



Press release

28 February 2008

Activity and results

EIFFAGE surged ahead with its development in 2007, taking advantage of still fast-growing markets for its different activities in France and the rest of Europe and drawing strength from the trust shown by its clients, as a result of which the group's sales grew by 17.2% for an increase of 50% in the past three years.

2007 was the first full-year which consolidated APRR. It saw growth accelerate in European operations, which now account for 18% of total group sales, in line with management's objective of striking a better balance at geographical level.

Operating results were in line with sales, marked by a slight improvement in the operating margin to 9.1% and a net profit of €1 billion (group share) thanks to the profits on the sale of the longstanding shareholding in COFIROUTE and the opening in the capital of the MILLAU VIADUCT to Caisse des Dépôts.

Europe was the main engine of growth. The Group employs over 11,000 persons in eleven European countries that contributed sales of €2.2 billion in 2007, up 57% year-on-year.

Sales grew by 8.4% at the contracting activities divisions in France in the full year as market conditions continued to hold up well.

Construction recorded another increase in its operating margin on ordinary activities to 5.6% on sales which themselves increased strongly, up 12.8% to €3.8 billion.

The marketing of several office projects in the property development sector in France and Belgium and the still brisk conditions in the residential market, even if there are signs of a levelling off, resulted in a high level of activity at the Property Development business, which recorded another increase in its contribution to the Group's results.

Difficulties experienced in boring the Perthus tunnel (under the Pyrenees) weighed on profitability at the Public Works division that pulled back to 3.8%, while sales remained high across all activities, growing by 13.2% to €4.1 billion.

Sales at the Electrical and Multi-technical Installations division increased by 26.1% to €2.5 billion. The Group continued to benefit from favourable conditions in the countries where it is active and from the particularly intense growth through acquisitions in France. The operating margin on ordinary activities improved to 5.1%.

EIFFEL posted contrasted performances. While sales climbed sharply by 30.3% to €318 million thanks to the acquisition of KSH in Germany, the division moved into the red for the first time ten years, recording an operating loss of €6 million attributable to a handful of major projects.

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Concessions did extremely well in 2007, thanks to an improvement in the performances of APRR whose EBITDA margin rose by 3 percentage points to 67%, close to levels achieved by the sector's very best operators. APRR and the MILLAU VIADUCT recorded strong increases in traffic as well in their revenue, which grew to €1.83 billion (up 8% on a pro forma basis). Their contribution to the Group's operating profit on ordinary activities increased to €675 million in 2007, up 35% year-on-year. In addition, the sale of stakes in COFIROUTE and the MILLAU VIADUCT generated a profit of €667 million, materialising EIFFAGE's ability to create shareholder value through development in concessions and optimisation of its portfolio in this sector.

The tax charge came to €227 million. Cash generated by operations increased to €1.03 billion on the back of the proceeds raised by disposals and the refinancing on COMPAGNIE EIFFAGE DU VIADUC DE MILLAU, improving the Group's financial structure in 2007. It now has a net cash position of €931 million not taking into account the €11.7 billion of non-recourse debt of the concessions lodged mainly at APRR and its holding company EIFFARIE. Most of this long-term debt is at fixed interest rates. Part of it is being amortized over the term of the concessions and the rest will be refinanced, primarily through bond issues.

Consolidated results (in millions of euros)	2006	2007	Change
Sales	10,745	12,596	+17.2%
Operating profit on ordinary activities	963	1,141	+18.5%
Cash generated by operations*	875	1,034	+18.2%
Profit for the year attributable to the equity holders of the parent	377	1,000	X 2.7

* generated by integrated companies after adjusting for depreciation excluding lease finances

Eiffage SA recorded a profit of €1,295 million in 2007 compared with €398m in 2006.

2008 PROSPECTS

Growth through acquisition has continued with the purchase of several companies in France and Europe (Czech Republic, Germany, Spain and Belgium) with annual sales of over €800 million.

The Group's commercial success, notably in the area of public-private partnerships and concessions, contributed to the increase in the Group's order book, up 12.1% to €9.8 billion at 31 December 2007, the equivalent of one year's activity at the contracting division. Accordingly, the Group can be expected to record another increase in sales to €13 billion, of which €11.1 billion for contracting activities and €1.9 billion for concessions. This guidance makes allowance for prospects of less favourable economic conditions in several countries where the Group has operations, excluding any new acquisitions.

As it moves ahead in 2008, EIFFAGE possesses substantial financial resources providing it with significant leeway to seize opportunities in its market to develop its activity and create more shareholder value.

