

SALES and RESULTS

After 11 years of sustained growth, consolidated sales remained flat in 2009 at €13.2bn, with the acquisition of Clemessy and Crystal offsetting the downturn in the Group's works activities at their 2008 scope (-7%), observed from the second half of 2008. For its part, the Concessions activity again showed firm resistance, achieving a 1.6% increase in sales in a difficult environment.

As usually happens when economic conditions get tough, sales and margins held up best in France, the Benelux countries and Germany. They contracted in the other European countries, particularly in Spain where the crisis is very severe, despite the undeniable support provided by the government's stimulus package. Including the contribution from Clemessy and Crystal, sales outside France declined to less than two billion euro (€1,959 million), i.e. 14.8% of consolidated sales.

The Construction division was very adversely affected by Poland and the Czech Republic, with sales down by 10.1% to €3.7bn and a drop in the operating margin to 3.9%, attributable in particular to the smaller contribution made by property development. The contribution made by property development is likely to decline further in 2010 as the Group is maintaining its very prudent policy with regard to this market which, in France, is essentially shored up by tax measures.

Public Works managed to limit the decline in sales, down by 5.1% to €3.7bn, thanks to the stimulus packages implemented in France and Spain and to some major works, the largest of which is the construction of the Pau-Langon section of the A65 motorway, which will continue throughout 2010. The operating margin fell to 3.2%.

The Energy division, which for the first time integrated Clemessy and Crystal, recorded a 23.3% increase in sales to €3.2bn despite a weak market. However, the operating margin, which is usually high, did not exceed 2% in 2009 due to the difficulties encountered in Spain and in the Antilles following the strikes at the beginning of 2009, and because of depressed demand in the industrial and services sectors.

The Metal division performed well, with sales down by only 1.5% to €706 million and an improvement in the operating margin (2.7%) for the second year running.

The Concessions division posted a 1.6% increase in sales (€1.9bn excluding construction), benefiting from the upturn in light vehicle traffic from the second quarter of 2009, with an annual increase of 2.9% on the APRR network. The trend in heavy goods traffic remained negative throughout the year, down by 12.6%. EBITDA margin continued to improve, rising to 68%. The Millau Viaduct continues to be very successful. In 2008, the Group delivered the Nancy and Béziers detention centres, obtained the building permit for the Grand Stade de Lille, won several major contracts (Dakar-Diamniadio motorway, Kreis Lippe road network in Germany) and responded to numerous PPP and Concessions invitations to tender, including those of major projects such as the Tours-Bordeaux (SEA) and Bretagne Pays-de-Loire (BPL) high-speed rail links.

Eiffage's Board of Directors approved the financial statements for the 2009 financial year at its meeting on 25 February 2010; the audit of these financial statements has been carried out and the audit report will be issued as soon as the diligences relating to specific verifications have been completed.

In 2009, the Group opted for early application of IFRIC 12 Service Concession Arrangements and the 2008 accounts have been restated pro forma. The consequences of this change of method and details of the restatements are provided in the half-year financial report published on 31 August 2009.

Operating profit on ordinary activities exceeded €bn (down by 7.3%) thanks to the performance of Concessions which partly offset the contraction in operating margin on the works activities (down from 4.1% in 2008 to 3.1% in 2009) thereby confirming the appropriateness of the Group's investment strategy over the past 12 years.

Income tax expense came to €145m. Consolidated cashflow came to €982m, a limited 4.8% decline, whereas working capital requirements increased (€139m) due to the impact of shorter payment times for suppliers and contractors. The impact on cash of the LME law (French economic modernisation act) is estimated at €215m. For this reason, and due to the Group's financial commitments under public-private partnerships, net cash at the works divisions and holding company levels declined by €462m, although remaining substantially positive at €488m, with a significant improvement in the second half of 2009. The Group therefore has substantial cash, increased if necessary by confirmed credit lines totalling more than €700m and reactivation of €400m of unused securitisation, to seize any opportunities that may arise.

As announced at the end of 2008, Eiffage has significantly cut back its growth through acquisitions (€75m). In contrast, it has continued to invest in Concessions (€1.15bn) and increased, as expected, the net debt allocated to Concessions (€13bn at end-2009) by €271m. Virtually the entire amount (€12.6bn) is non-recourse debt. It is backed by the cash flows from the concessions and consists mainly of long and very long-term debt at fixed rates. These are generally repaid over the term of the concession they finance. Debt refinancing at APRR is ensured by bond issues, of which the first since the market reopened was carried out very successfully in June 2009 and supplemented in February 2010 for a total of €700m, thereby reinforcing APRR's already substantial liquidity.

Consolidated results – in € million	2008 *	2009	Change
Sales	13,226	13,233	+ 0.1%
Operating profit on ordinary activities	1,097	1,017	- 7.3%
Cash generated by operations **	1,032	982	- 4.8%
Net profit attributable to the equity holders of the parent	293	190	- 35.1%

* restated according to IFRIC 12

** Results of consolidated companies and depreciation excluding lease financing

GENERAL MEETING – DIVIDEND

Eiffage SA recorded a net profit of €240m in 2009 compared with €388m in 2008.

At the General Meeting that will be held on 21 April 2010, the Board of Directors will propose an unchanged dividend of €1.20 per share. This dividend will be paid on 28 April 2010 to the 90,000,000 shares that make up the capital.

2010 PROSPECTS

Eiffage is starting 2010 in good conditions thanks in particular to the measures taken. It has a strong financial position, enabling it to continue to develop the concessions business. This strategy is more relevant than ever in the present difficult economic conditions where APRR continues to generate stable revenues and record steady growth in earnings thanks to present and future productivity gains. The Group's involvement in negotiations for new PPP and concessions in France and the rest of Europe is likely to win it new and major projects that will, over the next year or so, top up an already strong order book (€9.88bn in 2009) that enables the Group to forecast stable sales of €13.3bn in 2010.

Thus, once the present period of economic gloom is over, Eiffage can look forward to a new cycle of growth in all its businesses.

