



A N N U A L R E P O R T 1 9 9 9

CAMPENON
BERNARD
SGE





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An improving building market in France has boosted the effects of the vigorous restructuring measures implemented these last few years and enabled us to return to profitable business in 1999. As a result, net income was approximately

1% of sales. Volumes remained at the same level as in 1998, since a highly selective order policy curbed growth that would have been at the cost of profit margins. These satisfactory results have been achieved across the board, including in Germany, and are the fruit of the efforts made by the entrepreneurs in the group, those who have the hands-on responsibility for a share of our sales and income. It is their responsiveness and commitment, day in, day out, on difficult markets, that have brought about this recovery. I take this opportunity to thank them.

In the field of major operations, the company's focus will be on two of its domains of excellence – large-scale transportation infrastructure, and major functional structure turnkey projects. The approach is one of partnerships with the project originators, with the emphasis on design and build and concessions, in emerging economies or developed countries. The volume of sales in this area has reached 25%, and offers satisfactory profitability.

Regional building and civil engineering activities, the main loss-maker in the past, have now recovered. Based on a close-knit network of local contractors, the group is now in a leading position in this business in Île-de-France, Burgundy, Franche-Comté, Auvergne, Rhône-Alpes and Provence, Alpes, Côte d'Azur. Conversely, in Portugal and the new German *Länder*, where we have small market share and over-capacity persists, we are preparing to pull out. Overall, this area of business, that broke even in 99, has genuine potential for improvement.

There have been substantial changes in the composition of the specialised works division. The earthworks company Valérian, operating on a fast-shrinking market, was sold; Botte Sade Fondations came into being; EMCC grew in the environment-related sector. This area delivered very satisfactory results.

The major projects teams, the regional subsidiaries and the specialised works contractors have all focused on their own field of competitive edge to build a loyal customer base, where the private share has once again grown. Their complementarity and the resulting synergies on the French market can also be seen in international operations, as illustrated by our development on the Polish market.

A backlog of good quality orders – up 17% over the previous year, a set of clear targets, a well-positioned and strongly motivated team: everything is in place

Henri Stouff
Chairman and Chief Executive Officer

THE MANAGEMENT TEAM

Senior Management

Henri Stouff
Chairman
and Chief Executive Officer
Bernard Bonnet
Vice-President
Pierre Linden
Vice-President
Christophe Pélissié du Rausas
Vice-President

Heads of Operating Divisions

Patrick Alvergne
Provence, Alpes, Côte d'Azur
Renaud Bentegeat
Building Île-de-France
Michel Bernard
Major International Projects
Raoul Dessaigne
Germany
Charles Lénès
Major International Projects
Jean-Marc Médio
Specialised Works
Jacques Mimran
Earthworks
Yves Périllat
Rhône-Alpes, Auvergne,
Bourgogne, Franche-Comté
Jean Volff
Building – international

Functional Directors

Alain Bourdeaux
Director of Legal Affairs
Olivier Caplain
Technical Director
Pierre Coppey
Director of Communication
Jean-Marie Lambert
Director of Human Resources
Christian Simon
Financial Director



*(From left to right) Sitting in the front row: Raoul Dessaigne, Bernard Bonnet, Henri Stouff.
Sitting in the second row: Michel Bernard, Alain Bourdeaux, Christian Simon, Renaud Bentegeat.
Standing: Jean Volff, Charles Lénès, Pierre Linden, Jean-Marc Médio, Yves Périllat, Jacques Mimran,
Jean-Marie Lambert, Patrick Alvergne, Christophe Pélissié du Rausas, Olivier Caplain.*

CAMPENON BERNARD SGE IN BRIEF



Campenon Bernard SGE, delivering total solutions

Campenon Bernard SGE is a general building and civil engineering contractor operating on markets in France, throughout Europe and the rest of the world. For more than seventy years the company has been successfully delivering its business commitments to its clients both in the public and private sector, in terms of quality, price and deadlines. Its customers enjoy the benefit of the company's ability to offer all-inclusive packages, such as design and build, or identifying the best financial or technical solutions.

Campenon Bernard SGE operates in all areas of building: new and renovated housing, office buildings, industrial units, commercial property and service facilities (convention centres, multi-service complexes) and specialised buildings (petrol stations, CHP units). Campenon Bernard SGE has the expertise to design and structure projects, drawing on its wide variety of in-house competencies and know-how in technically sophisticated construction operations. The company has been involved in the construction of many of the towers at la Défense (Société Générale, Prisma, Bull, IBM, Total...), and a number of very high buildings, such as the Entertainment Building in Hong Kong or the Jin Mao tower

in Shanghai. Its various subsidiaries have also produced some notable constructions – Cité Internationale in Lyons, the European Parliament building in Brussels, the Myslbek office and shopping complex in Prague. It has also built a large number of outstanding international hotels.

In the field of civil engineering, with its technical excellence, its expertise in project management and financing and in concession operations, the company is one of the leading contractors, with the ability to offer its clients all-inclusive package solutions in the area of large transportation infrastructure or other facilities. It is on the strength of such competencies that the company was chosen to lead projects such as Stade de France and the new stadium in Istanbul, the second Tagus river crossing, the Athens and Cairo metros, the Hub River power station in Pakistan and the Ventabren viaduct in France.

Through its subsidiaries, Campenon Bernard SGE is one of the leading contractors in earthworks (Deschiron), special foundations (Botte Sade Fondations) and maritime and inland waterway operations (EMCC).

KEY FIGURES

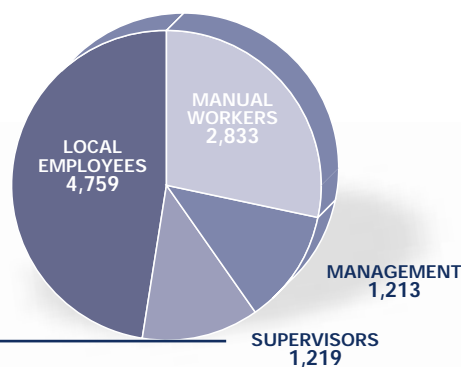
NET SALES BY LINE OF BUSINESS

RECONSTITUTED CONSOLIDATION SCOPE – IN MILLIONS OF EUROS AND FRENCH FRANCS

	EUROS			FRENCH FRANCS		
	1997	1998	1999	1997	1998	1999
BUILDING						
New housing	240.1	188.4	182.3	1,575	1,236	1,196
Private non-residential	343.6	367.6	378.3	2,254	2,411	2,482
Public non-residential	108.4	121.7	115.3	711	798	756
Renovation	187.2	210.2	262.3	1,228	1,379	1,720
Sub-total	879.3	887.9	938.2	5,768	5,824	6,154
CIVIL ENGINEERING						
Power generation	9.9	19.2	10.3	65	126	68
Environment	148.6	105.5	94.5	975	692	620
Transportation	511.0	441.2	387.9	3,352	2,894	2,544
Large-scale facilities	81.0	57.0	72.0	531	374	472
Sub-total	750.5	622.9	564.7	4,923	4,086	3,704
Total	1,629.8	1,510.8	1,502.9	10,691	9,910	9,858

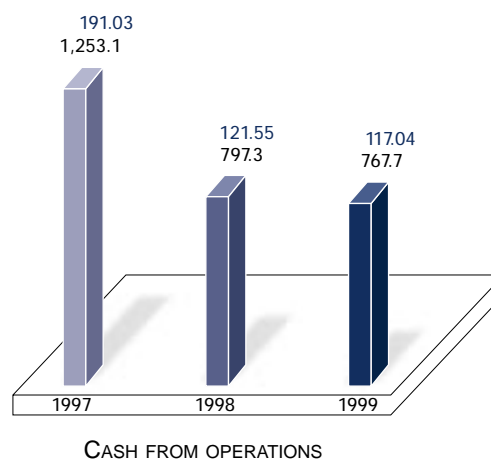
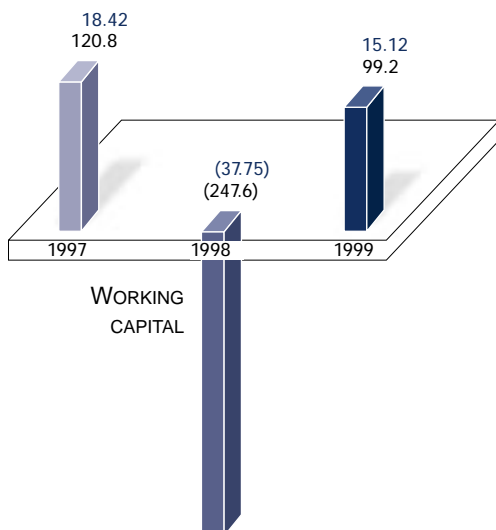
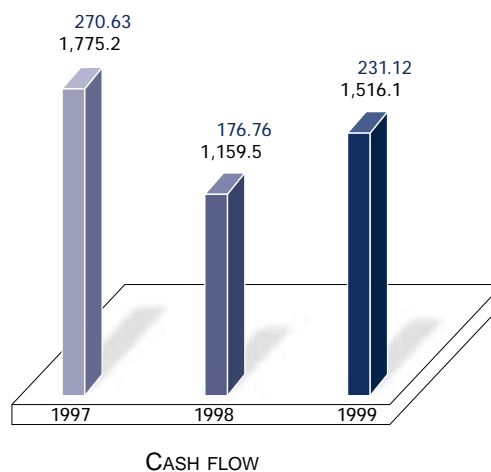
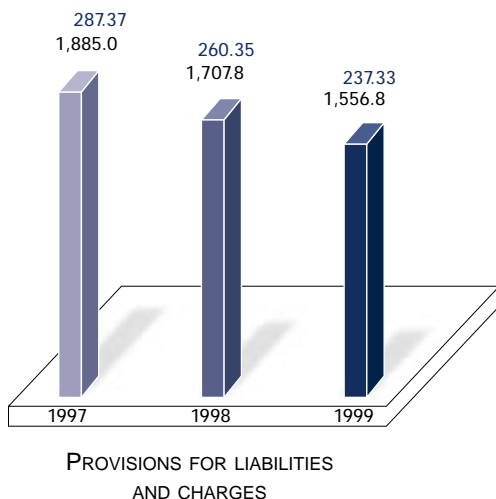
WORKFORCE AS AT 31 DECEMBER 1999

BREAKDOWN BY CATEGORY **Total: 10,024**



FINANCIAL DATA

ACTUAL CONSOLIDATION SCOPE – IN MILLIONS OF EUROS AND FRENCH FRANCS



EUROS

FRENCH FRANCS

1997 1998 1999

1997 1998 1999

Operating income/(expense)

plus net financial income	8.1	9.4	25.1	53.1	61.8	164.9
Exceptional expense	(47.8)	(40.9)	(1.8)	(313.6)	(268.5)	(11.6)
of which, restructuring charges	21.6	38.3	4.7	141.7	251.5	31.1
Net income/(expense)	(36.1)	(40.1)	13.0	(236.5)	(263.2)	85.2

KEY FIGURES – INTERNATIONAL

NET SALES BY GEOGRAPHIC AREA

ACTUAL CONSOLIDATION SCOPE – IN MILLIONS OF EUROS AND FRENCH FRANCS

	EUROS			FRENCH FRANCS		
	1997	1998	1999	1997	1998	1999
France.....	974.6	905.8	894.4	6,393	5,942	5,867
Germany.....	302.3	286.6	236.3	1,983	1,880	1,550
Europe (other).....	271.0	218.2	279.3	1,778	1,431	1,832
Africa.....	35.2	23.2	48.3	231	152	317
Middle East.....	22.9	36.8	38.8	150	241	254
Asia.....	23.8	40.2	5.8	156	264	38
Total.....	1,629.8	1,510.8	1,502.9	10,691	9,910	9,858

ORDER BOOK BY GEOGRAPHIC AREA

IN MILLIONS OF EUROS AND FRENCH FRANCS

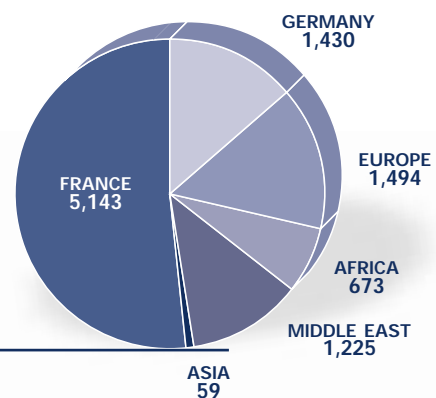
	EUROS			FRENCH FRANCS		
	1997	1998	1999	1997	1998	1999
France.....	920.6	793.2	930.5	6,039	5,203	6,104
Germany.....	196.6	145.3	117.7	1,290	953	772
Europe (other).....	213.3	265.0	353.8	1,399	1,738	2,321
Africa.....	23.8	35.5	28.8	156	233	189
Middle East.....	34.8	70.4	40.6	228	462	266
Asia.....	36.0	3.0	21.6	236	20	142
Total.....	1,425.1	1,312.4	1,493.1	9,348	8,609	9,794

WORK IN PROGRESS



WORKFORCE AS AT 31 DECEMBER 1999

BREAKDOWN BY GEOGRAPHIC AREA Total: 10,024



BUILDING

● **JANUARY:** HANDOVER OF THE FRANKFURT HILTON HOTEL. ● **FEBRUARY:** HANDOVER OF THE HILTON HANOI OPERA. ● **MARCH:** CONTRACT IS SIGNED FOR THE CIVIL ENGINEERING WORKS THAT WILL BE NEEDED TO EXTEND THE PARIS TO BRUSSELS HIGH SPEED RAIL LINK INTO THE BELGIAN CAPITAL. ● **MAY:** CONTRACT IS SIGNED FOR THE DANUBIA SHOPPING CENTRE IN BRATISLAVA. ● **JUNE:** CONTRACT IS SIGNED FOR THE REDEVELOPMENT OF THE HALLE TONY GARNIER IN LYONS. ● **JULY:** BRÜGGEMANN SIGNS THE CONTRACT FOR THE FRENCH PAVILION AT THE HANOVER 2000 WORLD FAIR. ● **SEPTEMBER:** CAMPENON BERNARD CONSTRUCTION KICKS OFF THE SAINT-CHARLES PROJECT IN PARIS, THE CAPITAL'S LARGEST HOUSING PROJECT IN 2000. ● **NOVEMBER:** MONACO STATION IS HANDED OVER. ● **DECEMBER:** CAMPENON BERNARD MÉDITERRANÉE IS CREATED.

With its closely-knit network of locations in France and Germany, Campenon Bernard SGE operates on all sectors of the building market, with a particular focus on the private non-residential segment. The Group supplies turnkey projects, ranging, where appropriate, from finding land, through legal arrangements and financing to management or operation under a maintenance contract. Its well-established reputation as a general contractor, its strictly selective approach, in conjunction with the way it has adapted its structures and positioned itself into areas where it has competitive edge, have enabled Campenon Bernard SGE to take advantage of the general improvement on the market in 1999.

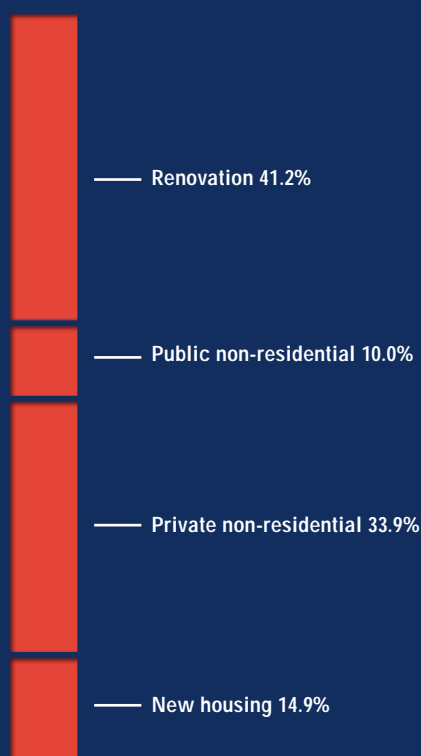
The Hilton Hanoi Opera (architect Art'Ur) was a design and build project by Campenon Bernard SGE handed over ready to operate on 5 February 1999.



Profile

The Île-de-France Building Division operates in all sectors of building, whether new works or renovation, generating sales of over € 244 million, 8.7% up over the previous year. The three main subsidiaries in this division have profiles that complement each other well: Bateg, a general building contractor, focuses essentially on non-residential private building; Campenon Bernard Construction, also a generalist, does most of its business in the publicly-funded sector; SRC (Ritou Construction) operates in the field of refurbishment and historical monuments.

Business breakdown (244.4 million euros)



ÎLE-DE-FRANCE

Business in 1999

Bateg

The highlight of 1999 was the kick-off of construction work on the PB6 tower (architects: Pei, Cobb, Freed and Partners) at la Défense for the American property developer Hines, entering the French market for the first time, and for which the company is general contractor. The PB6 tower will rise 40 storeys above the esplanade level and have a total surface area of 80,000 sq. metres. The contract was signed by Bateg in December 1998 and will be built with the support of Campenon Bernard Construction, with hand-over scheduled for the first half of 2001.

Bateg has drawn on expertise from other SGE group subsidiaries for this project: Botte Sade Foundations for the special foundations; SDEL for the electrical works; Tunzini for HVAC systems; Saga for plumbing and fire protection. This, the most prestigious project in the Paris area (the works amount to more than FF700m), is an excellent example of the kind of complementarity that the SGE group can offer its clients.

Bateg also completed a number of large housing refurbishment and construction projects, as well as other operations at la Défense, such as the Sofitel hotel (architect: Sari Ingénierie).

Among the major handovers should be mentioned the housing complex in the Haussmann district of Issy-les-Moulineaux for Cogedim (architect: Betom), an office building in Levallois for George V Industrie (architect: Sari Ingénierie), and the (structural) renovation of the Georges-Pompidou Centre (architects: CNAC, RPBW, Bodin & Associés). Towards the end of the year the company was awarded a contract by SORIF for the major refurbishment of the 19,000 sq. metre office building on the corner of boulevard de la Madeleine and rue Cambon in central Paris (architect: Cabinet A. Béchu).

Campenon Bernard Construction

At la Défense the company handed over the Égée tower block for Sari Développement (architect: Conceptua) and kicked off work at the end of the year on its twin, the Adria tower. Campenon Bernard Construction completed a Gap clothes store on the Champs-Élysées (architect: T. Bouchez) and was general contractor for another in the Palais des Congrès complex a short distance away (architect: Arc Studio). The company also completed the French School of Architecture at Marne-la-Vallée. A major achievement of the year was the award of the contract for works and 10 years maintenance of the André-Malraux secondary school under an METP contract (architect: A. Manoilescu) at Montereau. A contract was also signed with Seeri and Sogeprom for more than 300 housing units in the 15th *arrondissement* of Paris, the largest residential building operation in central Paris in 2000 (architects: Cabinets Vigneron and Béchu).

CBC Service, part of Campenon Bernard Construction, is continuing to develop in the area of up-market and specialised building refurbishment, where it is able to fully exploit its expertise on working on occupied sites. In 1999 CBC Service handed over the first phase of the four-year renovation of the Lycée Claude-Monet secondary school.

OUTLOOK

By focusing on project financing and design and build operations, the Île-de-France companies will continue in 2000 to seek partnerships with public and private sector customers, main and sub-contractors. A substantial improvement in operating margins is to be expected.

Verdoïa

Verdoïa has been able to consolidate its presence in the Seine-et-Marne region outside Paris, building up specialised expertise in building for the telecoms industry, with contracts from operators such as SFR, Telecom Développement or Global Crossing.

Campenon Bernard Industrie

The company offers fully-comprehensive solutions in all areas of industrial building, including clean rooms, agri-food facilities, and service stations, handed over ready-to-use to the oil company. The highlights of the year included further work on the Roche pharmaceuticals laboratory at Fontenay-sous-Bois, and the award of the first contracts of a pilot project for a major oil company.

Ritou Construction (SRC)

SRC operates in traditional building areas and in the field of historical monuments. Its refurbishment activity was given a substantial boost in particular by being awarded the contract for the Rivoli Cargill operation, involving rebuilding of 4,000 sq. metres of retail property and 55 housing units on Rue de Rivoli in Paris (B&B Architectes).



The renovation of the Claude-Monet school in the 13th arrondissement of Paris was completed without closure to the school's 1,800 pupils.



The Marne-la-Vallée School of Architecture (architect: Bernard Tschumi) puts three main materials on display: concrete, treated in various ways and left visible, metal, spread or diamond-tip cut, and glass for the façades and the roof.



The Haussmann district of Issy-les-Moulineaux in the suburbs of Paris comprises 356 new housing units and 556 parking spaces.

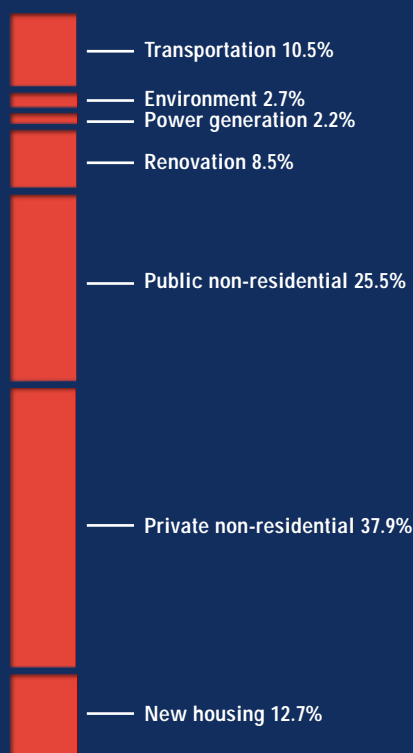
Profile

Campenon Bernard SGE is represented in central and eastern France, in the Rhone and Alps, Auvergne, Burgundy and Franche-Comté, via a network of building contractors with strong local roots. These companies operate in all sectors of the civil engineering and structures market as well as the building industry but have a particular focus on the public and private non-residential sector, specialising in industrial buildings and logistics facilities.

In these regions Campenon Bernard SGE is seeking to develop privately-financed design and build or general contracting projects.

Business breakdown

(157.9 million euros)



RHÔNE-ALPES, AUVERGNE, BOURGOGNE, FRANCHE-COMTÉ

Business in 1999

The outlook at the end of 1998 was confirmed; business volumes, driven by a stronger economy, were 12% up on the preceding year. New housing declined, being replaced by private non-residential projects offering better profitability. Orders from industrial clients surged. Nonetheless Campenon Bernard Régions did not seek to grow in the housing renovation sector, this being a sector where contracts are still awarded on a work package basis.

In civil engineering, the major structural projects were completed; new orders were sharply down and only concerned standard constructions.

In renovation, one of the major contracts won in 1999 was that awarded by the city of Lyons to rebuild the Grande Halle, a theatre originally put up by Tony Garnier in 1914, located in the Gerland district currently being redeveloped. The project will conserve the architectural heritage while at the same time making the location more user-friendly, versatile and practical (architect: A. Constantin). The works, to be carried out by Campenon Bernard Régions and Lamy, involve provision of an enclosed, covered building containing machinery, interior redevelopment, with pits and galleries for scenery-moving equipment, gangways for technicians, and the alteration of all the external shutters.

Another significant renovation operation was the Centre universitaire catholique de Bourgogne in Dijon. Working to a design developed by the Bau firm of architects, C3B completely rebuilt the interior of the former parish hostel, subsequently transformed into a theatre and then a cinema, but leaving the outer shell and roof structure. The scale and complexity of the site meant that hoisting equipment was ruled out and made it necessary to use self-compacting concrete, a technical innovation for this type of structure.

Campenon Bernard Régions Dauphiné-Savoies completed the entire reconstruction and renovation of the cable-car station, with its restaurant, on the Jandri glacier perched at an altitude of 3,200 metres, above the ski-resort of Deux-Alpes. The main difficulties on this project that was spread over two 3 month summer seasons (1998 and 1999) were with material supply and transportation, compounded by extreme climatic conditions.

In new non-residential works, the redevelopment of the ZAC Courier zone, an extension of Annecy's historic town centre, was one of the outstanding operations. There were four separate phases to this multifunctional project, all supplied in succession by Campenon Bernard Régions working in joint venture:

- an underground car park offering 1,000 spaces (architect: Berlottier);
- a shopping centre on two levels (architect: Chapman Taylor, London);

OUTLOOK

The order backlog at the end of 1999 holds out good prospects in 2000 for maintaining both business volumes and profit margins. The trend is towards a slight downturn in new housing, with private non-residential building holding steady. The expectation is that demand for major structure projects will pick up again in the second half.

- a multiplex cinema seating 2,000 (architect: Linéaire A), resting on anti-vibration pads because of a nearby rail tunnel;
- two car park access underpasses.

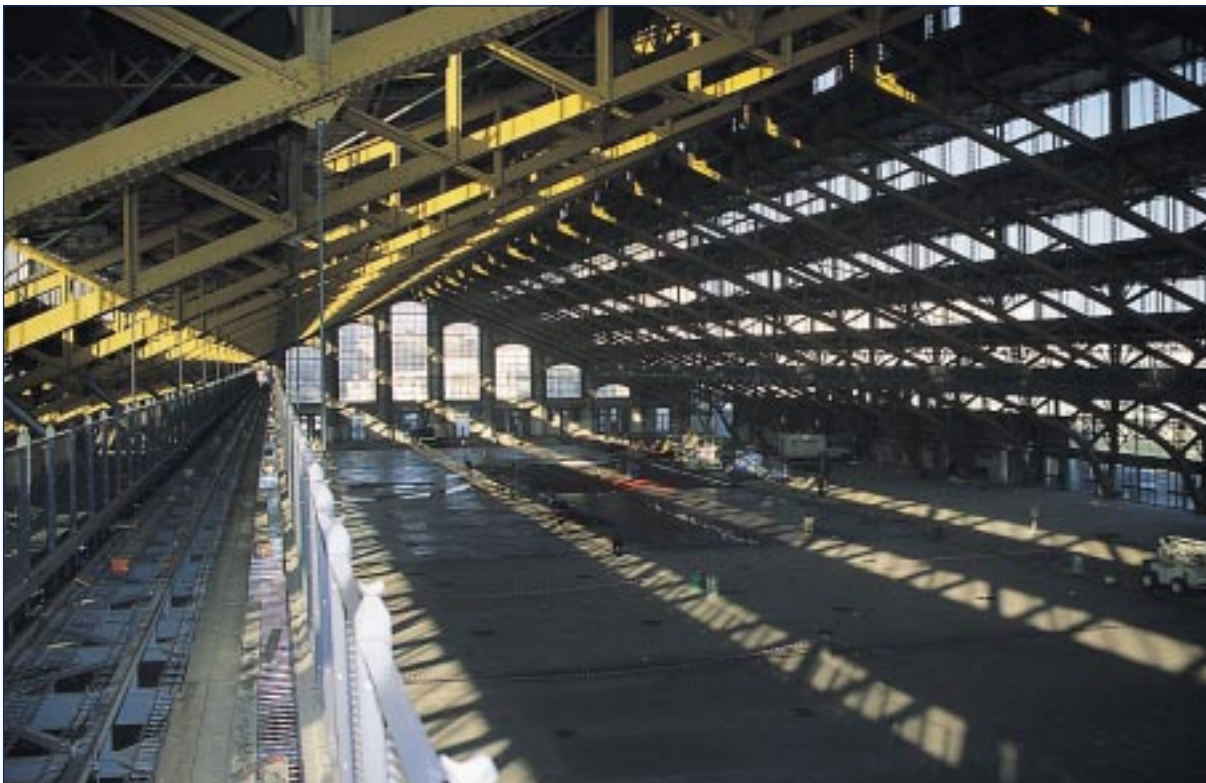
In September 1999, in Clermont-Ferrand, Sobeau Auvergne handed over to the Auvergne regional authorities the second phase of works on IFMA, the French institute for advanced engineering, specialising in automated industrial production. The company was also general contractor for the first phase from 1991 to 1992. The design by architects D & L Ameil consists of a structure that takes its inspiration from the laws of mechanical engineering, centred on a 24-metre diameter sphere, with a three-dimensional metal frame. The buildings are laid out in a concentric spiral pattern, on five levels.

In industrial buildings, Campenon Bernard Régions handed over to Hewlett Packard in September the 40,500 sq. metre complex of buildings for computer manufacture and shipping at l'Isle-d'Abeau near Lyons. The project was completed within the exceptionally short deadline of one year.



The ZAC Courier project in Annecy, involving the construction of a shopping centre, a cinema and a car park, requires the use of 54,000 cu. metres of concrete and more than 500 tonnes of steel.

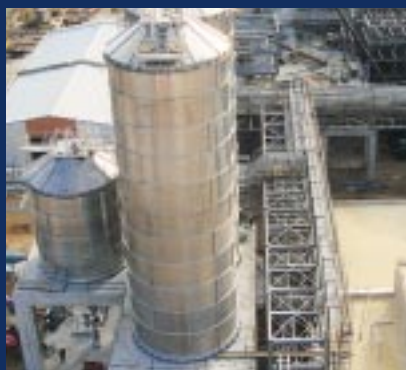
The redevelopment of the Halle Tony-Garnier, begun in 1999, is intended to recapture the original spirit of this 17,000 sq. metre space without interior supporting pillars.



Profile

Campenon Bernard SGE's business activities in the southern French regions of Provence, Alps and the Côte d'Azur, have been grouped together since 1 January 2000 into a single entity, Campenon Bernard Méditerranée.

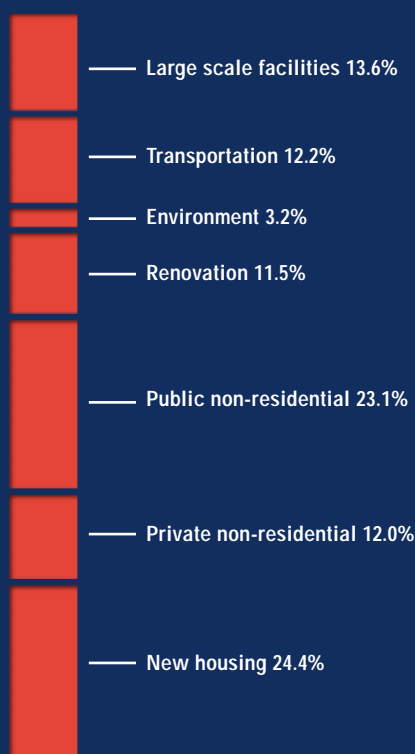
The new unit is now made up of eight entrepreneurs, three in civil engineering and five in building. They are all independent and operate in every sector of their lines of business.



The polyethylene plant operated by Elenac, the Shell and BASF subsidiary, near Marseilles.

Business breakdown

(126.6 million euros)



PROVENCE, ALPES, CÔTE D'AZUR

Business in 1999

Business in 1999 was basically good, both in building and civil engineering. The highlight of the year was the handover or continuation of a number of technically sophisticated major projects, primarily in non-residential building and civil engineering.

Building

The shell construction of the Forum Grimaldi – the cultural and exhibition centre in Monaco – was completed in the summer of 1999. This project is a real technical challenge on its sea-front location, but was completed on schedule and to outstanding standards of execution, in particular regarding the application of seismic resistance norms. Sunk to a depth of 17 metres, on land reclaimed from the sea in the sixties, the Forum Grimaldi (architects: F. Notari and F. Genin) will be able to offer trade fairs and cultural events its 65,000 sq. metres of surface area on 8 levels and three auditoriums, one of which can seat 1,900.

In the Alpes-Maritimes region, Campenon Bernard Méditerranée handed over in the autumn two major structures, built using complex architectural design and innovative construction technology: the courts of justice in Grasse (architect: de Portzamparc), and the Lenval hospital in Nice (architect: Schmeltz).

In October 1999 Campenon Bernard Méditerranée handed over to the French justice ministry the courts of justice in Nice (architects: Gilbert-Martin-Ricci), a renovation operation completed while the site was still occupied.

During the same period, the Nice municipal authorities chose Campenon Bernard Méditerranée for the design and build of a large multi-function concert hall, the Zénith, on which works began in September 1999 (architects: Cabinets Chevalier and Grézy). When completed, the facility will be part of an existing sports complex, the Charles Ehrmann stadium, and the two structures will be connected so as to form a single area with a capacity of up to 35,000.

Civil Engineering

The big event of the year for Campenon Bernard Méditerranée was the completion of the underground works for the Cap-d'Ail to Monaco railway line. The below ground station was officially opened by the Monaco authorities last December. The operation involved re-routing the railway lines by boring a 2,800-metre long access tunnel, and the construction of the station itself.

The Marseilles municipal authorities chose Campenon Bernard Méditerranée to build the la Major road tunnel – some 600 metres in length, of which 60 metres will be a bored tunnel to pass under the town hall annex, and then a further 540 metres of cut-and-cover – and the Lajout tunnel, 843 metres in length, of which 415 metres will be cut-and-cover. This second tunnel will provide a new route for the track linking the Saint-Charles and Arenc railway stations, on which work should start early in 2000. These two projects are a fundamental part of the huge urban redevelopment project that the

OUTLOOK

The selective order policy that Campenon Bernard Méditerranée contractors have been implementing for several years now will lead to a slight drop in business volumes in 2000, which will be more marked in new housing. Conversely, Campenon Bernard Méditerranée will develop project financing and design and build operations which offer better rewards for its different areas of expertise. Profit margins are expected to be positive in 2000.



After being completely renovated and rebuilt, the Lenval children's hospital on the Promenade des Anglais in Nice, now has a five-unit operating theatre, an emergency service and a radiology unit.



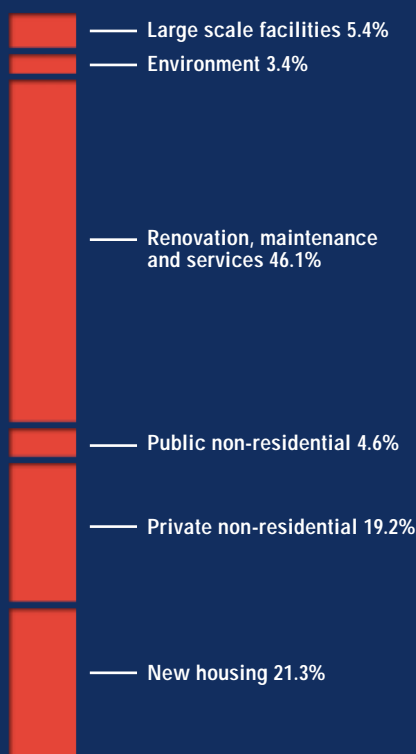
The four hectares of land made available by putting the track and the Monaco TGV station underground have been used for an extensive real estate programme and will help to improve transportation infrastructure in the Principality.

Profile

Campenon Bernard SGE operates in Germany through its regional building subsidiaries, that have strong roots on their local markets. Total sales for 1999 were over €238m, about 20% came from the new *Länder*, where the market has declined overall, and 80% from the west, where the situation is tending to improve. In this part of Germany, more than half of the business volumes comes from renovation, maintenance and services, an area offering good development prospects, and about one third from design and build general contracting operations, which is showing some improvement.

Business breakdown

(238.3 million euros)



EUROPE GERMANY

Business in 1999

Despite some signs of recovery in the west, the traditional building market is suffering from gross over-capacity driving prices sharply down. Business activity has been deliberately reduced in this sector. Conversely, maintenance works and services are growing fast. Thanks to the efforts made to adjust the organisation and its geographic focus in the previous year, Campenon Bernard SGE's German subsidiaries were able to return a profit this year.

Brüggemann GmbH & Co KG, Duisburg

Brüggemann, that has celebrated its centenary, had a year of considerably reduced business volumes, as a result of its policy of strict order selectivity on a regional market in the Ruhr where demand was slightly up. The company started making a profit again in 1999.

Among the main projects of the year was the refurbishment and enlargement of the Werkauf department store belonging to Wal*mart in Dortmund (architect: G. Schulze), handed over in August, that will be the benchmark for the chain's other German outlets. The shell construction work on the new terminal at Dortmund airport (architects: LTK/Assmann) was completed around the same time.

The most important contract was for the French pavilion at the Hanover 2000 World Fair, awarded by Vision France, the general commissariat, in conjunction with Decathlon. The architectural design is by Jourda Architectes and will be transformed into a retail zone after the exhibition has closed.

Universal Bau GmbH, Schwedt (UBG)

With its strong roots in Brandenburg, UBG once again demonstrated its capability in leading large-scale general contracting and design and build operations.

UBG handed over a department store to REWE/TOOM at Bernau in July, for example (architect: M. Gerstner). In Berlin, the housing association Wohnungsgenossenschaft Lichtenberg (WGLi) chose UBG to build 20,000 sq. metres of turnkey housing and shops. The complex is scheduled for completion in the summer of 2000. This project, plus the orders for a retirement home in Prenzlau (architect: Mediprojekt GmbH) and the Eberswalde police station (architect: M. Dudler), guarantee a fresh supply of new activity on the order book.

Ostsächsische Bau GmbH, Bautzen (OBAG)

1999 was an especially difficult year for OBAG on a very depressed market in Saxony, in particular around Dresden and Bautzen. Nonetheless, with its deep local roots, especially in the Zittau region, OBAG was able to achieve operational break-even, and successfully handed over a housing project at Löbauer Strasse for WGH (architects: M. Raue and Oberlausitz GmbH) and offices for Döbeln for OEWA (architect: MPH).

OUTLOOK

Over the next few years, Campenon Bernard SGE's German subsidiaries will grow in compliance with the criteria established for selectivity and voluntary reduction of volumes to restore profit margins in the traditional building sector. Concurrently, SKE will seek to increase its market share in the growing field of maintenance and services.

Klee KG, Mannheim

With a difficult traditional market in the Mannheim region, Klee KG deliberately curtailed the scope of its business activities. The most significant operation was the multifunctional "Rheingalerie" complex in Cologne (architects: Mronz & Kottmair). The hotel and the first phase of housing units were handed over on schedule. This design and build project is scheduled for final handover in March 2000.

SKE

SKE is a major player in maintenance operations, in particular for US Army bases. Business volumes for the company rose considerably with the renewal of a number of framework contracts that were due to expire during the year, plus the signing of several new ones.

In particular, the Hanau "Total Maintenance Contract" for the 104th US Army Region, which has been given an excellent rating by the America military, was renewed in December.

SKE is also seeking to develop new services and contract arrangements with new clients in Germany and is actively exploring the possibility of extending its business into the United States.



The construction of the Landsberger Allee residential complex in Berlin (architect: C. Bro/Fichtner GmbH) will meet some of the increase in demand for housing in the new federal capital.



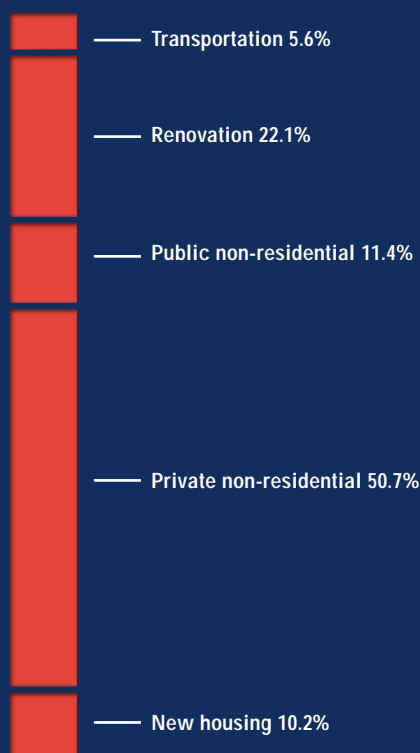
The Rheingalerie programme in Cologne, includes ten four or five-storey buildings, containing 186 apartments, a 200-room hotel, a supermarket, 6,000 sq. metres of office space and an underground car park with room for 500 vehicles. It was the group's largest operation in Germany in 1999.

Profile

Campenon Bernard SGE has three subsidiaries in Belgium. There are two Brussels-based companies – BPC, operating primarily on the private non-residential sector, and BPI, that specialises in real estate projects. ABEB has strong roots in the area around Antwerp, and operates in all sectors of building. The dominant feature of traditional building activity for all the Belgium subsidiaries is the large scale of projects, where the companies usually act as general contractor. However, BPC and ABEB are beginning to secure a foothold in civil engineering, in partnership with Campenon Bernard SGE.

Business breakdown

(54.1 million euros)



EUROPE BELGIUM

Business in 1999

BPC

A specialist in huge office building programmes, ABEB has made a successful entry into the field of large building renovation. Two projects illustrate this trend - the renovation of the former Vanderborcht stores (architect: A2RC) to convert them to new workshops for the Théâtre royal de la Monnaie, and a cultural centre for the Brussels 2000 association. The contract signed – involving construction and financial arrangements – for the renovation of the Mathematics Institute at the University of Liège (architect: CRAU) to transform it into the FOREM vocational training and employment office, comes as further confirmation.

ABEB

ABEB handed over a major project in central Antwerp – the Ecole supérieure provinciale (architects: Stijn Peeters & Partners), that includes a 284-space public car park.

A number of other operations, such as the 600-seat “Zuiderkroon” multifunction theatre (Antwerpse Architecten Atelier), an office building in the port of Antwerp's industrial zone (architect: C. Conix), and the company's involvement in the high speed train project, are all illustrations of the ABEB's determination to develop in a wide range of fields.

In a move to diversify into a strong position in civil engineering, BPC and its subsidiary ABEB began work, in partnership with Campenon Bernard SGE, on the alteration of the access road system at Brussels' Midi railway station, to make way for the Paris to Brussels high speed rail link.

BPI

BPI has continued its real estate interests in Brussels with a number of combined housing and office projects. BPI has begun work on the rehabilitation of rue de la Violette (architect: A2RC) in the city's historic centre, and the transformation of the former Brussels military hospital (architects: AVA/A2RC).

The redevelopment of the former Vanderborcht stores in Brussels has brought the workshops of the Théâtre royal de la Monnaie together under the same roof. A new rehearsal room for the symphony orchestra was also built.



OUTLOOK

In Belgium, BPC will continue to develop its business. Real estate activity will increase considerably, particularly in connection with the Jardins de la Couronne project. This roughly €244m operation involves building a park with all its roads and paths, 935 housing units, 31,000 sq. metres of offices, shops and a car park.

Profile

Hagen, Campenon Bernard SGE's subsidiary in Portugal, based in Lisbon, is a general building and civil engineering contractor operating in Portugal nationwide. Despite a fall-off in demand in particular connected with the completion of works for the Expo 98 World Fair and the Vasco da Gama bridge project, business for the company remained steady, particularly in social housing and major civil engineering works. The acquisition at the end of 1999 of Ambimag, a company specialising in water treatment engineering, will strengthen Hagen's position on the purification plant market.

Business in 1999

In the field of civil engineering, the highlight of the year was the completion of several projects including the Frielas purification plant, in partnership with OTV and Sogea. Located in the vicinity of Lourès, 25 km to the north of Lisbon, this plant currently has a capacity of 350,000 population equivalent, due to be increased to 583,000 in the next twenty years. The company also handed over the motorway viaducts at Quintanilha in northern Portugal. Hagen continued work on the construction of a wholesale food market in Lisbon, and the urban waste treatment plant at Cova da Beira in the centre of the country, in partnership with CGEA.

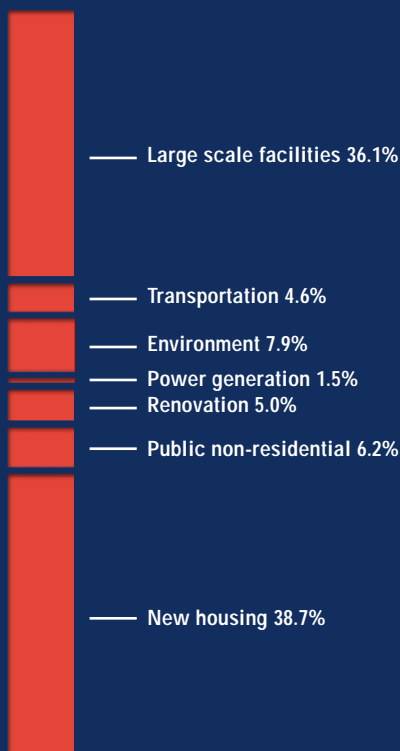
For the Monte Real airforce base near Lisbon, Hagen handed over 12 F16 fighter shelters, and was awarded the contract to supply the large doors that go with them. In the greater Porto region, Hagen handed over the emergency wing of the Vila Nova de Gaia hospital and the Sao Cosme swimming pools in Gondomar.

1999 was a very busy year for Hagen in the field of social housing, in particular with the works supplied to municipal authorities in the Lisbon area. This activity will remain strong through 2000, with phases 2 and 3 of the Promoceuta project in the Casal Ventoso district of Lisbon, another programme in the town of Cascais (architect: E. Queiros de Almeida), and various operations in the region around Porto.

In the field of refurbishment, in 1999 Hagen was awarded the contract for the renovation of the Bank of Portugal at Castelo Branco (architect: C. Guedes).

Business breakdown

(45.5 million euros)



The first phase of the social housing project in the Casal Ventoso district of Lisbon (architect: J. Paciência) was handed over in early 1999.



OUTLOOK

Hagen will continue to expand its building activity, in particular with major social housing programmes in the Lisbon and Porto regions. Civil engineering will grow substantially, mainly thanks to motorway concession-related projects in the north of the country.

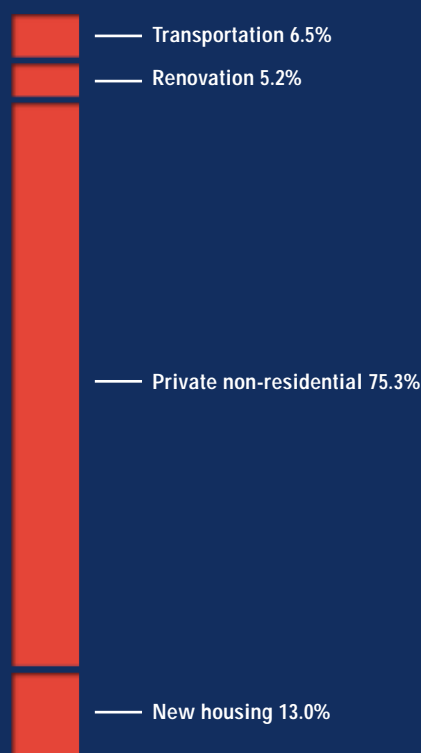
Profile

On its international markets, Campenon Bernard SGE does most of its business in the private non-residential sector. It offers its clients the full range of services from finding land, and taking care of all legal procedures and financing, followed by design and engineering, through to execution of a construction project.

In Poland, it operates through its subsidiary Warbud S.A., and in the Czech Republic through FCC, also a subsidiary. Campenon Bernard SGE has acquired strong positions on the market for large international hotels, office buildings and shopping centres for private customers.

Business breakdown

(133.1 million euros)



INTERNATIONAL

Business in 1999

Major international building projects

Vietnam

In February 1999, Campenon Bernard SGE handed over on schedule the 5-star Hilton Hanoi Opera hotel, whose design is inspired by the neighbouring Hanoi opera house, itself a replica of the Garnier opera building in Paris. The hotel has 286 rooms and also houses a business centre, shops and a car park.

Germany

In January 1999, Campenon Bernard SGE handed over the Frankfurt Hilton hotel (architects: J. Seifert and A. Priolo) to the Deutsche Bank group. The building is an innovative design with its 40 metre high glass-roofed atrium. Part of this project also involved the redevelopment of a municipal swimming pool built in the 50's and classified as a listed building.

On the day of the official opening, an exclusivity agreement was signed by Campenon Bernard SGE and Hilton International to build its luxury hotels in nine cities in Europe and Latin America.

Central and Eastern Europe

In December 1998, Campenon Bernard SGE began work on the 5-star Four Seasons hotel in Prague (Czech Republic). The project, in the historic old town centre, involves 5 buildings: 3 existing ones, on UNESCO's world heritage list, to be renovated, and 2 new buildings linking the other three.

Also in Prague, in December 1999, Campenon Bernard SGE signed a Development Agreement with AIG Lincoln Development, the real estate investment branch of American insurance company AIG, to build an office block, called "Florenc", in the Czech capital (architect: Loxia).

In Slovakia, Campenon Bernard SGE also took an order from Carrefour to build a hypermarket, and from Segece Klépierre for a shopping mall, which together form the Danubia shopping centre in Bratislava (architects: CVZ and BKU).

International subsidiaries

Poland

Campenon Bernard SGE's Polish subsidiary Warbud S.A. enjoyed another very satisfactory year, with a sharp rise both in sales and income. The highlights of the year's operations include two office buildings, the "Roma Office Center" (architect: J. Jedynak), and the "Optimus Tower" (architects: J. Romiszewska, B. Korwin), offering surfaces of 21,000 sq. metres and 8,150 sq. metres respectively.

Warbud has confirmed its status as a player on the retail property market by supplying the shell construction for the "Galeria Mokotow" (architect: W. Szczerba), the largest hypermarket in Warsaw (110,000 sq. metres), a further example of its on-going relationship with Globe Trade Center as a customer.

OUTLOOK

Campenon Bernard SGE will continue to diversify on its international markets. It is currently working on the Kosice shopping mall project in eastern Slovakia, and two office building projects—“Király” in Budapest and “Place Victoria” in Bucharest. Campenon Bernard SGE’s international building activity should grow by about 30% in 2000 over 1999. Its contribution to Group performance will continue to be positive.

Warbud has also made its presence felt on the growing market for high quality housing complexes, with the construction, also in Warsaw, of the “Motorowa” project (architects: P. Kasprzycki, M. Mierzejewski), followed by the signing in December of a contract to build the largest “high standard” villa complex in the Warsaw suburbs (architects: J. Szczpanik, M. Sadowski, M. Cybulska).

Warbud is also turning its attention to civil engineering public procurements. For example, it will work with Campenon Bernard SGE on the Siekierkowski cable stay bridge construction project.

Czech Republic

In 1999, FCC has reinforced its position in the industrial sector with construction of factories for Valeo, Sommer Allibert, and FSD Groupe in the automotive field, and for Orsil (Saint-Gobain group) in insulation materials.

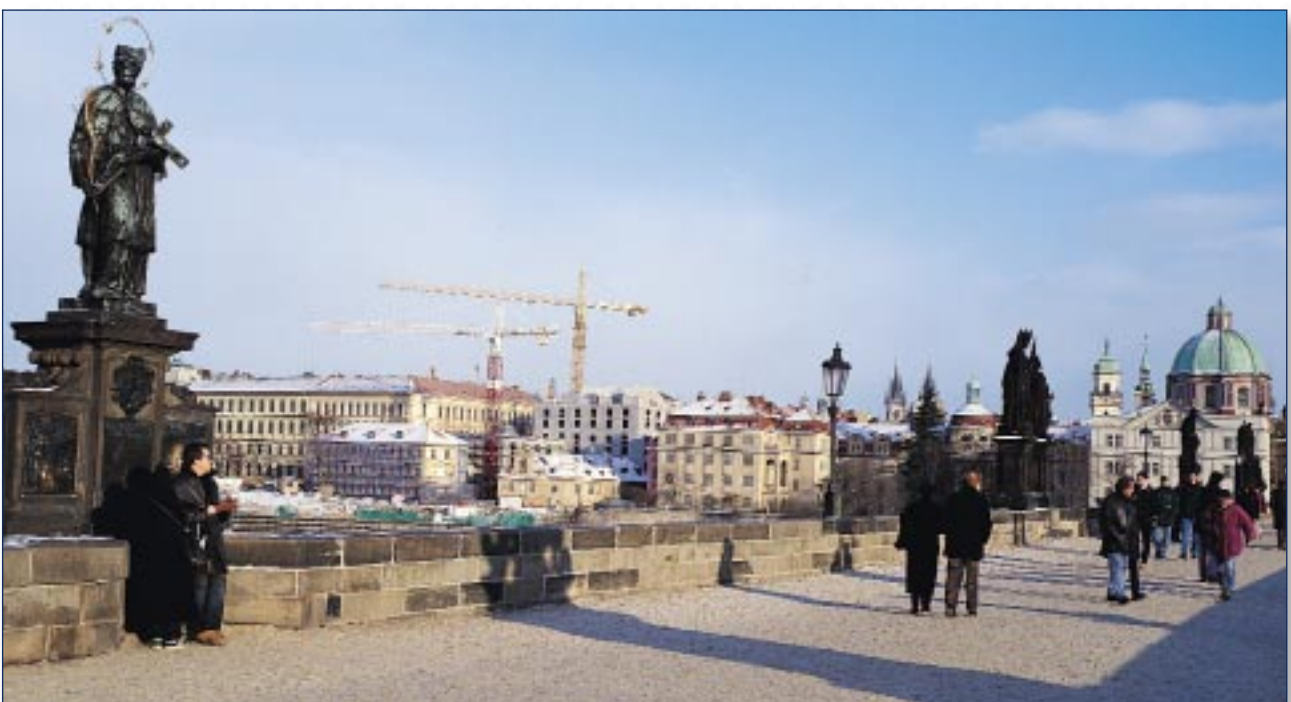
It was able to demonstrate its expertise in the renovation of a historic building “Americka 36”, to the very highest standards (architects: A. Bednar/Bomart s.r.o.). Refurbishment and industrial operations are the areas with the highest potential for FCC, that was involved, for example, in the Four Seasons hotel project in Prague.

In addition, by means of partnerships with selected Czech businesses, FCC is starting to enter the environment-related sector, that offers very good growth prospects in light of the Czech Republic’s prospects for integration into the European Union.

The main features of 1999 were a sharp rise in orders taken and a marked improvement in income.



The Danubia shopping centre in Bratislava is a project designed and led by Campenon Bernard SGE from start to finish. Its total surface area is 43,000 sq. metres and is located near the frontiers with Austria and Hungary.



The Four Seasons hotel in Prague (architects: Loxia and Dum a Mesto), where works began in December 1998, is due for completion at the end of February 2001.

CIVIL ENGINEERING

- **APRIL:** HANDOVER OF THE MARSEILLES TUNNEL – AT 5,700 METRES, THE LONGEST ON THE NEW TGV MÉDITERRANÉE LINE.
- **MAY:** CONTRACT IS SIGNED TO BUILD THE AIN SUKHNA ROLLING MILL IN EGYPT.
- **JULY:** CONTRACT IS SIGNED FOR THE CONSTRUCTION OF THE EPCU S5 PAYLOAD FACILITY AT THE KOUROU SPACE CENTRE IN FRENCH GUYANA.
- **JULY:** CONTRACT IS SIGNED FOR THE DESIGN AND BUILD OF THE FUEL STORAGE FACILITY AT CHERNOBYL.
- **JULY:** THE HAUSSMANN SAINT-LAZARE STATION ON THE EOLE LINE IS OPENED TO THE PUBLIC.
- **SEPTEMBER:** THE A86 WEST CONCESSION CONTRACT IS SIGNED.
- **OCTOBER:** COMPLETION OF THE FIRST ROAD TUNNEL IN CAIRO OFFICIALLY OPENED BY THE EGYPTIAN PRIME MINISTER.
- **NOVEMBER:** THE CONTRACT IS SIGNED FOR THE BUILDING OF TWO RAIL TUNNELS IN THE NETHERLANDS.
- **DÉCEMBER:** SIGNATURE OF THE CONTRACT TO BUILD A CABLE STAY BRIDGE IN WARSAW.

O n the civil engineering market, Campenon Bernard SGE is increasingly focusing its efforts on transportation infrastructure and the turnkey construction of large functional structures. With its technical expertise and project management capability, it is in a position to offer its clients all-inclusive design and build solutions, involving, where appropriate, the operation of the facility under a concession. The Group also has subsidiaries that are specialised in the areas of earthworks, special foundations, maritime and inland waterway works. Last but not least, there are environment-related works, that enjoyed significant growth in 1999.

Boring of the first of the El Azhar road tunnels in Cairo was completed on 20 September 1999, nine months after works began.



Profile

Campenon Bernard SGE operates in France in the field of major civil engineering projects, i.e. transportation infrastructure, large industrial facilities and environment-related projects.

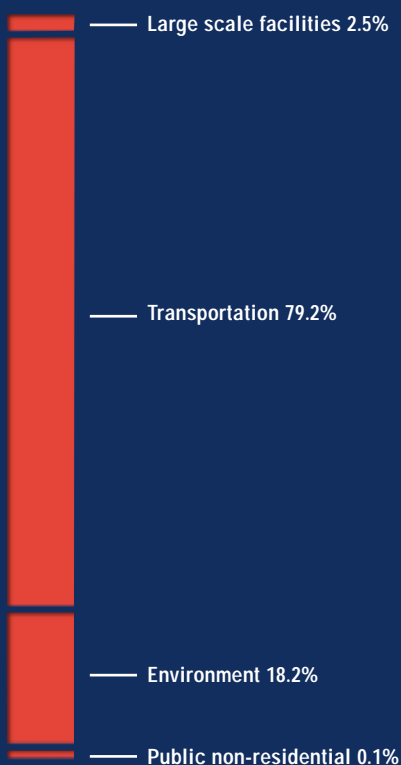
The capability that Campenon Bernard SGE has in conducting hi-tech operations, on a regional or national level (below ground works, bridges and dams, facilities for the nuclear power industry), either alone or in joint venture, firmly establishes Campenon Bernard SGE as a leading player on the French civil engineering market.



The Mornas and Mondragon viaducts.

Business breakdown

(180.5 million euros)



Business in 1999

Business volumes remained essentially steady on a French major projects market that is still in difficulty. The award of the concession contract for the part of the A86 to the west of Paris to the consortium led by Cofiroute is however a promising success.

Socaso

Socaso supplies works, on new sections, widening projects and by-passes, as well as design and planning, for the network of motorways operated by Cofiroute.

In 1999, Socaso continued its work on the A28 link motorways near Le Mans. The company also performed heavy maintenance on the entire Cofiroute network. It completed the widening of 17 km of the A11 motorway between La Ferté-Bernard and Le Mans east. Lastly, Socaso continued its design and planning work for a number of future motorways – the A28 section from Ecommoy to Tours, the A85 by-pass around Langeais, the A85 section from Tours to Vierzon and the A11 by-pass to the north of Angers.

A86 west

Just as Socatop was completing the bridge for the future RN13 junction at Rueil-Malmaison, reopening to traffic on 11 February 1999, Cofiroute was awarded the concession for the A86 west, on 29 January. After several rounds of discussion, the concession agreement was signed on 3 September, and the works contract on 8 December 1999.

Dismantling and deconstruction department (3D)

The dismantling and deconstruction department and its subsidiary Salvarem operate in the nuclear industry, carrying out radio-protection, measurement and disposal. In France, 3D is involved in the dismantling of the Brennilis power station, where work is scheduled for completion in December 2001. In Ukraine, at Chernobyl, 3D is to build a spent fuel storage facility prior to the plant being closed.

Civil engineering structures department

The Mornas and Mondragon and Ventabren viaducts on the Mediterranean TGV line, the Crozet viaducts on the A51, the Orelle tunnel on the A43 motorway in the Maurienne valley and the Marseilles tunnel for the Mediterranean TGV line have all been completed.

Construction work on the Barrails viaducts for the A89 motorway and the second crossing for the A10 motorway over the Dordogne river at Saint-André-de-Cubzac have all progressed according to plan.

Among the new orders taken are the rue de Caen bridge in the Paris suburb of Courbevoie and the viaduct at Triel-sur-Seine to the west of Paris.

OUTLOOK

Campenon Bernard SGE focuses on major civil engineering structures involving high value added, technical and managerial expertise. The resumption of work on the A86 west project, and the continuation of the below ground operations on the Val de Rennes metro are good illustrations of this approach.

Below ground works department

The department in charge of works below ground began construction at the beginning of the year of the third phase of the Kellerman drain, and completed 1,300 metres of the Cachan-Charenton collector pipe – phase 2, and the first 200 metres of the ru de Marivel drain in Sèvres. On the Rennes metro project, although the TBM named Perceval encountered a number of difficulties boring through the poor quality substratum of the former Vilaine river bed, it has managed to make headway at a good pace.

Among new contracts is the tunnel at the back of Saint-Lazare station on the Météor metro line for RATP.

TPI Île-de-France

The high point of the year was the opening to the public in July of the Haussmann-Saint-Lazare station on the Eole line in Paris, a project that TPI had been working on for five years.

TPI also continued work on the addition of a second viaduct over the canal Saint-Denis.

As part of the Triangle de l'Arche operation at la Défense, involving covering over railway lines to prepare for construction of a residential complex, TPI completed the abutment piers and the covering slab for the buildings by a very demanding deadline.

On the A14/A86 junction, TPI supplied the civil engineering for the half covering of the northern section, where it successfully rose to the challenge of opening the B560 slip road to traffic after only 5 months of works.



Terrain consolidation work on the route of the Rennes metro project made for a smooth crossing through the Vilaine river bed under the pont d'Orléans bridge.



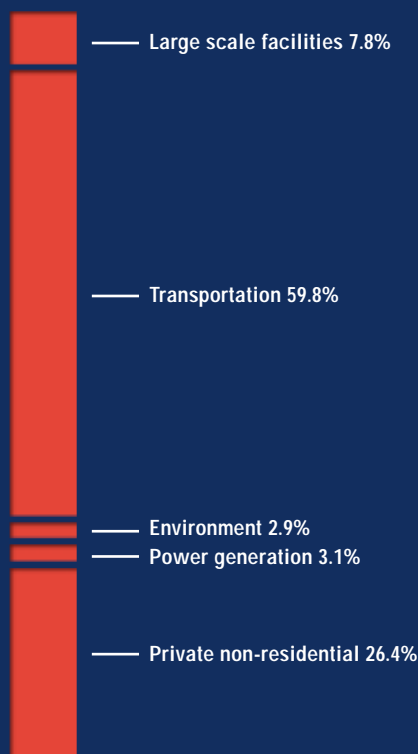
The 1,460 metre long Barrails viaduct crosses the Pont des Cent Arches on the Paris to Bordeaux TGV line and the R.N. 20-89 main road.

Profile

On its international markets Campenon Bernard SGE operates in all areas of civil engineering: large facilities, environment-related industries, power generation and transportation. It supplies complex turnkey construction packages requiring advanced technical skills, all-inclusive solutions and the ability to manage major projects involving multi-disciplinary partnerships. The Group has recognised competence in the field of project financing, in particular in connection with concession operations.

Business breakdown

(143.8 million euros)



INTERNATIONAL MAJOR PROJECTS

Business in 1999

Egypt

Civil engineering work on the Cairo metro has continued to make very satisfactory progress. Another section (2A) of line 2 was officially opened in April, 9 months ahead of the planned works schedule. A further section (2B) is due to be opened before the end of the year 2000, bringing the total length of line 2 to 18 km, 12 km of which are underground. The first of the El Azhar road tunnels, which cross under Cairo's historic centre with its mosques and bazaars, was completed in October. The tunnels are expected to be opened to the public on schedule.

Thanks to the excellent image Campenon Bernard SGE has in Egypt, in April the company was awarded, in partnership with the Egyptian civil engineering contractor SIAC, the contract to build a hot-rolling mill at Ain Sukhna, on the shores of the Suez gulf. With 30% of the works completed at the end of the year, the project should be finished by the end of 2000.

Italy

Satisfactory progress was made on the extension of the Treviso hospital (architect: Lagrecacolonna) throughout 1999. Campenon Bernard SGE completed two new buildings with surface areas of 3,200 sq. metres and 2,150 sq. metres respectively, and raised two other existing ones, each of 1,300 sq. metres. Handover is scheduled early in 2000, meeting the deadline set by the customer.

Greece

On the Athens metro project, the consortium led by Campenon Bernard SGE for civil engineering operations has handed over on schedule 70% of the works, meaning that part of the two new lines could be opened.

On 28 January 2000, Greek President Stephanopoulos officially opened the new Athens metro, that began commercial operation the very next day on its 14 km of line and 12 stations.





In Cairo, on the El Azhar road tunnel project, the technical challenge of building a 1,742 metre long underground crossing beneath the old town without damage to buildings overhead was met with complete success.

Netherlands

The company's strategy to penetrate the Dutch market was rewarded on 9 December with the signing of the first contract in excess of FF1bn, given to a Franco-Dutch consortium in which Campenon Bernard SGE has a 22.5% stake. The contract is for the design and build of a 2.5 km long double rail tunnel, to be bored under the Pannerdensch canal in the east of the country.

This first contract was signed after a two-year development period, as part of the "Betuwe Line" east-west rail link project. In the same consortium configuration, Campenon Bernard SGE has made a number of bids for various other infrastructure projects connected with the Paris to Amsterdam high speed rail link and the Amsterdam metro.

French Guyana

In 1999 Campenon Bernard SGE was awarded the contract for the payload preparation facility EPCU S5 at the Kourou space centre, consisting of three exceptionally large clean rooms where satellites are prepared before being launched on Ariane V.



The EPCU facility at the Kourou space centre, built in the space of 18 months, will be used to prepare satellites for launch on Ariane V towards the beginning of 2001.

INTERNATIONAL MAJOR PROJECTS

Turkey

The financing of the Istanbul Stadium was finalised and major civil engineering activity was able to start in the spring. The different parts of the project are progressing in accordance with the works schedule, despite the earthquakes. The two masts built using travelling formwork were completed in early September. Rising to height of 53 metres, they will support the 3,356 tonne roof. After completion of the building structure of the central section in early November, work has now started on the western megastructures.

Russia

The Saint Petersburg metro project has been held back due to a funding shortage. Design work however has progressed well and the TBM has been brought to the site after refurbishment and adaptation to the very difficult geological conditions it will have to face at a depth of some 60 metres beneath Saint Petersburg.

Ukraine

At Chernobyl, the contract for the design and construction of a spent fuel conditioning and storage facility was awarded on 7 July to the Framatome-led consortium in which Campenon Bernard SGE is in charge of civil engineering operations. Design work was started and earthmoving got underway before the onset of the winter.

United Arab Emirates

In Qatar, the project involving three liquefied natural gas storage tanks entered its last phase. Handover of final completion of tanks 1 and 2 was made in February and March, to the total satisfaction of the customer, Ras Laffan Liquefied Gas Company. The third tank will be handed over in March 2000. Thanks to the speed at which the civil engineering teams led by Campenon Bernard SGE worked, it was possible to pass on the facility to the engineers from Mitsubishi Heavy Industries, partners in the project, two months ahead of schedule.



The Ain Sukhna rolling mill in the new Suez industrial zone, will have a production capacity of 1.2 million tonnes of flat steel a year.



The Abu Dhabi Trade Center (architect: HOK) will have a total surface area of 200,000 sq. metres on 7 levels.

OUTLOOK

On its international markets, Campenon Bernard SGE will continue to develop by leveraging its expertise as supplier of total solutions in design and build, turnkey infrastructure projects. It will focus especially on local partnerships for complex projects such as the Siekierkowski bridge over the Vistula in Warsaw, the biggest cable stay bridge in Poland, that Campenon Bernard SGE will build with its Polish subsidiary Warbud. Working closely with SGE, it will take part in project financing, combining the "investor" with the "builder" approach.



The handover of the Istanbul Olympic Stadium (architects: M. Macary, A. Zublena, M. Pamir) is scheduled for the last quarter of 2001. The stadium will seat 80,000 specta-

In Abu Dhabi the Trade Center project had a very busy year. The concrete shell is practically finished, meaning a total of 150,000 sq. metres of floor cast in the course of the year. Negotiations are currently underway with the client to reach a settlement concerning project alterations and additional works. The client will take possession of the facilities in a phased approach between May and end of September 2000.

China

Almost a year after the contract for water treatment at Chengdu in Szechwan province was awarded to Compagnie générale des eaux, a consortium made up of Campenon Bernard SGE, lead contractor, OTV and Sade, signed a contract on 2 July with Générale des Eaux and Marubeni to build the Chengdu purification plant. The project comprises river water intakes, the treatment plant and discharge channels, process equipment and 27 km of pipeline laid in the ground between the plant and the town of Chengdu. Concrete casting is scheduled to begin next spring.

Vietnam

Campenon Saigon Builders, a Campenon Bernard SGE subsidiary, handed over the extension of the Phu My power station. The plant was brought on stream by the Vietnamese electricity board in April.

Construction work began on the Thu Duc water treatment plant and Hoa An pumping station, which will supply Ho Chi Minh City with drinking water. The first foundation slab was cast on 13 May.



In addition to the purification plant itself, Campenon Saigon Builders is to refurbish the 10,000 cu. metre capacity underground drinking water reservoir no.3 of the Thu Duc water treatment plant.

The Earthworks Division comprises several contractors, the largest of which are Deschiron, Sotramines, France Est TP, IUR and Watan TP in Morocco. Valérian was sold by Campenon Bernard SGE this year.

This Division supplies works for large earthmoving projects in France such as motorways and TGV railway lines.

With sales of €89.1m in 1999, the earthworks division is one of the leading operators on the French market and returns good profitability from this area of activity.

Business in 1999

The efforts undertaken by the earthworks division to improve quality, safety and compliance with environmental requirements were rewarded with Deschiron obtaining safety certification from LSC, the Dutch standards body, renewal of its ISO 9001 certification and winning ISO 14001 certification for environmental management.

Its subsidiary Sotramines also won ISO 9001 and ISO 14001 certification.

Deschiron – Sotramines

These two companies operate nationwide in France on large earthworks projects and in ore prospecting.

Activity this year centred on ore prospecting at Montceau-les-Mines, the motorway projects on the A83 Oulmes-Niort at Villiers-en-Plaine, the A20 Souillac-Cahors on section 3.2, the A89 Libourne-Coutras at Libourne, the A29 Amiens-A1 motorway, the A89 Bordeaux-Clermont-Ferrand at Saint-Sulpice and the Agen by-pass on the RN21 (DDE 47).

Deschiron has also been supplying works for Socaso, on the widening of the A11 Paris to Le Mans motorway and on the A28 Alençon to Tours motorway.

The company is also working on sections 11 and 12 of the Mediterranean TGV project.

France Est TP

This company, based at Pont-Saint-Vincent in the eastern French region of Meurthe-et-Moselle, performs all the heavy maintenance of Deschiron's and Sotramines' earthmoving plant.

Watan TP

Watan TP is a new Moroccan subsidiary set up by Deschiron that is beginning to establish itself in the field of prospecting and quarry operations.

IUR

IUR is an integrated design office working in the field of urban, road and rail infrastructure projects. It handles almost all of Socaso's design work. IUR is currently working on the A28 Alençon-Le Mans-Tours, the A85 Tours-Vierzon and Langeais by-pass, the A11 Angers by-pass motorway projects.



The A83 Nantes to Niort motorway required

16 million cu. metres of earthmoving, 70% of which was done by Deschiron. On the Oulmes to Niort section, the company had the special responsibility of preserving the biotope of three protected bird species - the little bustard, the Montagu's harrier

OUTLOOK

There was a downturn in demand this year which led to a drop in sales by these companies. It is expected that this drop will be sharper in 2000 and 2001. The Earthworks Division is managing this inevitable decline by adjusting structures and resources (disposal of Valérian), and by emphasising its focus on quality, safety and environmental standards.

It is also seeking to win business on markets outside France (Morocco, Chile, the Netherlands), in particular in connection with concession operations in the SGE group.



Deschiron's fleet is made up of 330 main earthmoving machines, giving an output capacity of 1 million cubic metres per month.

The Auvours interchange construction project on the A28 to the west of Le Mans called for a one hectare nature conservation lake to be re-formed.



Profile

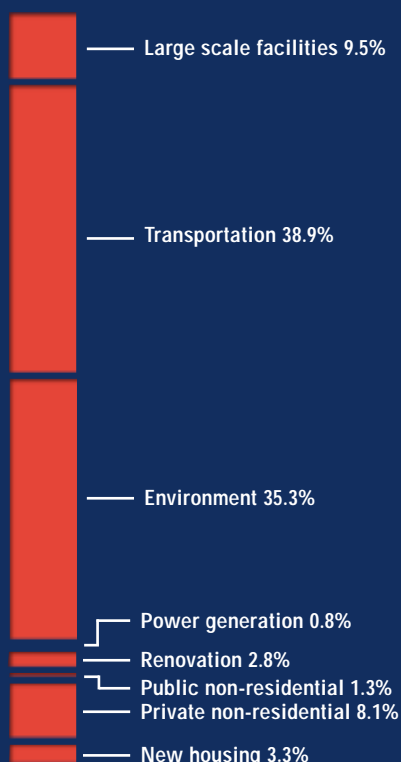
The Specialised Works Division is made up of those Campenon Bernard SGE subsidiaries operating in the fields of special foundations (Botte Sade Fondations), maritime and inland waterway projects (EMCC), sewage systems, civil engineering and water-related external works (Acanthe BTP and Par.En.Ge).

In 1999, EMCC increased both sales and income by more than 30%. Demand remained strong throughout the year for maritime operations, particular along the English Channel and Atlantic seaboard.

The merger of Botte BTP and Sade's foundations department to form Botte Sade Fondations gave a new boost to business that grew by 20%.

Business breakdown

(121.3 million euros)



SPECIALISED WORKS

Business in 1999

1999 was a year of considerable growth for the Specialised Works Division.

Sales and income grew at an equal rate.

Business activities were spread evenly around the country, and represent the result of long-term commercial efforts over the last five years.

The Specialised Works Division has broadened the scope of its offering, in particular moving into environment-related specialities, with the creation of Campenon Bernard Environnement for works in the field of maintenance and refurbishment of sewage systems, and the acquisition of Extract, a company specialising in sludge treatment. The renewal of the floating barrage contract on the Seine for SIAAP comes as confirmation of this trend.

EMCC

In 1999, EMCC confirmed its leadership in maritime and inland waterway works, with operations such as the one completed for Cogema at the nuclear waste treatment plant at la Hague, involving dredging, rock removal and underwater works.

There were major maritime works in the course of the year, such as the Quai à bois project in La Rochelle harbour, dyke reinforcement at Port-en-Bessin, the outfall from the purification plant at Courseulles, and rock removal and dredging in the port of Nice.

There was also continued high demand for fibre optic cable-laying in rivers and canals.

EMCC had its ISO 9001 certification renewed in November.

Botte Sade Fondations

1999 was the first year of business for the new company formed by the merger of Botte BTP and Sade's foundations department.

It generated sales of FF240m, more than the two previous companies' combined sales.

The merger has been a complete success, in terms of people, sales and output. The size of the new company has enabled it to address larger projects throughout the country.

Botte BTP's long-standing units in the Paris region and those of Sade in Lille have been kept in operation and even improved their business position.

OUTLOOK

The backlog of orders at the end of 1999 and market prospects confirm that 2000 will be as satisfactory a year as 1999 in terms of volume and profitability. Environment-related and infrastructure maintenance works should even grow substantially, edging ahead of new construction.

Botte Sade Fondations also supplied foundation works on several major projects, such as soil improvement along the route of the Rennes metro, foundations for the viaduct over the Dordogne on the A20 motorway and for the ilot des Carmes building in Monaco.

Par.En.Ge – Acanthe

These two companies had a very similar year to 1998.

In particular they were involved in the construction of the Saint-Thibault-des-Vignes purification plant to the south-east of Paris.

Acanthe has built up its customer base and extended its product offering related to sewage works in the regions to the north, east and south of Paris.



The extension of the Saint-Thibault-des-Vignes purification plant will increase its hydraulic capacity to a population equivalent of 462,000.

EMCC has specialised in the technique of laying fibre optic telecom cables on river and canal beds, in particular the Seine, the Marne and the Petit Rhône. To date the company has laid a total of over 400 km of cable.



Names and addresses of the main subsidiaries

Building and civil engineering subsidiaries France

ACANTHE BTP

338, avenue Pasteur - BP 29
77551 Moissy-Cramayel Cedex
Phone: +33 1 60 60 62 63
Fax: +33 1 64 88 62 63
Chairman: Jean-Marc Médico
Managing Director:
Jean-Louis Gérault

BATEG

24, boulevard des Îles
92442 Issy-les-Moulineaux Cedex
Phone: +33 1 40 93 73 00
Fax: +33 1 41 08 93 47
Chairman: Jean de Rodellec

BONINO

La Garonne - Grange Neuve
BP 77
26702 Pierrelatte Cedex
Phone: +33 4 75 96 33 20
Fax: +33 4 75 98 82 85
Chairman: Yves Périllat
Managing Director:
Philippe Lebrou

CAMPENON BERNARD

CONSTRUCTION

Les Bureaux du Pont de Sèvres
Tour Vendôme
204, rond-point du Pont-de-Sèvres
92516 Boulogne-Billancourt Cedex
Phone: +33 1 55 20 67 00
Fax: +33 1 47 61 14 64
Chairman: Renaud Bentegeat
Managing Director:
Fernando Sistac

CAMPENON BERNARD RÉGIONS

92, rue Alexandre-Dumas
69120 Vaulx-en-Velin
Phone: +33 4 72 15 61 61
Fax: +33 4 72 15 61 62
Chairman: Yves Périllat

CAMPENON BERNARD

MÉDITERRANÉE

Les Docks - Atrium 10.4 - BP
14326
10, place de la Joliette
13567 Marseille Cedex 02
Phone: +33 4 91 13 14 15
Fax: +33 4 91 56 53 74
Chairman: Patrick Alvergne

COFEX RÉGIONS

7, chemin du Caillou
69630 Chaponost
Phone: +33 4 72 67 03 90
Fax: +33 4 72 67 07 27
Chairman: Yves Périllat
Managing Director:
Stéphane Dewez

COFFRAMAT

ZI Lann-Sevelin - BP 22
56850 Caudan
Phone: +33 2 97 76 42 98
Fax: +33 2 97 76 00 82
Chairman: Jean de Rodellec
Managing Director:
Jean-François Le Besque

COMOFI

5, cours Ferdinand-de-Lesseps
92851 Rueil-Malmaison Cedex
Phone: +33 1 47 16 31 89
Fax: +33 1 47 16 36 30
Chairman: Bernard Bonnet

C3B

Immeuble Le Richelieu
10, boulevard Carnot
21000 Dijon
Phone: +33 3 80 66 65 10
Fax: +33 3 80 31 80 34
Chairman: Jean-Pierre Anquetil
Managing Director:
Patrice Ménégald

EITP

Lot 75, Parc d'activités de l'Argile
BP 65
06372 Mouans-Sartoux Cedex
Phone: +33 4 93 75 51 13
Fax: +33 4 92 92 91 98
Chairman: Patrick Alvergne

ENBATRA

9, avenue de la Falaise
38360 Sassenage
Phone: +33 4 76 85 93 93
Fax: +33 4 76 26 19 80
Chairman: Patrick Priam
Managing Director:
Mohandass Aroq

EXPERTISES ET TRAVAUX

7, chemin du Caillou
69630 Chaponost
Phone: +33 4 78 56 40 40
Fax: +33 4 78 56 07 80
Chairman: William Baudry

GILETTO

Route de la Dranse - BP 619
74506 Amphion-les-Bains
Phone: +33 4 50 70 04 61
Fax: +33 4 50 70 84 55
Chairman: Yves Périllat
Managing Director:
Mohandass Aroq

LAMY

13, place Jean-Berry - BP 40
69702 Givors Cedex
Phone: +33 4 72 49 23 80
Fax: +33 4 78 07 19 80
Chairman: Patrick Priam
Managing Director: Michel Béna

MERLE

24, rue Parmentier
43300 Langeac
Phone: +33 4 71 77 69 20
Fax: +33 4 71 77 01 63
Chairman: Yves Périllat
Managing Director:
Antoine Francis

PATEU ET ROBERT

ZI de Trépillot
26, rue Albert-Thomas
25000 Besançon
Phone: +33 3 81 48 54 85
Fax: +33 3 81 47 05 79
Chairman: Jean-Pierre Anquetil
Managing Director: Lionel Landry

ROBAT

ZI Molina-la-Chazotte
239, rue George-Sand
42350 La Talaudière
Phone: +33 4 77 32 45 52
Fax: +33 4 77 38 97 87
Chairman: Yves Périllat
Managing Director: Paul Delaine

SRC - RITOU CONSTRUCTION

13, avenue Morane-Saulnier
BP 266
78147 Vélizy Cedex
Phone: +33 1 30 67 66 70
Fax: +33 1 30 67 66 68
Chairman: Jacques Colin

Nom et adresse des principales filiales

SCB - SATEC CASSOU BORDAS
Route de Brignais
69630 Chaponost
Phone: +33 4 78 56 70 80
Fax: +33 4 78 56 54 18
Chairman and CEO:
Bernard Bonnet
Managing Director: Jacky Perrin

SOBEA AUVERGNE
10, rue des Frères-Lumière
ZI du Brézet
63050 Clermont-Ferrand Cedex 2
Phone: +33 4 73 14 43 60
Fax: +33 4 73 14 43 79
Chairman: Bernard Piriou
Managing Director:
Jean-Paul Pillaud

SOCASO - SOCIÉTÉ
DE CONSTRUCTION
DES AUTOROUTES
DU SUD ET DE L'OUEST
12, rue de la Renaissance
92160 Antony
Phone: +33 1 46 74 16 00
Fax: +33 1 46 66 40 52
Chairman: Jean-Claude Dayant

SOVAME
Les Docks - Atrium 10.4
BP 14326
10, place de la Joliette
13567 Marseille Cedex 02
Phone: +33 4 91 13 14 15
Fax: +33 4 91 56 53 74
Chairman: Albert Nuttin

TPI - TRAVAUX PUBLICS
ET INDUSTRIELS
EN ÎLE-DE-FRANCE
38, rue du Séminaire
94150 Chevilly-Larue
Phone: +33 1 41 80 52 00
Fax: +33 1 45 69 59 61
Chairman:
Christophe Péliissié du Rausas
Managing director: Yves Barissat

VERAZZI
350, rue des Frères-Lumière
BP 90
39003 Lons-le-Saunier
Phone: +33 3 84 87 61 80
Fax: +33 3 84 43 15 44
Chairman: Yves Périllat
Managing director:
Martial Francoz

VERDOÏA
3, rue Augereau
77000 Melun
Phone: +33 1 64 10 42 80
Fax: +33 1 64 10 42 81
Chairman: Jean de Rodellec
Managing director:
Yves Boulou Gauthier

Specialised subsidiaries

BOTTE SADE FOUNDATIONS
21, rue du Pont-des-Halles
Delta 112
94536 Rungis Cedex
Phone: +33 1 49 61 48 00
Fax: +33 1 49 61 48 01
Chairman and CEO:
Jean-Marc Médico
Deputy Managing Director:
Jean-Claude Albrecht

CAMPENON BERNARD
ENVIRONNEMENT
Port autonome de Paris
Route du bassin-n° 1
CE 34 - Bât. A10
92631 Gennevilliers
Phone: +33 1 40 85 78 50
Fax: +33 1 40 85 78 68
Chairman: Jean-Marc Médico
Managing Director:
Jacques Valentin

DESCHIRON
1, rue du Docteur Charcot - BP 10
91421 Morangis Cedex
Phone: +33 1 69 10 16 10
Fax: +33 1 69 10 16 56
Chairman: Jacques Mimran

EMCC
21, rue du Pont-des-Halles
Delta 101
94536 Rungis Cedex
Phone: +33 1 49 61 71 00
Fax: +33 1 49 61 71 01
Chairman: Jean-Marc Médico

EXTRACT
89, rue Paul-Bert
94290 Villeneuve-le-Roi
Phone: +33 1 64 67 27 27
Fax: +33 1 64 67 34 34
Chairman and CEO:
Jean-Marc Médico
Managing Director:
Rodolphe Benaddou

GESPACE FRANCE
13, rue Madeleine-Michelis
92200 Neuilly-sur-Seine
Phone: +33 1 41 43 02 02
Fax: +33 1 41 43 02 20
Chairman: Jean-Pierre Combe
Managing Director: André Boulet

IUR - INFRASTRUCTURES
URBAINES ET ROUTIERES
1, rue du Docteur-Charcot
BP 33
91421 Morangis Cedex
Phone: +33 1 69 10 27 60
Fax: +33 1 64 48 10 86
Chairman: Dominique Michel

PAR.EN.GE
21, rue du Pont-des-Halles
Delta 107
94536 Rungis Cedex
Phone: +33 1 41 73 10 00
Fax: +33 1 41 73 10 01
Chairman: Jean-Marc Médico
Deputy Managing Director:
Fayez Boulos

SALVAREM
ZI Les Malalannes - BP 199
26702 Pierrelatte Cedex
Phone: +33 4 75 96 51 00
Fax: +33 4 75 04 33 12
Chairman: Jean-Louis Le Mao
Managing Director:
Frédéric Veyres

SOTRAMINES
735, rue des Fouthiaux
71410 Sanvignes-les-Mines
Phone: +33 3 85 57 90 00
Fax: +33 3 85 57 95 00
Chairman and CEO:
Jean-Marc Pouyet

Names and addresses of the main subsidiaries

International subsidiaries

ABEB

Franklin Rooseveltplaats 12
2060 Anvers
Belgium
Phone: (32 3) 213 91 91
Fax: (32 3) 233 63 18
Chairman: Bernard Bonnet
Managing Director:
Patrick Dua

BPC - BÂTIMENTS ET PONTS CONSTRUCTION

171, chaussée de la Hulpe
1170 Bruxelles
Belgium
Phone: (32 2) 663 60 00
Fax: (32 2) 672 42 50
Chairman: Bernard Bonnet
Managing Director:
Patrick Dua

BPI

171, chaussée de la Hulpe
1170 Bruxelles
Belgium
Phone: (32 2) 663 61 70
Fax: (32 2) 673 59 25
Chairman: Bernard Bonnet
Managing Director:
Patrick Dua

BRÜGGEMANN

Waterkampstraße 15
47169 Duisburg
Germany
Phone: (49 20) 35 00 50
Fax: (49 20) 35 00 51 74
Chairman: Jürgen Kaiser

CAMPENON BERNARD SGE GMBH

Wartenberger Straße 24
13053 Berlin
Germany
Phone: (49 30) 9862 50 20
Fax: (49 30) 9862 50 03
Chairman: Raoul Dessaigne

CAMPENON SAIGON BUILDERS

163, Hai Ba Trung Street
9th Floor - IDC Building District 3
Hô Chi Minh City
Vietnam
Phone: (84 8) 8242 242
Fax: (84 8) 8242 240
Managing Director: Eric Dinh Gia

FCC

Pobrezni Ulice Karlin
18000 Prague 8
Czech Republic
Phone: (420 2) 24 81 00 74
Fax: (420 2) 24 81 02 71
Chairman and CEO:
Jean-Louis Choulot

H. HAGEN SA

Avenida Barbosa du Bocage, 113
1050 - 031 Lisbonne
Portugal
Phone: (351 21) 781 05 00
Fax: (351 21) 781 05 05
Chairman and CEO:
Rui Osorio de Castro

KLEE KG

Brückenstraße 5
68549 Ilvesheim beim Mannheim
Germany
Phone: (49 621) 47 06 0
Fax: (49 621) 47 06 151
Chairman: Jürgen Kaiser

OBAG

Paulistraße 1
02625 Bautzen
Germany
Phone: (49 3591) 48 30
Fax: (49 3591) 48 31 09
Co-chairmen: Bernhard Pech,
Dr Dietrich Schneider

SAINRAPT CONTRACTING COMPANY

PO Box 661 - Abu Dhabi
United Arab Emirates
Phone: (971 2) 626 40 05
Fax: (971 2) 626 40 08
Managing Director:
Serge Moulène

SGE NIGERIA LIMITED

Plot 1430
Amodu Tijani Street
Victoria Island - Lagos
Nigeria
Phone: (2341) 261 88 94
Fax: (2341) 261 85 77
Managing Director: Alain Salleras

SKE

Würzburgerstraße 9-11
97753 Karlstadt
Germany
Phone: (49 9353) 79 09 40
Fax: (49 9353) 79 09 49
Co-chairmen: Rainer Beisel,
Hermann Merkl

UBG

Passower Chaussee 3b
16303 Schwedt
Germany
Phone: (49 3332) 216 153
Fax: (49 3332) 216 222
Co-chairmen: Rudiger Fritsch,
Eberhard Rößner

VIETNAMESE FRENCH CORPORATION

69, rue Trieu Viet Vuong
Hanoi
Vietnam
Phone: (84 4) 8264 601
Fax: (84 4) 8227 286
Managing Director:
Jean-Loup Courtin

WARBUD SA

UL. Raclawicka 146
Varsovie 02-117
Poland
Phone: (48 22) 668 62 69
Fax: (48 22) 668 60 63
Chairman and CEO:
Włodzimierz Włodarczyk



C O N S O L I D A T E D F I N A N C I A L S T A T E M E N T S

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Comments on the financial statements for 1999

ASSETS

Intangible fixed assets

Intangible fixed assets changed over the year as follows, in millions of euros:

Acquisitions	1.54
Depreciation in the year	- 1.55
Translation differentials and changes in scope of consolidation	- 0.17
Net change	- 0.18

Tangible fixed assets

Tangible fixed assets changed over the year as follows, in millions of euros:

Acquisitions	27.47
Depreciation in the year	- 18.11
Disposals or reforms	- 6.83
Translation differentials and changes in scope of consolidation	- 1.63
Net change	0.90

Financial fixed assets

The net value of equity holdings declined by 1 million euros. This item includes the value of shares in companies whose size is not significant in relation to the threshold adopted for the scope of consolidation.

Deferred charges

This item increased by 0.82 million euros over the year, mainly due to two construction projects, the Abu Dhabi Trade Center and the Istanbul Olympic Stadium, each one accounting for half of the amount.

Current assets

The 143.21 million euros decrease over the year is due to work in process connected with the handover of the Frankfurt Hilton hotel (89.12 million euros), and the reduction of advances and down payments made and customer credit.

SHAREHOLDERS' EQUITY AND LIABILITIES

Provisions for liabilities and charges

Total provisions for liabilities and charges come to 237.33 millions euros, for a net reversal of 23.02 millions euros, broken down as follows, in millions of euros:

Allocations to provisions for operating risk	1.01
Allocations to provisions for financial risk	1.16
Reversal from provisions for exceptional risk	- 27.75
Scope of consolidation and other changes	- 2.56
Net reversal	- 23.02

The net reversals from provisions for exceptional risk relate mainly to provisions for subsidiaries' risk and provisions for restructuring.

Current liabilities

The decrease of 138.7 million euros in the year concerns 89.85 million euros in short term financial debt connected with the handover of the Frankfurt Hilton, and the reduction of advances and down payments received and supplier credit.

STATEMENT OF INCOME

Net sales reported in the statement of income stand at 1,502.86 million euros.

Of this business volume, 60% was done in France, 34% in the rest of Europe and 6% elsewhere in the world.

Operating income was 17.37 million euros, after depreciation amortisation and operating provisions of - 30.54 million euros.

Financial income, before taking provisions into account, was 8.01 million euros

The net exceptional expense of 1.76 million euros breaks down as follows:

Net restructuring costs	- 4.74
Net cost of litigation and other exceptional risks	- 2.39
Income from disposal of assets	5.37
Net exceptional expense	- 1.76

The bottom line of the statement of income shows income of 12.99 millions euros.

Consolidated balance sheet

AT DECEMBER 31, 1999

ASSETS

<i>(in thousands of euros)</i>	Notes	Gros amount	Depreciation and provisions	1999 Net amount	1998 Net amount
Intangible fixed assets other than goodwill	3	11,453.80	7,176.23	4,277.57	4,460.50
Goodwill	4	28,444.85	9,839.97	18,604.88	18,668.60
Tangible fixed assets	5	242,454.46	164,514.75	77,939.71	77,045.44
Financial fixed assets					
- Investments in subsidiaries and affiliates	6	18,644.21	4,937.37	13,706.84	14,705.69
- Investments accounted for by the equity method		369.69	–	369.69	120.89
- Other financial fixed assets	7	123,036.88	2,342.99	120,693.89	80,863.54
Deferred charges	8	4,728.66	–	4,728.66	3,911.38
Total fixed assets		429,132.55	188,811.31	240,321.24	199,776.04
Inventories and work in process	9	37,297.26	2,038.55	35,258.71	100,404.60
Trade accounts receivable and related accounts		838,800.42	55,653.50	783,146.92	848,678.22
Short-term financial receivables	10	174,877.32	572.90	174,304.42	175,836.98
Marketable securities	10	84,890.02		84,890.02	95,957.05
Cash and other quick assets		50,090.17	14.03	50,076.14	50,013.49
Total current assets		1,185,955.19	58,278.98	1,127,676.21	1,270,890.34
TOTAL ASSETS		1,615,087.74	247,090.29	1,367,997.45	1,470,666.38

Shareholders' equity and liabilities

<i>(in thousands of euros)</i>	Notes	1999	1998
Capital stock		80,919.94	77,101.09
Additional paid-in capital		2,179.87	5,998.72
Group share of consolidated reserves		9,638.89	9,221.34
Group share of net income or expense		12,990.18	(40,127.33)
Shareholders' equity	11	105,728.88	52,193.82
Minority interests	12	8,798.60	6,969.82
Provisions for liabilities and charges	13	237,333.39	260,355.33
Long- and medium-term debt	14		
- Other long-term borrowing		5,501.28	1,807.44
Total capital employed		357,362.15	321,326.41
Down payment on orders in process		104,386.72	119,355.99
Supplier and other accounts payable		828,098.79	884,936.51
Short-term debt		78,149.79	145,047.47
Total current liabilities		1,010,635.30	1,149,339.97
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		1,367,997.45	1,470,666.38

Consolidated statement of income

FOR THE PERIOD FROM JANUARY 1 TO DECEMBER 31, 1999

(in thousands of euros)

	Notes	1999	1998
Operating revenue			
Net sales	15	1,502,856.13	1,510,779.67
Other revenue (*)	16	108,420.67	116,863.15
Operating revenue		1,611,276.80	1,627,642.82
Operating expenses	17	(1,593,900.20)	(1,627,600.59)
Operating income		17,376.60	42.23
Financial income		15,412.14	15,201.30
Financial expenses		(7,393.32)	(5,111.16)
Net financial provisions		(259.32)	(711.17)
Net financial income	18	7,759.50	9,378.97
Operating income/(expense) plus net financial income		25,136.10	9,421.20
Exceptional items		(18,308.35)	(38,256.47)
Exceptional depreciation and provisions		16,540.41	(2,656.12)
Net exceptional expense	19	(1,767.94)	(40,912.59)
Employee profit sharing		(1,499.34)	(1,673.28)
Net tax liability	20	(4,486.73)	(4,708.85)
Net income/(loss) before amortisation of goodwill		17,382.09	(37,873.52)
Amortisation of goodwill		(1,595.23)	(3,277.35)
Net income/(loss) before equity interest		15,786.86	(41,150.87)
Equity in net loss of companies accounted for by the equity method		(25.61)	(228.22)
Net income/(loss) before minority interest		15,761.25	(41,379.09)
Minority interests		(2,771.07)	1,251.76
NET INCOME/(LOSS)		12,990.18	(40,127.33)

(*) and operating costs transferred to assets as deferred expenses.

Cash flow statement

FOR THE 1999 FINANCIAL YEAR

<i>(in thousands of euros)</i>	1999	1998	1997
Operating transactions			
Gross operating surplus or deficit	48,725.30	(1,726.79)	44,067.22
Financial and exceptional transactions	(32,206.67)	(27,525.89)	(24,236.34)
Tax contributions	(5,986.06)	(7,855.85)	(2,912.54)
Operating cash flow (excluding dividends received from companies accounted for by the equity method)	10,532.57	(37,108.53)	16,918.34
Net change in the working capital requirement	101,389.87	(24,381.17)	(61,626.91)
Total (I)	111,922.44	(61,489.70)	(44,708.57)
Investment transactions			
Capital expenditure	(34,769.66)	(38,218.97)	(34,006.65)
Disposals of fixed assets	6,833.68	5,988.96	13,521.62
Net capital expenditure	(27,935.98)	(32,230.01)	(20,485.03)
Acquisition of investments	(8,099.92)	(4,436.57)	(29,718.56)
Disposals of securities	8,652.09	64.94	5,462.25
Net financial investments	552.17	(4,371.63)	(24,256.31)
Change in other financial fixed assets	(40,969.45)	(44,405.04)	(2,604.90)
Total (II)	(68,353.26)	(81,006.68)	(47,346.24)
Financing operations			
Capital increase of Parent Company			
Capital increases of subsidiaries subscribed by third parties	1,534.86	(1,541.72)	(136.75)
Dividends paid out by the Parent Company	41,109.86	37,781.29	(12,675.53)
Dividends paid to minority interests in subsidiaries	(2,202.58)	(477.93)	4,643.29
Dividends received from companies accounted for by the equity method			
Other long-term liabilities	(105.95)	(809.35)	(27,265.51)
Total (III)	40,336.19	34,952.29	(35,434.50)
TOTAL CASH FLOW FOR THE FINANCIAL YEAR (I + II + III)	83,905.37	(107,544.09)	(127,489.31)
Net cash surplus at the start of the period	176,760.21	270,632.07	313,924.85
Exchange rate, scope of consolidation and other adjustments	(29,544.78)	13,672.23	84,196.53
Change of accounting policy relating to capital leases			
NET CASH SURPLUS AT THE END OF THE PERIOD	231,120.80	176,760.21	270,632.07

Movements in shareholders' equity

(in thousands of euros)

Shareholders' equity Group share	Capital stock	Additional paid-in capital	Foreign exchange gains or losses	Reserves and income or loss	Total
ON DECEMBER 31, 1997	77,101.09	5,998.72	(736.48)	(27,793.14)	54,570.19
Appropriation of Parent Company income or loss				37,781.29	37,781.29
Foreign exchange gains or losses			(119.06)	88.73	(30.33)
Group share of the year's losses				(40,127.33)	(40,127.33)
ON DECEMBER 31, 1998	77,101.09	5,998.72	(855.54)	(30,050.45)	52,193.82
Capital increase	3,818.85	(3,818.85)			0.00
Appropriation of Parent Company income or loss				41,109.71	41,109.71
Foreign exchange gains or losses			(563.45)	(1.38)	(564.83)
Group share of the year's losses				12,990.18	12,990.18
ON DECEMBER 31, 1999	80,919.94	2,179.87	(1,418.99)	24,048.06	105,728.88

Notes to the consolidated financial statements

AT DECEMBER 31, 1999 (in thousands of euros)

1 - ACCOUNTING POLICIES

The consolidated financial statements of Campenon Bernard SGE, which are included in the consolidated financial statements of Société Générale d'Entreprises, are prepared in accordance with French accounting standards as defined by the general chart of accounts "plan comptable général", by the Act of January 3, 1985 on consolidation, and by the Decree of February 17, 1986.

1.1 - Scope of consolidation

The consolidated financial statements include the financial statements of all companies with net sales greater than 1.52 million euros, as well as those of subsidiaries whose net sales are below this figure but whose impact on the Group's financial statements is significant.

Companies over which Campenon Bernard SGE exercises majority control are fully consolidated. Those over which Campenon Bernard SGE exercises substantial control are consolidated by the equity method.

The method of proportionate consolidation has been used for joint ventures with a substantial contribution to net sales and a balance sheet of significance for the Group, as well as for entities over which Campenon Bernard SGE exercises joint control.

For joint ventures without long-term financing requirements, the proportionate consolidation was limited to the statement of income.

1.2 - Translation of foreign subsidiaries' financial statements

The financial statements of consolidated foreign companies and establishments are translated at year-end exchange rates.

Gains or losses are entered in an account called "Gains or losses arising from foreign exchange translation", included in the consolidated reserves.

1.3 - Items denominated in foreign currencies

Consolidated balance sheet items denominated in foreign currencies are translated at year-end exchange rates. Only unrealised foreign currency translation losses are provided for in the year.

1.4 - Goodwill

The principle is to allocate first consolidation goodwill, representing the difference between the cost of acquiring shares in a consolidated company and the corresponding proportion of shareholders' equity at the date of acquisition, to the appropriate balance sheet assets and liabilities of the acquired company.

The unallocated balance is recorded in "Goodwill" on the assets side of the consolidated balance sheet and amortised over a period not exceeding 20 years, except in special cases when accelerated amortisation is justified.

When the amount of goodwill does not exceed 152.45 thousand euros, it is fully amortised in the year.

1.5 - Fixed assets

Tangible fixed assets

- Land building and equipment are valued at their acquisition cost.

- Depreciation is calculated using the straight-line or reducing balance method over the estimated useful economic life of the asset. These economic lives are those usually applied in the industry, namely:

Buildings	from 20 to 30 years
Civil engineering equipment	from 3 to 10 years
Vehicles	from 3 to 5 years
Fixtures and furnishings	from 5 to 10 years
Office furniture and equipment	from 3 to 10 years

Intangible fixed assets other than goodwill (establishment costs, clientele, concessions, patents, software...). Intangible fixed assets are valued at their acquisition cost.

Financial fixed assets

The gross book value of unconsolidated investments in subsidiaries and affiliates is equal to their acquisition cost. If this value is greater than the fair value, a provision for depreciation is made to cover the difference.

The fair value of such investments is determined from the proportional share of shareholders' equity they represent, adjusted if appropriate, in the case of recently acquired companies, to take account of their strategic interest, and of their prospects for capital gains on assets and for growth.

Long-term loans are not discounted and are kept in the balance sheet at their nominal value.

1.6 - Pension commitments

Pension commitments, relating to both lump sum payments on retirement and supplementary pension benefits, are covered by balance sheet provisions, for both current and retired employees.

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

On the other hand, commitments relating to lump-sum payments on retirement for construction workers are covered by contributions to a prudential scheme.

1.7 - Income recognition

Income from long-term contracts is determined by the percentage of completion method, and is registered on the basis of merited circumstances.

For certain projects that do not meet the conditions to be treated by the percentage of completion method, the completed contract method is used. In such cases, the probable losses corresponding to work completed at year end give rise to depreciation of work in process.

If a contract is expected to end in a loss, a provision for anticipated loss on completion is made, whatever the accounting method, after taking into consideration, as appropriate, any rights to supplementary revenue or claims, estimated in a reasonable manner.

1.8 - Income from the disposal of construction site equipment

Income for the disposal of construction site equipment is entered under the item "Other operating revenue".

1.9 - Corporate income tax

Given the legal status of Campenon Bernard SGE ("Société en nom collectif", or general partnership not having opted for the "Société de capitaux" or capital stock company regime), the income or expense of the company is determined without taking the impact of corporate income tax into consideration.

2 - KEY EVENTS IN THE YEAR

2.1 - Changes in the Group's structure

Acquisition of companies

Campenon Bernard SGE bought from Sogea, as of January 1, its subsidiary Sovame;

Campenon Bernard SGE bought Extract SA, a company specialising in sludge treatment;

Campenon Bernard SGE bought, via its subsidiary Bâtiments et Ponts Construction, the additional 50% stock in Bâtipont Immobilier.

Acquisition of business and merging of activities

Campenon Bernard SGE bought the business activities of EITP, a company that owns the rights to an operating method for works over railway track, approved by the French railway company SNCF.

The merging of Botte BTP with Sade's foundation operations produced a new company – Botte Sade Fondations SA.

Sales of companies

Campenon Bernard SGE sold its shares in Valérian and Paridro.

2.2 - Scope of consolidation

Changes in the scope of consolidation occurring during the 1999 business year can be summarised as follows:

	French companies	Foreign companies	Total 1999	Total 1998
Fully consolidated companies	44	24	68	63
Proportionately consolidated companies (including joint ventures)	15	17	32	28
Equity method	1	1	2	1
TOTAL	60	42	102	92

3 - INTANGIBLE ASSETS OTHER THAN GOODWILL

The net movements of the year were as follows:

<i>(in thousands of euros)</i>	1999	1998
Net amount at the beginning of the year	4,460.50	4,657.32
Acquisitions net of disposals	1,198.11	629.92
Restatements and changes in consolidation scope	(156.26)	18.14
Depreciation and provisions	(1,224.78)	(844.88)
TOTAL	4,277.57	4,460.50

These intangible assets consist mainly of computer software.

4 - GOODWILL

All goodwill amounts with gross value exceeding 152.45 thousands euros are amortised over 20 years, with the exception of special cases with circumstances justifying accelerated depreciation.

The movements of the year were as follows:

<i>(in thousands of euros)</i>	1999	1998
Net goodwill at the beginning of the year	18,668.60	19,957.25
Goodwill acquired during the year	1,531.51	1,988.70
Depreciation in the year	(1,595.23)	(3,277.35)
TOTAL	18,604.88	18,668.60

Excluding depreciation expenses, goodwill acquisitions (and disposals) in the year break down as follows:

<i>(in thousands of euros)</i>	
Additional acquisition of BPC	158.24
Additional acquisition of BPI	2,565.26
Acquisition of Extract	425.33
Disposal of Valérian	(1,901.34)
Other	284.02
TOTAL	1,531.51

5 - TANGIBLE FIXED ASSETS

5.1 - Movements in the year

<i>(in thousands of euros)</i>	1999	1998
Net amount at the beginning of the year	77,045.44	86,382.49
Acquisitions minus disposals	(6,077.38)	(4,128.63)

Restatements and changes in consolidation scope
(2,333.23)
(9,095.41)

Depreciation and provisions

9,304.88

3,886.99

TOTAL

77,939.71

77,045.44

5.2 - Breakdown by type of asset

Gross

1999

1998

(in thousands of euros)

book value

Depreciation

Net book value

Net book value

Land

9,290.85

(173.94)

9,116.91

8,047.33

Buildings

25,910.69

(11,260.04)

14,650.65

9,843.33

1999

Land

Buildings

Plant and equipment

Fixtures and other

Assets under construction

TOTAL

Plant and equipment

148,862.81

(115,949.37)

32,913.44

32,582.46

Fixtures and other

46,963.29

(36,703.93)

10,259.36

10,840.34

Concessions

1,411.68

(427.47)

984.21

941.53

Assets under construction

10,015.14

10,015.14

14,790.45

TOTAL

242,454.46

(164,514.75)

77,939.71

77,045.44

5.3 - Capital expenditure in the year

(in thousands of euros)

	1999	1998
Land	2,347.11	103.21
Buildings	2,000.74	16.46
Plant and equipment	18,178.33	12,210.71
Fixtures and other	4,436.57	6,261.23
Assets under construction	502.78	10,351.44
TOTAL	27,465.53	28,943.05

6 - INVESTMENTS IN SUBSIDIARIES AND AFFILIATES

Investments in subsidiaries and affiliates are recorded at the value appearing in the individual financial statements.

(in thousands of euros)

	1999	1998
Gross book value of investments in subsidiaries and affiliates	18,644.21	20,259.41
Depreciation provisions	(4,937.37)	(5,553.72)
TOTAL	13,706.84	14,705.69

This item includes the shares of companies whose size is not significant in relation to the threshold adopted for the scope of consolidation.

As of December 31, 1999, the main non-consolidated companies were:

(in thousands of euros)

Corporate name	% held	Net book value of shares
SCI Clichy	100.00	4,366.14
SMTPC	14.47	827.95
AENOR - Portugal	5.00	586.62
SCBA - Portugal	100.00	504.45
SGE Système Rail	99.94	345.30
Watan TP - Maroc	100.00	197.73
IUR	99.90	187.21
Société Centrale de Matériel	100.00	152.45

7 - OTHER FINANCIAL ASSETS

This item includes loans and long-term receivables of a financial nature, as well as deposits and sureties.

(in thousands of euros) net value

	1999	1998
Loans and long-term financial receivables	12,583.45	16,800.80
Deposits and other financial assets	105,617.29	61,442.90
Other investments held as fixed assets	2,493.15	2,619.84
TOTAL	120,693.89	80,863.54

8 - DEFERRED CHARGES

Charges deferred to future financial periods consist of design costs, special equipment and site preparation costs, which are amortised over the duration of the corresponding works.

9 - INVENTORIES AND WORK IN PROCESS

The inventories and work in process item breaks down as follows:

(in thousands of euros)

	1999	1998
Inventories (net book value)	10,245.79	11,276.65
Work in process	25,012.92	89,127.95
TOTAL	35,258.71	100,404.60

Work in process reported in the balance sheet at December 31, 1999 mainly concerns state-subsidised social housing programmes in Portugal.

10 - SHORT-TERM FINANCIAL RECEIVABLES AND OTHER MARKETABLE SECURITIES

Short-term financial receivables and other marketable securities can be broken down as follows, in net book value:

(in thousands of euros)

	1999	1998
Marketable securities	84,890.02	95,957.05

Other short-term financial receivables	174,304.42	175,836.98
TOTAL	259,194.44	271,794.03

The "Marketable securities" item consists primarily of negotiable debt instruments, of mutual funds and of cash instruments.

A valuation of marketable securities on the basis of market prices at December 31, 1999 does not reveal any significant differences with respect to the net book value entered on the assets side of the balance sheet.

Short-term financial receivables include the current accounts of several unconsolidated companies, as well as the current cash account with SGE (124,328.42 thousand euros on December 31, 1999).

11 - MOVEMENTS IN SHAREHOLDERS' EQUITY

(in thousands of euros)

		(855.54)
		(30,050.45)
Additional		52,193.82
Translation		Capital increase
Reserves		3,818.85
Shareholders equity		(3,818.85)
Capital	paid-	
in	gains	
or	and	
income		
Group share		0.00
stock	capi-	
tal		Allocation of parent company income or expense
losses	or	
expense		
Total		
AT DECEMBER 31, 1997		
77,101.09		41,109.71
5,998.72		41,109.71
(736.48)		Foreign currency translation differences
(27,793.14)		
54,570.19		
Allocation of parent company income or expense		(563.45)
		(1.38)
		(564.83)
		Group share of net income or expense
37,781.29		
37,781.29		
Foreign currency translation differences		
		12,990.18
		12,990.18
(119.06)		AT DECEMBER 31, 1999
88.73		80,919.94
(30.33)		2,179.87
Group share of net income or expense		(1,418.99)
		24,048.06
		105,728.88
(40,127.33)		
(40,127.33)		
AT DECEMBER 31, 1998		
77,101.09		
5,998.72		

At December 31, 1999, the capital stock of the parent company consisted of 5,057,500 shares with a nominal value of 16 euros.

12 - MINORITY INTEREST

The movement of minority interest during the year was as follows:

(in thousands of euros)

1999	
1998	
Balance at the beginning of the year	
6,969.82	
7,119.52	
Scope of consolidation changes and miscellaneous	
2,795.15	
38.26	
Financing by minority interest	
(3,737.44)	
1,063.80	
Minority interest share in the year's net income or expense	
2,771.07	
(1,251.76)	
BALANCE AT THE END OF THE YEAR	
8,798.60	
6,969.82	

For companies whose shareholders' equity, including the current year's net income or expense, was negative, the Group assumed the minority interest share of shareholders' equity.

13 - PROVISIONS FOR LIABILITIES AND CHARGES

(in thousands of euros)

	At
year	Scope
and	
Allocations	
Reversals	At
year	
Type of provision	begin-
ning	other
changes	in the
year	in the
year	
end	
Provisions of an operating nature	
After-sales service	
52,918.26	
777.49	
14,389.82	

13,581.08
54,504.49
Claims
49,406.43
(333.56)
17,959.26
20,554.70
46,477.43
Anticipated losses on contracts
37,550.03
(3,070.93)
28,594.71
25,359.28
37,714.53
Other operating risks
40,179.31
6,004.51
16,038.25
16,483.41
45,738.66
Sub-total
180,054.03
3,377.51
76,982.04
75,978.47
184,435.11
Provisions of a financial nature
3,181.00
(857.83)
1,706.21
554.61
3,474.77
Provisions of an exceptional nature
77,120.30
42.84
17,971.91
45,711.54
49,423.51
TOTAL
260,355.33
2,562.52
96,660.16
122,244.62
237,333.39

The "Provisions of an exceptional nature" item comprises provisions set aside to cover risks of a non-recurring nature, especially restructuring costs, and risks connected with business activities in foreign countries.

14 - NET FINANCIAL SURPLUS

At the end of the financial year, the Group had a net surplus cash position of 238,202.81 thousand euros, broken down as follows:

<i>(in thousands of euros)</i>	1999	1998
Long-term financial receivables	12,583.45	16,800.80
Total long-term financial receivables	12,583.45	16,800.80
Other borrowing and debt (>1) year	(5,501.28)	(1,807.44)
Total long- and medium-term debt	(5,501.28)	(1,807.44)
Long-term debt (< 1 year)	(7,630.68)	(5,910.60)
Bank overdrafts and other short-term borrowing	(70,519.26)	(139,136.71)
GROSS DEBT	(71,067.77)	(130,053.95)
Marketable securities	84,890.02	95,957.05
Short-term financial receivables	174,304.41	175,836.98
Cash	50,076.15	50,013.49
NET FINANCIAL POSITION	238,202.81	191,753.57

Financial receivables consist mostly, in the amount of 124,328.42 thousand euros, of an investment made with the parent company and remunerated at conditions close to those prevailing on the market.

Debt also bears interest at levels close to those of the market.

Maturity of long-term debt as of December 31, 1999:

<i>(in thousands of euros)</i>	
maturity in 2001	219.98
maturity between 2002 and 2004	343.62
maturity in 2005 or later	2,293.75
undetermined maturity	2,643.93
TOTAL	5,501.28

Debt guaranteed by real securities: None.

15 - NET SALES

Consolidated net sales exclude incidental goods and services, as well as services to unconsolidated companies which are restated as other operating revenue.

Moreover, the movement in net sales includes the effects of change in scope of consolidation.

It breaks down as follows:

<i>(in millions of euros)</i>	1999	1998
Net sales in the year	1,502.86	1,510.78
<i>Of which:</i>		
Net sales of newly consolidated companies	(42.93)	0.00
Net sales of companies no longer consolidated	0.00	(73.92)
NET SALES ON A LIKE-TO-LIKE CONSOLIDATION BASIS	1,459.93	1,436.86

On a like-to-like consolidation basis, net sales are up by 2% over the previous year.

and charges	1,003.57	(33,119.85)
Total provisions	6,200.41	(31,484.68)
TOTAL DEPRECIATION AND PROVISIONS	30,543.01	(1,771.91)

18 - NET FINANCIAL INCOME

This item breaks down as follows:

<i>(in thousands of euros)</i>	1999	1998
Net financing income	4,883.40	8,593.55
Dividends	700.35	1,023.85
Foreign currency translation gains or losses	1,588.98	(656.29)
Other net financial charges and revenue	586.77	417.86
TOTAL	7,759.50	9,378.97

19 - NET EXCEPTIONAL EXPENSE

The net exceptional expense item includes items of a non-recurring nature, such as restructuring costs,

costs connected with business activities in foreign countries, costs associated with disposal transactions, the impact of disposals of assets (except when they are an integral part of business operations), the cost of closing companies or facilities, writing-off of debts, and the impact of guarantees granted when they are exercised.

<i>(in thousands of euros)</i>	1999	1998
Net gain or loss from disposals of assets	4,588.42	(640.29)
Exceptional net gain and losses from management operations	(22,896.77)	(37,616.18)
Provisions for exceptional depreciation or liabilities	16,540.41	(2,656.12)
TOTAL	(1,767.94)	(40,912.59)

The net gain from disposals of assets includes 698.83 thousand euros in capital gains from sales of fixed assets (32.17 thousand euros in 1998) and 3,889.59 thousand euros of capital gains on sales of securities (672.45 thousand euros of capital losses in 1998).

The "Net exceptional expense" item includes restructuring charges and net allocations to restructuring

	Country		% interest
Breakdown by geographical area			
(in millions of euros)	1999	1998	
France	894.38	905.82	
Europe	515.58	504.86	
Africa	48.27	23.15	
Asia	5.82	40.20	
Middle East	38.81	36.75	
TOTAL	1,502.86	1,510.78	

16 - OTHER REVENUE

<i>(in thousands of euros)</i>	1999	1998
Net income from unconsolidated joint ventures	5,915.63	3,654.51
Operating subsidies	17.99	21.50
Other management revenue	97,524.22	105,116.95
Transferred to assets as deferred expenses	4,962.83	8,070.19
TOTAL	108,420.67	116,863.15

The “Other management revenue” item includes revenue not directly related to business operations, such as equipment rental, insurance reimbursements, merchandise sales, etc.

Costs transferred to assets include only deferred expenses incurred during the year.

17 - OPERATING EXPENSES

Operating expenses, in the total amount of 1,593,900.2 thousand euros, break down as follows:

<i>(in thousands of euros)</i>	1999	1998
Purchases	285,590.67	257,229.51
Outside services	884,149.72	959,009.97
Wages, salaries and benefits	362,320.54	377,608.29
Other operating expenses	31,296.26	35,524.73
Net depreciation, amortisation and provisions	30,543.01	(1,771.91)
TOTAL	1,593,900.20	1,627,600.59

Net depreciation, amortisation and provisions break down as follows:

<i>(in thousands of euros)</i>	1999	1998
Net depreciation and amortisation		
Intangible assets	1,557.57	1,413.20
Tangible assets	18,038.84	23,203.65
Publicly owned utility networks financed and managed by the Group	51.22	28.36
Deferred expenses	4,694.97	5,067.56
Total depreciation and amortisation	24,342.60	29,712.77
Net allocations to provisions		
Write-down of assets	5,196.84	1,635.17
Operating liabilities		

Report of the statutory auditor on the consolidated financial statements

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

The management of the Group is responsible for the preparation of the consolidated financial statements. It is our responsibility to express an opinion based on our audit on these consolidated financial statements.

We have conducted our audit in accordance with French professional standards. These standards require that we plan and perform our audit to obtain reasonable assurance that the consolidated financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statements' presentation. We believe that our audit provides a reasonable basis for our opinion.

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

We have also carried out a verification of the information given on the management of the Campenon Bernard SGE Group. We have no comment to make as to its fair presentation and its conformity with the consolidated financial statements.

Paris, March 22, 2000

The statutory auditor
Salustro Reydel

Hubert Luneau

Bernard Cattenoz

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Société en nom collectif au capital de 80 920 000 euros

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