

PRESS RELEASE

ACTIVITY

EIFFAGE Group sales increased by 11.6% year-on-year to €6,522 million in the first half of 2008.

The Construction division recorded an increase of 12.5%, benefiting from the firmness of the French market and also from the acquisition of TCHAS in the Czech Republic. The contribution by the Property Development division increased by 13% in line with the sales negotiated in 2007, bearing in mind the market has slowed sharply since the start of 2008. Activity remained upbeat in Poland and the Benelux countries.

The good level of activity in road construction and maintenance in France, the acquisitions completed by the Group and the contribution made by several major projects in other European countries offset the slowdown experienced by the Spanish market. As a result, sales contributed by the Civil Engineering division increased by 5%, with acquisitions contributing two percentage points.

The Electrical Contracting division continued to grow strongly, with sales up 21.8%, fuelled by recently acquired companies (which contributed 12.8 percentage points) in France and Europe, in addition to which the Group's markets held up with the exception of Spain where there are the first signs of a downturn after several very good years.

The Metallic Construction division (EIFFEL) is enjoying a very high level of activity in its two key markets in France and Germany. As a result it recorded a 48.1% increase in its sales.

After an excellent first quarter, sales at the Concessions division increased by 4.6%.

RESULTS

Operating profit on ordinary activities reached €473 million in the first half of 2008 compared with €469 million the year before. The operating margin at the Contracting activities reached 2.7% (operating profit on ordinary activities of €150m) compared with 3.2% in the first half of 2007. Seasonal effects and the sensitivity of Group businesses to weather conditions are such that first-half results are traditionally considered to be of little significance.

Despite the contraction in traffic in the second quarter, the Concessions activity contributed €345 million, with APRR's EBITDA margin continuing to improve to reach 68.8% in the first half of 2008 (up from 68.3% in the first half of 2007) thanks to the tight control exercised over operating expenses..

Thus, in line with the strategy pursued over the last ten years, the non-cyclical proportion of the Group's operating profit on ordinary activities is around 60% on an annualised basis, which reduces its sensitivity to Contracting activity cycles.

2008 PROSPECTS

The order book improved further, up 3.7% year-on-year to top €10 billion. At €10,100 million, the order book represents 11 months of activity.

Acquisitions, which have focused mainly on Europe and on industrial activities related to road construction and maintenance, continued but at a more moderate pace. Companies acquired generate annual sales of just over €150 million. Around half of this is accounted for by LOS SERRANOS, a road construction and maintenance company based at Murcia in Spain. The Group has acquired 51% of the capital of this company alongside the founding family.

EIFFAGE intends to continue to implement prudently its strategy of developing through acquisitions, more particularly in electrical contracting. Because of its excellent financial situation, the Group will be able to seize opportunities but only when conditions so permit and do not undermine its objectives in terms of profitability.

As regards Concessions, work on the high-speed rail link between Perpignan and Figueras is progressing to plan. Work on the A65 motorway got under way immediately upon the signing in June of the decrees authorising this project. The final touches are being put to the partnership agreement for the Grand Stade de Lille project. The Roanne prison, the first of four such establishments commissioned in 2006, will be delivered per the agreed deadline on 23 September. The others will follow in 2008 and 2009 ahead of schedule.

Work on the Sud Francilien hospital complex is in full swing and EIFFAGE has been approached to build the headquarters of the French "Gendarmerie Nationale" at Issy-les-Moulineaux under a Public Private Partnership contract worth €130 million.

Given the size of the order book and the orders taken in the first half, the 2008 sales guidance has been revised upwards to €3.3 billion from the €3.0 billion anticipated back in February, which would constitute an increase of 5.6% over 2007 despite the slowdown in traffic on APRR's motorways and the deterioration in the Spanish economy.

FINANCIAL POSITION

Not taking into account the non-recourse debt at the Concessions division, EIFFAGE had net cash of €76 million at 30 June 2008 compared with €36 million one year before, bearing in mind this is the time of the year when cash positions are at their lowest. The disposal at the start of the year of part of the Group's property assets raised around €100m, which contributed to strengthening further its financial position.

Non-recourse debt carried by the Concessions activity amounted to €1,926 million at 30 June 2008, an increase of €63 million compared with 31 December 2007 that is linked to the investment programme undertaken by APRR and to the ramping up of ongoing work on the A65 and Public Private Partnerships.

Consolidated figures (€m)	First half 2007	First half 2008	% change
Sales	5,844	6,522	+11.6%
Operating profit on ordinary activities	469	473	+ 0.8%
Profit attributable to the equity holders of the parent (*)	600*	144*	-

(*) Including in 2008 a €21 million after-tax profit on the disposal of property used in the Group's operations and in 2007 a €188 million after-tax profit on the sale of the shareholding held in Cofiroute.

