

PRESS RELEASE**ACTIVITY**

The effects of the general slowdown, perceptible since the summer of 2008, became more pronounced in the first half of 2009 when sales recorded by the Group declined by 0.2% year-to-year to €6.5bn, down 6% at comparable consolidation scope.

The Energy division bucked this trend (recording an increase of 26.6% at current consolidation scope but a 4.4% decrease at constant consolidation scope) thanks to the first-time consolidation of CLEMESY and CRYSTAL and to FORCLUM's good performances in France (4.8% growth), whereas sales fell back sharply in Spain.

The Metallic Construction division posted a slight 1.1% increase overall, with activity holding up in Europe.

The other divisions recorded lower sales:

- ✓ A moderate decline was recorded in France and the Benelux countries by the Construction division, but a larger decrease in Eastern Europe. Overall, the division recorded decreases of 5.5% at current consolidation scope and 4.6% at constant consolidation scope and exchange rates.
- ✓ A sharp decline was recorded by the Public Works division (down 11.5% at current consolidation scope and 10.4% at constant consolidation scope), the effects of the winter weather conditions being compounded by the Group's partial pullout from the Portuguese market.
- ✓ A 1.6% decline was recorded by the Concessions activity because of still weak heavy good vehicle traffic, offset partly by a slight upturn in light vehicle traffic in the spring and early summer.

RESULTS

Operating profit on ordinary activities declined by 9.6% to €423m, reflecting the effect of the more difficult economic conditions on the Group's activities, notably Construction, which saw its margin fall back from 2.7% to 2.3%. The seasonal nature and sensitivity to weather conditions of Group businesses are such that first-half results are traditionally considered to be of little significance, particularly so this year when there was a harsh winter.

The contribution made by Concessions declined to €318m, the EBITDA margin generated by APRR having narrowed to 67.7%. The tight control of operating costs and the recovery in light vehicle traffic during the last quarter bodes well as regards the level of the operating margin over the year as a whole.

2009 PROSPECTS

The order book improved further over the last year to €10.3bn, which still represents around 11 months of activity.

Since the acquisition of CLEMESSEY and CRYSTAL at the end of 2008, the Group's financial resources have been earmarked for public-private partnership and concession projects. The Group is taking an active part in the consultations being held in France (high-speed rail lines, motorways, canals and sundry public building work), Belgium (motorways, prisons and schools), Germany (where it has just been selected for a motorway public-private partnership representing an investment of €126m over 24 years) and, further afield, Senegal (Dakar-Diamniadio motorway concession for €207m).

As regards existing projects, the Perpignan-Figueras high-speed rail line was delivered to schedule on 17 February 2009 and an agreement reached with the concession owners concerning delays connecting the southern section. Three prisons built under public-private partnerships were delivered on time, in some cases early, and a fourth at Béziers was delivered on 22 July, four months ahead of schedule. Work on the A65 motorway and Evry-Corbeil, Rennes, Saint-Nazaire and Annemasse hospitals is in full swing, while work on the Issy-les-Moulineaux national police headquarters and Lille stadium has started on schedule.

Notwithstanding the quality of the order book, given the effects of the crisis in the industrial sector - an important source of business for CLEMESSEY, FORCLUM and EIFFEL notably - and the persisting difficulties in Spain and Central Europe, the Group has revised downwards its 2009 sales guidance to €13.4bn from the €13.7bn anticipated back in February, meaning slight 1.3% growth is now expected over the year as a whole. This adjustment is based on the anticipation there will be an upturn of the trend for both the Public Works and Concession activities.

FINANCIAL POSITION

Given the still significant investments being made in public-private partnerships and concessions, the additional share buybacks (since the authorisation given by the Shareholders' Meeting in 2008 and the decision of the Board at its subsequent meeting), and the seasonal deterioration in working capital requirements during the first half, heavily accentuated by the accelerated payment of suppliers and contractors to comply with the requirements of the Law on the Modernisation of the Economy, there was a sharper-than-usual decline in the cash position of the holding company and the Construction activities, which remains positive however at €82m, while the borrowings of the Group's Concessions activity were stable at €12.7bn.

Of these borrowings, €12.3bn is without recourse against EIFFAGE, while €371 million is with recourse.

Although at its lowest at this time of the year, the Group's liquidity remains substantial, with available cash of €438m and undrawn credit lines amounting to over €700m.

For the first time in June, APRR raised €500m through an issue of bonds maturing in 2015, providing enough liquidity for at least 12 months. The other public-private partnerships and concessions are financed by long-term and very long-term bank loans.

EIFFAGE therefore has the resources needed to finance its development strategy in public-private partnerships and concessions in France and the rest of Europe by seizing opportunities arising from the ongoing stimulus plans.

EXTENSION OF THE FUNCTIONS OF THE CHAIRMAN AND MANAGING DIRECTOR

In accordance with the Memorandum and Articles of Association, the Board of Directors decided to extend the functions of Mr Jean-François Roverato for the remainder of his term of office as Board Director, which ends at the close of the next Annual General Meeting.

Consolidated figures (€m)	First half 2008	First half 2009	% change
Sales (excluding IFRIC 12)	6,522	6,508	-0.2%
Operating profit on ordinary activities *	468	423	-9.6%
Profit attributable to the equity holders of the parent *	** 140	50	ns

* 2008 comparatives were restated to apply the requirements of IFRIC 12, Service Concession Arrangements, the Group having elected for the early application of this Interpretation effective 1 January 2009.

** Including a profit of €21m after tax from the sale of property used in the Group's operations

