Construction des Autoroutes du Sud et de l'Ouest) enjoyed a similar volume of business to previous years and at the end of the year handed over the first phase of the A85 motorway as far as Vivy (Maine-et-Loire).

The TGV tunnel in Marseilles (5414 metres long) , with its exceptional diameter, is being driven using explosives.



The connection of the A14 motorway
with the A86 near Nanterre.
The Cachan-Charenton collector.

FRANCE

Publics works in Ile-de-France

The underlying economic situation remained difficult, but the Ile de France Public Works Division was able to maintain its activities at a stable level with turnover in 1996 of 500 MF, making it once again the leading civil engineering company in the Paris region.

Forecasts for Civil Engineering were realised, which meant that 1996 closed with turnover slightly under the level of the previous year, reflecting the drop in orders during 1995.

The major purification plant project at Colombes sustained its pace throughout the year. In line with the work schedule and despite the stoppages in 1996, the civil engineering work will be finished by mid-1997 and the structure is still expected to be ready for delivery in October 1998.

The other infrastructure work moved ahead satisfactorily on all projects. In particular, the Drancy viaduct was completed, as was the interchange at the intersection of motorways A14 and A86 at Nanterre, and the maintenance workshop for SNCF locomotives at Noisy-le-Sec.

At the Athis Mons Air Traffic Control Centre work continued to move ahead, as it did on the project involving putting the so-called Bréguet covering over the A86 motorway at Rueil-Malmaison, under contract to the Hauts de Seine DDE.

Two major structures were kicked off during the past year: for the City of Paris there was the renovation of an underground car-park at the 15th Arrondissement Town Hall with its extension to five levels underground, and for the Syndicat des Eaux de l'Ile de France, as of April, the civil engineering work for the first part of the extension of the drinking water plant at Méry-sur-Oise comprising two water clarification facilities - the second part, awarded in September



1996 involves six projects for water purification by nanofiltration.

Lastly maintenance operations on sewer systems and the RATP network proceeded normally under contracts covering several years.

In the area of underground projects, 1996 saw the successful completion of the Cuvier tunnel, a 2.5 metre diameter shallow collector under the Seine, as well as the excavation of a 2 metre diameter gallery, comprising section 9 of the project for a second collector in Rû des Espérances, north of Paris. Section 10 of this same structure, 450 meters long was awarded to Campenon Bernard SGE during the year

and work began in the fourth quarter.

Boring of the 2600-metre tunnel to carry sewage from Cachan to Charenton, which, with its 6.5 metre diameter, will be able to store rainwater, was completed in November. Of the total of 2000 metres that constitute the upstream section of the VL10 wastewater drains in the Cachan Charenton network, located in Villejuif and Vitry, 850 meters were built in 1996.

With the winding-up of the special project at the the Colombes purification plant, and the completion of major projects for SNCF and RATP, plus the postponement of sanitation and transportation infrastructure programmes, there will be a drop in business in 1997.

The Colombes water purification plant located between the River Seine and the A86 north of Paris, built partly underground.

Subsidiaries in France

French subsidiaries of Campenon Bernard SGE have managed to maintain their overall level of turnover on a market that is suffering from the growing scarcity of public investments.

Like for like, the total volume of business in 1996 came to 1.6 billion Francs.

EDIF

EDIF's turnover once rose again in 1996, reaching 290 MF, up 26% over the previous year.

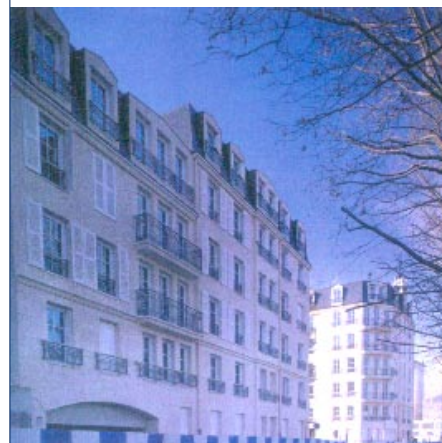
In the La Défense complex, following construction of the Le Belvédère Building (architect Andrault Parat), the future head office of KPMG, SARI Ingénierie chose the company to perform the structural work on the Philip Morris Towers (architect Conceptua), with 100,000m² of flooring. On the same development zone of ZAC Danton, work started on the building of 200 housing units for Georges V Habitat (architect Lamy), in partnership with another group company.

1997, notable in particular for the successful delivery of the new GEC ALSTHOM Headquarters, designed by architect J.P.VIGUIER, and the start-up of work at the Marne-la-Vallée Architecture School for EPAMARNE (architect B.Tschumi), will be a year for consolidating existing positions in a fiercely competitive environment.

Campenon Bernard Bâtiment

With turnover of 145 MF, down roughly 10% against 1995, Campenon Bernard Bâtiment sought to remain selective in its acceptance of orders so as to preserve profitability.

In 1996 the company delivered the PLA subsidized housing units in Maison-Alfort to Capri Résidences (architect Atelier 2M), and to SEMIDEP in Paris (architect J.Lucan). It also completed the rehabilitation of Lycée Eugène Delacroix in Drancy (architect Cabinet DPM), an METP contract with pre-financing and



The Belvédère bridge building
at La Défense.

Lycée Eugène Delacroix
at Drancy.

PLA subsidized housing
at Maisons-Alfort.



**EDIF designed and built the
GEC Alsthom Transports head
office at Saint-Ouen.**

maintenance obligations.

A number of new operations were secured in 1996, most of which were able to start during the year. This was the case with several construction and rehabilitation projects both for schools and low-cost housing: rehabilitation of 264 housing units at Bondy for SEMIDEP (architect Cabinet 2AD), contracts for private housing or functional buildings such as the extension and rehabilitation contract for a 102-room retirement Home for the Cognac Jay Foundation (architect Jean Nouvel) at Rueil-Malmaison awarded to a group with Campenon Bernard Bâtiment

as authorized representative. Two other contracts for the construction of low-cost housing in Paris for Semea 15 (architect Attique) and Villejuif for Logirep (architect T.Lanctuit) which should have started in 1996 have been postponed to 1997. Subject to these projects starting on schedule, business in 1997 should show an increase.



The Quingey rehabilitation centre (Doubs).
The Romanche bridge.
Lycée René-Caillié in Marseille.

Campenon Bernard Régions

Business in 1996 for Campenon Bernard Régions and its local subsidiaries in several parts of France: Rhône-Alpes, Burgundy, Franche-Comté and Auvergne produced a turnover of 367 MF, approximately 5% less than the year before. This reduction is primarily due to late start-up of a number of important projects such as the Aix-les-Bains and Unieux purification plants.

Activity remained steady nonetheless, making it possible to proceed satisfactorily with the hand-over of a number of major projects: the launching girder bridge at Gannat over the A719 motorway, the third tramline in Grenoble, the Aldi logistics centre in Beaune (architect ABETEC), the design and build laundry for Grenoble hospital (architect M. Blanchet). The incineration building at the Marcoule nuclear site for SOCODEI as part of the CENTRACO (National Centre for Waste Processing) project, in which Campenon Bernard Régions is authorized representative of the group performing the work, will be completed in the first half of 1997.

New projects have come along to take their place, such as the Crozet viaduct over the A51 motorway in the Isère region, a

group effort for AREA, section 11 of conventional engineering structures for SNCF on the TGV South-East route at Valence, a cinema complex for UGC inside the Cité Internationale in Lyons (architect Renzo Piano), or the Ferber gymnasium also in Lyons (architect Cabinet Vanderaa). The local subsidiaries for their part recorded an overall 5% increase in activity, the notable achievements being the completion of the Gaillard purification plant (architects M. Valère, P. Sibille) in Haute Savoie by Giletto for Degremont, the new tile-firing facility for Tuilerie Jacob at Commenailles in the Jura by Verazzi, and workshops at the Saint Gobain Packaging Facility in Saint-Romain-le-Puy in the Loire by Merle.

The current level of orders on the books of Campenon Bernard Régions and its local subsidiaries suggests their business will grow in 1997.

Campenon Bernard Sud

Difficulty in securing building orders plus the postponed start-up of a number of work packages on the TGV Mediterranean line largely account for the low volume of business in 1996, which at 249 MF is barely up on the previous year.

In building, the opening of the Médiathèque du Pharo in Marseilles (architect P. Reby), the delivery of the Paul Langevin Lycée at Seyne-sur-Mer (architect CFL Architecture) and of the Sylvain Menu



secondary school in Marseilles (architects M.Averous, M. Simay) for the start of the last school year, were followed in 1996 by the handing over of two low-cost housing projects at Isle-sur-la-Sorgue (architect Arco) and at Marseilles Saint Thys at the end of the year (architect R. Pierrot).

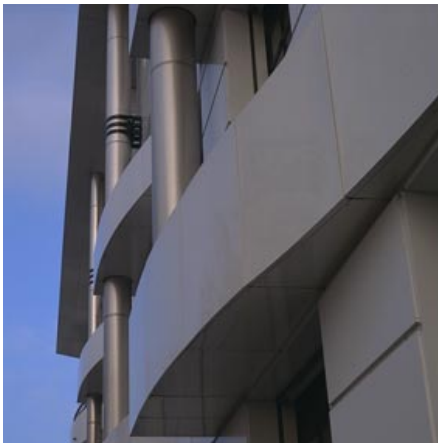
The company has just been awarded two new building contracts to be performed in 1997: the construction of a cinema complex in Marseille-La Valentine (architect M. Redondo), and, as a group venture, the structural work for the SGS-THOMSON plant at Rousset 2000 (architect M. Miranda).

In civil engineering, the purification plant at Sète was delivered in the course of the year and work at the Cap Sicié water plant near Toulon (architect Nothelfer) made good progress after execution of non-

planned work to consolidate the cliff. Two major projects began in 1996: construction of a radioactive waste storage building at the Marcoule site for COGEMA, and the Puyvert-Lauris by-pass for the Vaucluse departmental authorities, a design and build contract.

Civil engineering activity should grow in 1997 with the works secured in partnership with other group companies - the Marseilles tunnel, the Ventabren viaduct, the Mornas-Mondragon viaduct and the Avignon by-pass.

The Cap Sicié water purification plant near Toulon, between the cliff and the sea. Access is through a tunnel.



Barracks accomodation in Luçon.
(architect Civil Engineering Unit,
Rennes)

Lycée du Marais, Schiltigheim,
near Strasbourg.

District council headquarters,
Montbéliard.

Campenon Bernard Ouest

The combined turnover in 1996 of Campenon Bernard Ouest's three locations at Nantes, Brest and Rennes was 110 MF, slightly down on 1995, against a background of economic difficulties due in particular to the postponement or even cancellation of several major Government funded projects.

In Brest, the agency was reinforced, which enabled the company to have continued involvement in the works at the Arsenal and on the Ile Longue protected base and to have access to Communauté Urbaine procurements and some public works projects commissioned by DDE.

In Rennes the company was able to win substantial contracts for structures on the Estuary motorway and for the VAL light railway, work on which is due to start in 1997.

Lastly, in Nantes, Ministry of Defence procurements provided activity in the building sector: the maintenance facility for Leclerc battle tanks at Fontevraud (architect the Engineers section at Rennes), as did the Pays de Loire regional council with a contract for the construction of a gymnasium in the lycée at Livet (architect Cabinet Averty-Delestre) and for the rehabilitation of two lycées - Funay and Hélène Boucher - in Le Mans (architect Acao). As for civil engineering, the construction of a wharf at La Rochelle and the rehabilitation of a landing-stage

on the Indret river were the main projects of the year.

The volume of orders already booked and other projects awaiting notification suggest that business in 1997 will be basically on a par with 1996.

Urban BTP

Located on both banks of the Rhine, Urban BTP operates in Alsace, Lorraine, the Territoire de Belfort, Franche-Comté and Baden-Wurtemberg. It maintained its volume of activity in France at 72 MF, and thanks to a major joint project in Berlin, achieved a turnover of 158 MF in Germany.

In France the company handed over several projects in the course of the year: the second section of the lycée at Obernai (architect M.Lugger), the industrial waste processing plant at Malencourt (Moselle), the extension of the Heineken brewery at Schiltigheim (architect P. Grutter), the decontamination tanks of the Trois Frontières region and the covering over of part of the Ill canal in Mulhouse.

In 1998 Urban BTP will proceed with the second section of the Marais lycée in Schiltigheim (architects C. Offner, F. Kalk, J-P. Gilch P-H. Tran), the extension of Hautepierre University Hospital in Strasbourg (architect L. Picon), industrial buildings for Swatchmobile near Sarreguemines (architect Sexer Loyrette) and for Roquette in Beinheim, and the design and build project for the new head



The Swatchmobile plant in Hambach is being built by Urban BTP as a joint project.

office of the District Urbain du Pays de Montbéliard (architect Babylone Avenue). New civil engineering operations have also got underway, such as the Colmar and Belfort purification plants and road structures at Hagenau and Sélestat.

Foreign investments are expected in Alsace in 1997. Urban will focus its activity more towards industrial and environmental operations as well as special and subsidized housing projects. The company's German subsidiary, URBAN BTP Bau GmbH, was able to double its turnover compared with the

previous year thanks to the contract executed jointly with OBG for the construction of 18 residential buildings with a total of 180 units near the Berlin Schönefeld Airport (architect Peter Lanz). Two substantial orders were received in 1996 in the Frankfurt area: the construction of an office building in Walldorf and a clinic in Falkenstein (architect J.Hornstein).

Given the specific risks that exist on the German private market, and for reasons of greater consistency, it was considered necessary to place the company under the group's German division, managed from Berlin as of the beginning of 1997.



The cité judiciaire project in the heart of historic Bordeaux.

Bourdarios completed a housing programme in Toulouse.

Campenon Bernard Sud-Ouest

Both for Gauchoux in Aquitaine and for Bourdarios in the Midi-Pyrénées region, the recession forecast for 1996 was sharper than expected.

Gauchoux was unable to perform any works in either schools or social housing and consequently saw its turnover drop to 53 MF. The company continued to perform the structural work on the Ilot Judiciaire project in Bordeaux, a group venture, (architect Richard Rogers), built a technology centre for the Gujan-Mestras middle school (architects Coutellec et Miquet), and a firing range at St.Jean d'Ilac for the regiment of Engineers stationed at Bordeaux.

Bourdarios was adversely affected by the refusal to grant any further planning permission for large shopping centres and by the suspension and then resumption of the project to build a driving school for the regiment of Engineers at Castelsarrasin

(architect Engineering unit at Montauban), and ends the year with turnover down to 40 MF. Three housing construction projects supplemented business, consisting mainly of small contracts in the Tarn-et-Garonne region, and 1996 will have been the last year of construction activity on the Golfech nuclear power station site. A new order was secured as a member of a group of enterprises that will act as general contractors in the building of the Science of History Department at Toulouse University (architect G. de Hoym de Marien).

It must however be said that while Gauchoux can hope for business to pick up in 1997, Boudarios can only expect to achieve the same turnover as in 1996.

FRANCE

Earthworks

Despite a tough competitive environment and sluggish growth on the domestic market, Campenon Bernard SGE's Earthworks activity registered a substantial increase in 1996, its turnover rising to 989 MF, up almost 27% on 1995. In 1997 however it is expected that the demand for earthworks will probably not match the production capacity of enterprises in this sector, and that therefore business will suffer both in terms of turnover and profit.

Deschiron

The company was able to strongly boost its turnover to 627 MF, and in doing so increase its market share and return good profits. Work continued on a number of motorway sections - Fontenay le Comte-Oulmes on the A83, la Chapelle Auzac-Brive on the A20, Rochefort-Charente on the A837 and Neufchâtel-Banzy-sur-Bresles on the A28.

New work will be contracted in 1997 on several packages of the TGV Mediterranean line, and the company is expecting to receive fresh orders for motorway projects such as the A77 Dordives-Cosnes, the A89 Bordeaux-Clermont, the A51 Grenoble-Sisteron and the A28 Le Mans-Tours sections.

Its subsidiary SOTRAMINES continued its open-cast coal-mining operations for Houillères de Bassin du Centre et du Midi under its ongoing contract that will now run until 2003.

Deschiron obtained ISO 9002 certification in 1996.

Valérien

After suffering a downturn in 1995, Valérien was able to increase turnover by 35% in 1996 to 362 MF. This improvement was especially marked in the area of Major Works with the performance of several large scale projects: the completion of the Pinas-Saint Gaudens section of the A64 motorway, the continuation of work on the Montauban-Caussade section of the A20 and Fontenay-Oulmes on the A83, and the start-up of operations on the A29 motorway.

The activity of the company's agencies also picked up thanks to good performance from the Centre-Sud region. In 1997 Valérien is already sure of involvement in several TGV Mediterranean work packages and will be hoping to be awarded a number of contracts on the A77, A89 and A51 motorways to maintain



The A28, the Estuaries motorway.
A Sotramines specialty,
coal mining.
Valerian broke ground on the A29.



Above:
**Dredging operations
in the Rhone near Avignon.**

**Botte BTP carried
out the foundation work
for the Caisse Française
de Développement at Bercy.**

Opposite:
**Reinforcing the Pont de Pierres
in Bordeaux.**

FRANCE

The specialised subsidiaries

Working in their own specific fields - special foundations, maritime and inland waterway works and drainage installations - the specialised subsidiaries registered total turnover of 564 MF in 1996.

EMCC

At 197 MF, EMCC's turnover remained stable in 1996 and produced profits roughly similar to those realised in 1995. In the course of the year the Dredging division completed channel dredging operations for the Tagus River Bridge project in Portugal, as well for the Banc Saint-Bernard in Bayonne (1,200,000m³) and the dredging work needed for the construction of the TGV Mediterranean viaduct over the Rhone at Avignon (900,000m³).

Another main feature of the year was a number of contracts for major repair works on river bed foundations, the most extensive being pier consolidation on the Pont de Pierres in Bordeaux.

One operation of considerable technical complexity was the installation of a tunnel connecting the two buildings of the

European Parliament in Strasbourg: the 93-metre cylindrical tunnel with a diameter of 3.75 metres was laid on the bed of the River Ill in one single section. EMMC, which occupies a leading position in France in the field of maritime and inland waterway works, strengthened its presence in this area by developing a speciality of underwater diving works.

The company should enjoy a period of growth in 1997, in particular thanks to TGV South-East projects, since it has already been chosen for the foundation and cofferdam work on the three main bridges that will carry the new line over the Rhone.

Botte BTP

In 1996, the extremely depressed state of the construction market in the Ile de France area around Paris is reflected in the drop of the company's turnover by some 20% compared with 1995.



Despite business being generally poor, underground cut-off walls remained bouyant with the work at the drinking water plant at Méry-sur-Oise and the Leclerc sanitation chamber in Nanterre. The company also laid the foundations of the temporary bracing towers for the roof of the Stade de France at Saint-Denis. In 1997 BOTTE BTP will be refocussing its activity in the field of Public Works foundation operations, temporarily neglecting building works. The company feels that this will restore improved profitability.

Par. En. Ge.

The volume of business pushed turnover up slightly in 1996 to some FF 104 million. It nonetheless remains well below the level of previous years due to the continuing absence of any large civil engineering projects related to water.

Among the most important projects this year were the the Grigny decontamination tank, drainage of the area around the A14/A86 motorway interchange, the 1km collector at Rueil-Malmaison, continuation of the road laying in zones T1 and T3 of the Rive Gauche ZAC for SEMAPA, as well as various sewage rehabilitation projects. Moreover, by focussing more on drainage work, Par.en.ge. has been able to obtain a number of maintenance contracts. In 1997 Par.en.ge is forecasting a roughly similar level of turnover with more or less identical profitability.

Acanthe BTP

The past year confirmed the conservative turnover target that had been set, and finally met, at 43 MF.

In 1996 the company was able to expand its operations further afield, winning extending orders in Seine Saint-Denis and Val d'Oise among others, and also extending its commercial activity to include new customers.

Despite a sluggish market, Acanthe BTP hopes to secure a number of projects currently under negotiation and maintain its level of activity.

Names and addresses of main subsidiaries

BUILDING AND PUBLIC WORKS SUBSIDIARIES

ACANTHE BTP

338, avenue Pasteur - BP 29
77551 Moissy-Cramayel Cedex
Tel.: 01 60 60 62 63 - Fax: 01 64 88 62 63
Chairman: Jean-Marc Médico
Managing Director: Jean-Louis Gérault

BATEG

24, boulevard des Iles
92442 Issy-les-Moulineaux Cedex
Tel.: 01 40 93 73 00 - Fax: 01 41 08 93 47
Chairman: Jean de Rodellec

BÂTIMENTS ET PONTS CONSTRUCTION

171, chaussée de la Hulpe
1170 Bruxelles (Belgium)
Tel.: (32 2) 663 60 00 - Fax: (32 2) 672 42 50
Chairman: Ado Blaton
Managing Director: Philippe Auffray

BONINO

La Garonne - Grange Neuve - BP 77
26702 Pierrelatte Cedex
Tel.: 04 75 96 33 20 - Fax: 04 75 98 82 85
Chairman: Yves Périllat
Managing Director: Jean-Louis Sibeud

BRÜGGEMANN GMBH & CO KG

Waterkampstrasse 15
47169 Duisbourg (Germany)
Tel.: (49 20) 35 00 50 - Fax: (49 20) 35 00 51 74
Co-managers: Jürgen Kaiser, Kurt von Riesen

CAMPENON BERNARD BÂTIMENT

92-98, boulevard Victor-Hugo
92115 Clichy
Tel.: 01 49 68 13 00 - Fax: 01 47 37 04 33
Chairman: René Palmer
Managing Director: Jean-René Labonne

CAMPENON BERNARD RÉGIONS

92, rue Alexandre-Dumas
69120 Vaulx-en-Velin
Tel.: 04 72 15 61 61 - Fax: 04 72 15 61 62
Chairman: Yves Périllat

CAMPENON BERNARD SGE GMBH

Wartenberger Strasse 24
13053 Berlin (Germany)
Tel.: (49 30) 98 62 50 20 - Fax: (49 30) 98 62 50 03
Managing Director: Jean-Marc Rudloff

CAMPENON BERNARD SGE POLSKA

5, rue Szymczaka
01-227 Warsaw (Poland)
Tel.: (48 22) 63 23 29 1 - Fax: (48 22) 63 21 06 1
Chairman of the Executive Committee:
Zbigniew Miziniak

CAMPENON BERNARD SUD

22, rue Joseph-Clérissy - BP 88
13425 Marseille Cedex 12
Tel.: 04 91 18 67 00 - Fax: 04 91 88 18 95
Chairman: Yves Chatard

CAMPENON SAIGON BUILDERS

163, rue Hai Ba Trung St.
9th floor
IDC Building District 3
Ho Chi Minh City (Vietnam)
Tel.: (84 8) 8242 242 - Fax: (84 8) 8242 240
Managing Director: Jean-Louis Thouret

CBC ILE-DE-FRANCE

110, boulevard Victor-Hugo
92100 Boulogne
Tel.: 01 47 12 67 00 - Fax: 01 46 05 32 06
Chairman and Chief Executive Officer: Patrick Bonnetain
Managing Director: Jean-Yves Ghio

C3B

Immeuble Le Richelieu
10, boulevard Carnot
21000 Dijon
Tel.: 03 80 66 65 10 - Fax: 03 80 31 80 34
Chairman: Jean-Pierre Anquetil

COBATRA

239, rue George-Sand
Z.I Moulina-la-Chazotte
42350 La Talautière
Tel.: 04 77 32 31 99 - Fax: 04 77 32 68 52
Chairman: Yves Périllat
Managing Director: André Latour

COMOFI

5, cours Ferdinand-de-Lesseps
92851 Rueil-Malmaison Cedex
Tel.: 01 47 16 31 89 - Fax: 01 47 16 36 30
Chairman: Patrick Bonnetain
Managing Director: Christian Trognon

EDIF

Bâtiment C - 4, avenue Morane-Saulnier
78140 Vélizy
Tel.: 01 34 65 06 99 - Fax: 01 30 70 68 84
Chairman: René Palmer

ENBATRA

9 bis, avenue de la Falaise
38360 Sassenage
Tel.: 04 76 85 93 93 - Fax: 04 76 26 19 80
Chairman and Chief Executive Officer: René Palmer
Managing Director: Jean-Paul Galland

EXPERTISES ET TRAVAUX

7 chemin du Caillou
69630 Chanopost
Tel.: 04 78 56 40 40 - Fax: 04 78 56 07 80
Chairman: William Baudry

FCC

Pobrezni Ulice Karlin 1800
Prague 8 (Czech Republic)
Tel.: (422) 24 81 00 74 - Fax: (422) 24 81 02 71
Managing Director: Jean-Louis Choulot

GILETTO

Route de la Dranse - BP 619
74506 Amphion-les-Bains
Tel.: 04 50 70 04 61 - Fax: 04 50 70 84 55
Chairman: Yves Périllat
Managing Director: Mohandass Aroq

H. HAGEN SA

Avenue Elias-Garcia, 22
1000 Lisbon (Portugal)
Tel.: (351 1) 795 0700 - Fax: (351 1) 796 9848
Managing Director: Rui Osorio de Castro

LAMY

13, place Jean-Berry - BP 40
69702 Givors Cedex
Tel.: 04 72 49 23 80 - Fax: 04 78 07 19 80
Chairman: Yves Périllat
Managing Director: Michel Bena

MCB

Espace Colbert
10, rue Sainte-Barbe
13001 Marseille
Tel.: 04 91 13 14 15 - Fax: 04 91 56 53 74
Chairman: Michel Normand

MERLE

24, rue Parmentier
43300 Langeac
Tel.: 04 71 77 69 20 - Fax: 04 71 77 01 63
Chairman and Chief Executive Officer: Yves Périllat

PATEU & ROBERT

ZI de Trepillot
26, rue Albert-Thomas
25000 Besançon
Tel.: 03 81 48 54 85 - Fax: 03 81 47 05 79
Chairman: Jean-Pierre Anquetil
Managing Director: Lionel Landry

PIERROT BTP

54 bis, route de Seurre - BP 84
21203 Beaune Cedex
Tel.: 03 80 22 26 10 - Fax: 03 80 24 79 25
Chairman: Yves Périllat
Managing Director Michel Vachey

PT CAMPENON BERNARD SGE INDONESIA

14th Floor, Plaza Bapindo II,
JL. Jenderal Sudirman Kav. 54.55
Jakarta 12910 (Indonesia)
Tel.: (62 21) 527 39 19 - Fax: (62 21) 527 39 18
Chairman: Jean-Luc-Cran

RITOU CONSTRUCTION

13, avenue Morane-Saulnier - BP 266
78147 Vélizy
Tel.: 01 30 67 66 70 - Fax: 01 30 67 66 68
Chairman: Jacques Colin

SAINRAPT ET BRICE INTERNATIONAL

5, cours Ferdinand-de-Lesseps
92851 Rueil-Malmaison Cedex
Tel.: 01 47 16 35 57 - Fax: 01 47 16 33 60
Chairman and Chief Executive Office:
Jean-Etienne Treffandier

SCB

Route de Brignais
69630 Chaponost
Tel.: 04 78 56 70 80 - Fax: 04 78 56 54 18
Chairman: René Palmer
Managing Director: Jacky Perrin

SGE-C MALAYSIA

6 th floor, n°3 Cangkan
Raja Chulan,
5020 Kuala Lumpur (Malasia)
Tel. and Fax: (60 3) 735 96 24
Managing Director: Tanguy de Belair

SGE NIGERIA LIMITED

Plot 722 A Adetokunbo Ademola Street
Victoria Island - Lagos (Nigeria)
Tel.: (234) 1 261 88 94
Fax: (234) 1 261 83 89
Managing Director: Fehmi Cariki

SOBEA AUVERGNE

10, rue des Frères Lumière
ZI du Brézet
63050 Clermont-Ferrand Cedex
Tel.: 04 73 91 91 40 - Fax: 04 73 91 90 08
Chairman: Yves Périllat
Managing Director: Jean-Paul Pillaud

**SOCIETE DE CONSTRUCTION DES AUTOROUTES DU SUD
ET DE L'OUEST (SOCASO)**

12, rue de la Renaissance
92160 Antony
Tel.: 01 46 74 16 00 - Fax: 01 46 66 40 52
Chairman: Jean-Claude Dayant

URBAN BTP

19, route d'Eschau
67400 Illkirch-Graffenstaden
Tel.: 03 88 40 56 10 - Fax: 03 88 67 26 70
Chairman: René Palmer
Managing Director: Jean-Marc Servelle

VERAZZI

350, rue des Frères-Lumière - BP 90
39003 Lons-le-Saunier
Tel.: 03 84 87 61 80 - Fax: 03 84 84 43 15 44
Chairman: Yves Périllat
Managing Director: Martial Francoz

VERDOIA

3, rue Augereau
77000 Melun
Tel.: 01 64 10 42 80 - Fax: 01 64 10 42 81
Chairman: Jean de Rodellec

VIETNAMESE FRENCH INFRASTRUCTURE CONSTRUCTION

69, rue Trieu Viet Vuong
Hanoi (Vietnam)
Tel.: 84 8 8242 242 - Fax: 84 8 8242 240
Managing Director: Jean-Loup Courtin

WARBUD SA

Ul. Twarda 14/16
Warsaw 105 00 (Poland)
Tel.: (48 22) 62 03 79 3 - Fax: (48 22) 62 06 12 3
Managing Director: Włodzimierz Włodarczyk

SPECIALIZED SUBSIDIARIES

BOTTE BTP

21, rue du Pont-des-Halles
Delta 112 - 94536 Rungis Cedex
Tel.: 01 49 61 48 00 - Fax: 01 49 61 48 01
Chairman: Jean-Marc Médico
Managing Director: Jean-Claude Albrecht

DESCHIRON

1, rue du Docteur-Charcot - BP 10
91421 Morangis Cedex
Tel.: 01 69 10 16 10 - Fax: 01 69 10 16 56
Chairman: Jacques Mimran

EMCC

21, rue du Pont-des-Halles
Delta 101, Chevilly-Larue - 94536 Rungis Cedex
Tel.: 01 49 61 71 00 - Fax: 01 49 61 71 01
Chairman and Chief Executive Officer: Jean-Marc Médico

GESPACE FRANCE

13, rue Madeleine Michelis
92200 Neuilly-sur-Seine
Tel.: 01 41 43 02 02 - Fax: 01 41 43 02 20
Chairman: Jean-Pierre Combe
Managing Director: André Boulot

INFRASTRUCTURES URBAINES ET ROUTIERES (IUR)

1, rue du Docteur-Charcot - BP 33
91421 Morangis Cedex
Tel.: 01 69 10 27 60 - Fax: 01 64 48 10 86
Chairman: Dominique Michel

PAR.EN.GE

21, rue du Pont-des-Halles
Delta 107 - 94536 Rungis Cedex
Tel.: 01 41 73 10 00 - Fax: 01 41 73 10 01
Chairman: Jean-Marc Médico
Managing Director: Favez Boulos

PARIDRO

89, rue Paul-Bert - BP 74
94290 Villeneuve-le-Roi
Tel.: 01 49 61 71 10 - Fax: 01 49 61 71 01
Chairman: Jean-Marc Médico

SALVAREM

Z.I Les Malalonnès - BP 199
26702 Pierrelatte Cedex
Tel.: 04 75 96 31 38 - Fax: 04 75 98 96 06
President and Chief Executive Officer: Jean-Louis Le Mao
Managing Director: Gilles Piquereau

SGE SYSTÈME RAIL

1, rue du Docteur-Charcot - BP 10
91420 Morangis
Tel.: 01 69 10 16 10 - Fax: 01 69 09 10 65
Chairman and Chief Executive Officer: Jacques Mimran

SOTRAMINES

735, rue des Fouthiaux
71410 Sanvignes-les-Mines
Tel.: 03 85 57 90 00 - Fax: 03 85 67 21 20
Chairman and Chief Executive Officer: Jacques Mimran

VALERIAN

708, route de Caderousse
84350 Courthézon
Tel.: 04 90 70 22 61 - Fax: 04 90 70 70 65
Chairman: Daniel Boisson

VIPP TRAVAUX

6, chemin des Mèches - ZI des Bouvets
94015 Créteil Cedex
Tel.: 01 42 07 38 68 - Fax: 01 42 07 22 09
Chairman: Jean-Marc Médico

Consolidated accounts

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Comments on the consolidated financial statements

Assets

Intangible assets

Intangible assets, FF million, evolved as follows over the year:

Acquisitions	10.1
Depreciation allowance	(5.4)
Additions to consolidation scope	0.3
Net increase	5.0

Tangible assets

Tangible assets in FF million, evolved as follows, over the year:

Acquisitions	180.4
Depreciation allowance	(238.3)
Disposals or net retirements	(28.7)
Exchange adjustments and change in scope of consolidation	(5.7)
Net decrease	(80.9)

Financial assets

The net value of non-consolidated investments increased by FF 604 million. It represents the total value of stock in companies with no impact on the Group's activity or income.

Deferred charges

Amortization of deferred charges relating to the number 2 metro line in Cairo, the Athens metro, the Hong Kong sewer operations and the Kwai Chung viaduct, is the reason for the considerable decrease (FF 22.5 million) under this item.

Current assets

Current assets went from FF 5,481.7 million on 1st January to FF 6,099 million on 31st December. This increase relates essentially to cash items.

Liabilities

Provision for contingencies and losses

Total provision for contingencies and losses amounts to FF 1,238.6 million, showing a net allocation of FF 79 million, which breaks down, in FF million, as follows:

Allocation of operating reserves	(41.5)
Recovery of financial reserves	4.7
Allocation to extraordinary reserves	74.5
Variations in scope of consolidation and other charges	41.3
Net allocation	79.0

The allocations of operating reserves concern mainly provision for disputes and for losses on current projects.

The financial allocations refer mainly to provisions against financial risks abroad.

Current liabilities

The increase in the different items under current liabilities amounts to a total of FF 352.3 million.

This change, corresponding essentially to an increase in operating debt, arises from major international projects.

Consolidated income statement

The income statement shows a turnover of FF 7760 million.

This activity was carried out 55% in France, 26% in Europe and 19% in the rest of the world.

Operating income totalled FF 227.5 million, after allowances for depreciation and operating provisions of FF 239 million.

Financial income before deduction of provisions totalled FF 72.6 million.

Net allowance of FF 5.8 million for financial provisions was used mainly to cover international financial risks.

Non-recurring items showing a loss of FF 183.5 million, result principally from sums set aside for contingencies abroad and restructuring costs.

The consolidated income statement shows a profit of FF 110.6 million.

Consolidated Balance Sheet

at 31st December 1996

Assets

(in FF 000s)	Notes	Gross amount	Depreciation	1996 Net amount	1995 Net amount
Intangible assets	3	43,427	15,753	27,674	22,718
Goodwill	4	116,608	32,108	84,500	87,849
Tangible assets	5	1,475,170	922,098	553,072	633,941
Financial assets					
- Non-consolidated investments	6	99,631	24,357	75,274	81,630
- Invest. accounted for by equity method		3,126		3,126	4,031
- Other financial assets	7	185,283	16,931	168,352	138,823
Deferred charges	8	5,544		5,544	28,061
Total fixed assets		1,928,789	1,011,247	917,542	997,053
Inventories and work in progress	9	73,896	10,980	62,916	87,914
Accounts receivable		2,243,674	121,657	2,122,017	2,429,491
Other receivables		1,569,653	58,697	1,510,956	1,240,513
Short term investment securities	10	1,878,617	1	1,878,616	972,428
Fin. receivables & market securities	10	429,793		429,793	547,354
Cash		94,818	109	94,709	204,033
Total current assets		6,290,451	191,444	6,099,007	5,481,733
TOTAL ASSETS		8,219,240	1,202,691	7,016,549	6,478,786

Liabilities

(in FF 000s)	Notes	Net amount 1996	Net amount 1995
Capital stock		505,750	505,750
Premiums		39,349	39,349
Group share in cons. retained earnings		104,797	60,651
Group share in income for the year		110,585	12,742
Equity		760,481	618,492
Minority interests	11	27,774	31,128
Provisions for contingencies and losses	12	1,238,588	1,159,610
Other equity			
Long and medium term debt	13		
- Bonds and debentures		10,050	9,825
- Other debt of more than one year		13,532	45,888
Total capital employed		2,050,425	1,864,943
Advance payment		328,703	324,998
Trade payables		2,005,434	2,150,437
Other payables		2,288,080	1,812,097
Short term debt		343,907	326,311
Total current liabilities		4,966,124	4,613,843
TOTAL LIABILITIES		7,016,549	6,478,786

Consolidated income statement

(in FF 000s)	Notes	1996	1995
OPERATING TURNOVER			
Net sales	14	7,759,967	7,400,927
Other revenue(*)	15	486,911	469,132
Total revenue		8,246,878	7,870,059
Operating expenses	16	(8,019,344)	(7,832,438)
Net operating profit/(loss)		227,534	37,621
Financial income		112,260	189,644
Financial expenses		(39,616)	(110,927)
Financial provisions		(5,789)	(18,504)
Net financial expenses	17	66,855	60,213
Operating profit/(loss) less financial expenses		294,389	97,834
Non-recurring items		(118,594)	(58,084)
Non-recurring depreciation and provisions		(64,911)	(25,740)
Non-recurring expenses	18	(183,505)	(83,824)
Employee profit-sharing		(11,139)	(12,762)
Taxation	19	(7,909)	(12,182)
Profit/(loss) from fully consolidated companies before amortization of goodwill		91,836	(10,934)
Amortization of goodwill		(5,967)	(5,740)
Profit/(loss) from fully consolidated companies		85,869	(16,674)
Equity in net earning of consolidated companies		(905)	34
Net consolidated profit/(loss)		84,964	(16,640)
Minority interests		25,621	29,382
NET GROUP PROFIT/(LOSS)		110,585	12,742

(*) and operating expenses transfers

Source and application of funds

(in FF 000s)	1996	1995
SOURCES		
Net income before equity interest and minority interest	85,869	(16,675)
Depreciation, amortization and changes in provisions	333,105	275,281
Cash flow	418,974	258,606
Net capital gains from disposal of fixed assets	(575)	7,778
Cash flow from operations	418,399	266,384
Capital increases	36,796	58,507
Part of third parties in capital increase in subsidiaries		10,319
Increase in long term debt	2,551	9,671
Repayment of other financial assets	6,551	10,312
TOTAL SOURCES	464,297	355,193
APPLICATIONS		
Investments		
Acquisition of tangible and intangible assets	190,462	287,426
Acquisition of shares in partnerships	6,339	6,637
Total investments	196,801	294,063
Income transfer from parent company	(30,967)	118,274
Income transfer to minority interests	(23,031)	(64,015)
Repayment of long term debt	36,634	23,532
Expenses amortized over several years	21,616	26,765
Acquisition of other financial assets	33,554	17,750
TOTAL USES	234,607	416,369
Change in working capital	229,690	(61,176)
Effect of change on the scope of consolidation and of exchange rate fluctuations and other adjustments	35,303	35,240
Change in net working capital	264,993	(25,936)
Change in working capital needs	(396,714)	335,993
Change in cash	661,707	(361,929)

Changes in shareholders' equity

(in FF 000s) Equity, group share	Capital	Premium	Conversion adjustments	Retained earnings	Total
At 31st December 1994	505,750	39,349	(2,683)	180,613	723,029
Net income appropriation, parent company				(118,274)	(118,274)
Conversion adjustments			994	1	995
Net income for the year, group share				12,742	12,742
At 31st December 1995	505,750	39,349	(1,689)	75,082	618,492
Net income appropriation, parent company				30,967	30,967
Conversion adjustments			1,197	(760)	437
Net income for the year, group share				110,585	110,585
At 31st December 1996	505,750	39,349	(492)	215,874	760,481

Notes on the consolidated financial statements

as of 31st December (in FF 000s)

1. Accounting methods and principles

The consolidated financial statements of Campenon Bernard SGE, included in the consolidated financial statements of the Société Générale d'Entreprises, have been prepared according to French accounting regulations defined in the French chart of accounts, the law of 3 January 1985 on consolidation, and the decree of 17 February 1986.

1.1 Consolidation principles

The consolidated financial statements include all subsidiaries with net sales of more than FF 10 million as well as companies in joint venture.

Companies controlled by Campenon Bernard SGE are fully consolidated. Companies over which Campenon Bernard SGE has significant influence are accounted for by the equity method.

The proportional method has been used to consolidate jointly controlled entities and joint ventures making a significant contribution to group net sales.

The proportional consolidation of joint ventures not requiring long-term finance has been limited to the income statement.

1.2 Conversion of the financial statements of companies abroad

Items on the balance sheet and the income statement are converted using the exchange rates prevailing at year end. Gains and losses are reported under the "Conversion adjustment" item in shareholders equity.

1.3 Foreign currency payables and receivables

Payables and receivables in foreign currencies are converted at the exchange rate prevailing at year end. Only unrealized losses in foreign exchange are charged to income.

1.4 Goodwill

Goodwill, the difference between the cost of acquiring assets in a consolidated company and shareholders equity at the date of acquisition is, in principle, allocated to the proper balance sheet items of the acquired subsidiary.

The remaining unallocated balance is reported as goodwill under assets of the consolidated balance sheet, and depreciated over no more than 20 years.

Goodwill not exceeding FF 1,000,000 is totally depreciated within the year.

1.5 Fixed assets

- Tangible assets

Property, plant and equipment are recorded at the value given in individual company statements.

The depreciation method used in individual company statements is also used in the consolidated accounts.

Depreciation is calculated using the straight-line method or accelerated method according to normal time periods for industry. The estimated useful life for depreciation purposes is :

Building	from 20 to 30 years
Construction equipment	from 3 to 10 years
Motor vehicles	from 3 to 5 years
Fixtures	from 5 to 10 years
Office furniture and equipment	from 3 to 10 years

- **Intangible assets** (start-up costs, goodwill, franchises, patents, software etc.)

Intangible assets are recorded at the value given in individual company statements.

- Financial assets

Non-consolidated investments and long-term financial assets are recorded at the value given in individual company statements.

They are valued at the acquisition cost or current value, whichever is the lowest. When current value is less than gross book value, a provision for depreciation is entered for the difference.

The current value for non-consolidated investments is based on the share of equity in the companies concerned, corrected if necessary, for recently acquired companies, in order to account for the interests of these in companies and their future capital gains and growth.

Long-term loans are not discounted to present value and remain on the balance sheet at their nominal value.

1.6 Income recognition

Income from long-term contracts is accounted for using the percentage-of-completion method.

For works to which this method cannot be applied, the completed-contract method is used.

Provision is made for risks and losses which may affect final income, taking into account, where applicable, a reasonable estimate of successful claims.

1.7 Income tax

Owing to the legal status of Campenon Bernard SGE (a "société en nom collectif", or general partnership not subject to French corporate income tax), its financial results are reported excluding the impact of corporate income tax.

2. Significant events during the year

Scope of consolidation

During 1996, the scope of consolidation was as follows:

	France	Abroad	Total 1996	Total 1995
Fully consolidated	31	15	46	44
Proportionally consolidated (including partnerships)	9	15	24	27
Companies accounted for by the equity method		1	1	1
Total	40	31	71	72

3. Intangible assets

The net changes for the year were as follows

(in FF 000s)	1996	1995
Net balance at start of year	22,718	8,799
Net additions	8,741	14,540
Reclassifications and changes in the scope of consolidation	367	(31)
Amortizations and provisions	(4,152)	(590)
Total	27,674	22,718

4. Goodwill

Goodwill with a gross value exceeding FF 1,000,000 is amortized over 20 years.

Changes for the year were as follows:

(in FF 000s)	1996	1995
Goodwill at the beginning of the year	87,849	98,716
Goodwill acquired during the year	2,618	(6,308)
Amortization over the year	(5,967)	(4,559)
Total	84,500	87,849

5. Tangible assets

This item includes:

(in FF 000s)			1996	1995
	Gross value	Depreciation	Net value	Net value
Land	51,399	(1,284)	50,115	55,204
Buildings	114,428	(45,475)	68,953	75,967
Plant and equipment	973,185	(641,758)	331,427	355,770
Fixtures and miscellaneous	324,109	(232,172)	91,937	110,870
Leasehold	7,957	(1,409)	6,548	6,734
Under construction	4,092		4,092	29,396
Total	1,475,170	(922,098)	553,072	633,941

CAPITAL EXPENDITURE FOR THE YEAR

Land	113	3,577
Buildings	537	6,700
Plant and equipment	136,988	176,586
Fixtures and miscellaneous	37,691	62,435
Under construction	5,052	20,357
Total	180,381	269,655

6. Non-consolidated investments

Non-consolidated investments are stated at the value disclosed in the non-consolidated company accounts.

(in FF 000s)	1996	1995
Investments - gross value	99,631	104,186
Less depreciation provisions	(24,357)	(22,556)
Total	75,274	81,630

This item lists stock in companies controlled by the group without significant impact on the group's activity or income.

At 31st December 1996, the principal non-consolidated companies were:

Name	% of interest	Net value of stock
SCI Clichy	100.00	28,640
SOGEA Limitada - Chile	99.00	9,487
SMTPC	11.48	5,373
SCBA - Portugal	99.99	3,730
SGE Système Rail	99.94	2,265
Campenon Bernard Guyane	100.00	1,499
Saturg 2000	10.08	1,120
Société centrale de matériel	99.99	1,000
Steci	99.00	989
Forneron	99.99	799
CB Maroc	89.96	616
Bourdarios Nettoyage	99.80	510
SOPTEC	99.99	384

7. Other financial assets

This item comprises long-term financial loans and debts as well as deposits and bonds. Net value:

(in FF 000s)	1996	1995
Net long-term loans	31,373	28,276
Deposits	120,826	94,394
Other long-term financial assets	16,153	16,153
Total	168,352	138,823

8. Charges to be spread over several years

The charges to be spread over several years comprise the cost of tendering, specialized equipment and site installations, which are depreciated over the works execution period.

9. Inventories and works in progress

The item "inventories and works in progress" breaks down as follows:

(in FF 000s)	1996	1995
Inventories (net value)	62,916	87,914
Works in progress	—	—
Total	62,916	87,914

10. Short term financial receivables and marketable securities

This item breaks down as follows, net value:

(in FF 000s)	1996	1995
Marketable securities	429,793	547,354
Other financial securities	1,878,616	972,428
Total	2,308,409	1,519,782

"Marketable securities" consist essentially of debt securities and shares in mutual funds or money market mutual funds.

The market value of quoted securities at 31st December 1996 was not significantly different from their book value.

11. Minority interests

Minority interests changed during the course of the year as follows:

(in FF 000s)	1996	1995
Start of year balance	31,128	(13,687)
Changes in scope of consolidation and other	(764)	10,182
Funding by minority interests	23,031	64,015
Share of minority interests in net income	(25,621)	(29,382)
Balance at end of year	27,774	31,128

The group assumed the share of equity belonging to minority interests where shareholders equity in a subsidiary, including net income, was negative.

12. Provision for liabilities and charges

(in FF 000s) Nature of provisions	At the start of the year	Other variations	Conversion differences	Allocations	Recoveries	At the end of the year
Operating provisions						
- After sales service	135,790	55,256	316	47,722	60,919	178,165
- Litigation	122,874	67,079	692	96,658	81,046	206,257
- Anticipated losses	289,746	302	(679)	175,953	191,788	273,534
- Other provisions	365,405	(128,297)	908	98,268	126,344	209,940
Sub-total	913,815	(5,660)	1,237	418,601	460,097	867,896
Financial provisions	82,189	51,886	10	13,799	9,131	138,753
Exceptional provisions	163,606	(6,267)	58	162,729	88,187	231,939
Total	1,159,610	39,959	1,305	595,129	557,415	1,238,588

13. Financial debt

The group's financial debt is broken down as follows:

(in FF 000s)	1996	1995
Subordinated debt	(10,050)	(9,825)
Other long-term debt	(13,532)	(45,888)
Total long and medium-term portion of long-term debt	(23,582)	(55,713)
Short-term portion of long-term debt	(23,674)	(122,452)
Bank overdrafts and other short-term debt	(320,233)	(203,859)
Gross financial debt	(367,489)	(382,024)
Financial receivables and other marketable securities	429,793	547,354
Short-term investment securities	1,878,616	972,428
Cash	94,709	204,033
Net financial debt	2,035,629	1,341,791

Short-term investment securities comprise an investment of FF 1,696,346,00 in the parent company on which interest is payable close to market rates.

Maturity of long-term financial debt as of 31st December 1996:

Maturity year 1998	12,213
Maturity year 1999 to 2001	2,520
Maturity year 2002 and beyond	2,227
Maturity year undefined	6,622
Total	23,582

14. Analysis of sales

(in FF 000s)	1996	1995
SALES		
Net sales	7,760.0	7,400.8
Inventory	–	–
Capitalized costs	–	0.1
Total	7,760.0	7,400.9
BY GEOGRAPHICAL AREA		
France	4,281.9	3,935.3
Europe	2,041.1	2,132.4
Africa	330.4	396.5
Asia	996.0	891.8
Middle East	107.4	41.5
Other	3.2	3.4
Total	7,760.0	7,400.9

15. Other income

(in FF 000s)	1996	1995
Earnings/(losses) from joint operations	5,027	(10,529)
Operating subsidies	6,236	5,104
Other operating income	454,032	447,792
Transfer of operating liabilities and charges	21,616	26,765
Total	486,911	469,132

16. Operating expenses

Operating expenses totalling FF 8,019,344,000 break down as follows:

(in FF 000s)	1996	1995
Purchases	1,334,623	1,874,335
External services	4,155,444	3,344,602
Wages and social security	2,081,257	2,110,479
Other operating expenses	208,992	325,388
Provision for operating liabilities and charges	239,028	177,634
Total	8,019,344	7,832,438

Depreciation charges were as follows:

(in FF 000s)	1996	1995
Intangible assets	5 369	3 146
Tangible assets	238 080	209 823
Franchised assets	186	204
Deferred charges	23 561	156 802
Total	267 196	369 975

17. Net financial expenses

This breaks down as follows

(in FF 000s)	1996	1995
Financial expenses	53,096	68,379
Dividends	6,833	5,266
Exchange gains and losses	10,264	4,495
Changes in financial provisions	(3,338)	(17,927)
Total	66,855	60,213

18. Exceptional items

These are:

(in FF 000s)	1996	1995
Capital gains from disposal of fixed assets	575	(7,777)
Exceptional gains and losses from operations	(119,169)	(50,307)
Provisions for exceptional depreciation and liabilities	(64,911)	(25,740)
Total	(183,505)	(83,824)

This item includes FF 811,000 in capital gains from disposal of fixed assets (FF 1.7 million in 1995) and FF 236 million capital losses from the sale of securities (FF 9.476 million in 1995).

The item "exceptional gains and losses" includes restructuring costs of FF 35,486,000.

Capital gains from the sale of fixed assets concerning construction equipment are reclassified under the item "Other operating income".

19. Taxation

Taxation comprises current taxes on French corporations and branches abroad.

Because of the legal status of Campenon Bernard SGE, deferred taxes have not been taken into account.

20. Off-balance sheet commitments

Guarantees provided for major projects cover in particular cash advances received and performance guarantees for completion of works, which explains the size of the amount involved.

(in FF 000s)	Commitments given	Commitments received
Guarantees	3,304,912	462,433
Retirement indemnities	34,562	—
Joint guarantees for non-consolidated partnerships	54,603	2,813,876
Other commitments	88,776	—
Total	3,482,853	3,276,309

20.1 Commitments relative to retirement, pensions and other benefits

The company has made no special commitments with regard to pensions, retirement and other benefits.

Benefits due under the French public works bargaining agreement are taken into account at the time of payment. Retirement and other benefits for currently active employees (52 years of age and over) amount to a total of FF 34,562,000

They are determined as follows :

- retirement at age 60;
- remuneration and years of service as of 31st December 1996.

For employees over 60 years of age, the amount withheld is that determined on 31st December 1996.

20.2 Debts secured

Nil.

21. Payroll costs

Due to the high number of employees with a fixed term contract in this industry, it is considered appropriate to quote the average number for the year.

The weighted average number of employees is as follows:

	1996	1995
Management and professional	1,234	1,187
Supervisory	1,691	1,017
Staff workers	922	1,155
Manual workers	4,157	5,867
Total workforce	8,004	9,226

The combined payroll costs for all the companies in the group amounted to FF 2,081,257,000 in 1996 compared with FF 2,110,479,000 in 1995.

22. List of main consolidated companies

as of 31st December 1996

	Country	% of interest
1. Parent company		
CAMPENON BERNARD SGE		100.00
2. Subsidiaries with activities in the building and civil engineering sectors and consolidated using the full consolidation method		
ACANTHE BTP		100.00
ARMOR		99.70
BONINO		99.97
BOTTE BTP		100.00
BOURDARIOS		99.99
CMTM		99.99
CAMPENON BERNARD BÂTIMENT		100.00
CAMPENON BERNARD OUEST		100.00
CAMPENON BERNARD RÉGIONS		100.00
CAMPENON BERNARD SUD		100.00
CB SGE GmbH	GERMANY	100.00
CB SGE GmbH & Co Bau OHG	GERMANY	70.00
COBATRA		100.00
DESCHIRON		100.00
EDIF		100.00
EMCC		99.99
EMCC PORTUGAL	PORTUGAL	100.00
FINANCIÈRE LECLERC		100.00
GAUCHOUX		99.93
GILETTO		100.00
HAGEN	PORTUGAL	99.36
HAS		100.00
MERLE		99.97
OBAG	GERMANY	70.00
OBG	GERMANY	70.00
PAR.EN.GE		100.00
PARIDRO		100.00
PIERROT BTP		100.00
SALVAREM		99.99
SGE Hoch-und Ingenieurbau	GERMANY	70.00
SOTRAMINES		89.98
URBAN BTP BAU GmbH	GERMANY	100.00
URBAN BTP		100.00
UBG	GERMANY	70.00
VIPP TRAVAUX		50.99
VALERIAN		100.00
VERAZZI		99.99

	Country	% of interest
3. Subsidiaries in the building and civil engineering sectors and consolidated using the proportional consolidation method		
CAMPENON SAIGON BUILDERS LTD	VIETNAM	50.00
SOCASO		66.67
SOCATOP		33.33
VIETNAMESE FRENCH CORPORATION	VIETNAM	50.00
4. Joint venture companies and intercompany partnerships created for major projects and using the proportional consolidation method		
Kwai Chung Viaduct	HONG KONG	50.00
Lesotho tunnels	SOUTH AFRICA	20.50
Athens metro	GREECE	25.00
Cairo Metro Line 2	EGYPT	23.70
Tagus River Bridge	PORTUGAL	23.00
Stade de France		33.33
Colombes purification plant		35.20
Storebaelt tunnel	DENMARK	38.00
SSDS (Hong Kong sewers)	HONG KONG	50.00
Transmanche		17.00
Marseilles tunnel		37.50
Orelle tunnel		30.00

Statutory auditors' report on the consolidated accounts

In compliance with the task charged to us, we have examined the consolidated accounts of the company Campenon Bernard SGE for the financial year ending 31st December 1996, as attached to this report.

The consolidated accounts have been decided by the Management. Our duty is to express an opinion on these accounts on the basis of our audit.

We have carried out our audit according to the standards of our profession, which require efforts to be made to obtain reasonable assurance that the consolidated accounts present no significant anomalies. An audit consists of examining, on a sample basis, the conclusive elements justifying the information contained in these accounts. It also

consists of an assessment of the accounting principles applied and the significant estimates chosen for the accounts, as well as of their overall presentation. We consider that our audit provides us with an acceptable basis on which to express the opinion given below.

We hereby certify that the consolidated accounts are in order and sincere and that they faithfully reflect the assets, financial situation and results of the group of companies included in the consolidation.

Furthermore, we have verified the information given in the Group's management report. We have no comments to make with respect to the veracity of that information and to its consistency with the consolidated accounts.

Paris 12th May 1997

The Auditors

Hubert Luneau

Salustro Reydel

Bernard Cattenoz François Pavard

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