



PRESS RELEASE

ACQUISITION AND FULL CONSOLIDATION OF APRR: A NEW DIMENSION

SALES

The Group recorded sales of €4,991 million in the first half of 2006, up 25.8% year-on-year. For the first time, revenues include a contribution by APRR, which is consolidated as of 20 February 2006, this being when the State's majority interest was acquired by EIFFARIE, a company controlled by EIFFAGE alongside MACQUARIE. Not taking into account Concessions, consolidated sales increased by 12.1%, of which 4 percentage points came from acquisitions.

Construction continued to benefit from favourable conditions in France with sales, excluding property development, increasing by 6.2%. Property sales rose by 15.8% in line with management guidance for the year as a whole.

In Europe, the first half brought confirmation of the turnaround in Poland, despite a particularly harsh winter that affected activity in the first quarter. Benelux is benefiting from the integration of PERRARD in Luxembourg.

Public Works recorded another strong increase in sales - up 12.9% in the first half, confirming the highly satisfactory performance achieved in the first quarter – thanks to continued buoyant market conditions in France and Spain. There are signs that activity is picking up in Germany.

Electrical and Multi-Technical Contracting continued to record strong growth in line with recent periods. Sales increased by 13.5%, with 8 percentage points coming from acquisitions mainly in Europe (Spain, Belgium and Germany).

In Metallic Construction, EIFFEL benefited from the integration of GOYER, acquired in July 2005, and from the good level of activity enjoyed by all its business lines, as a result of which sales increased by 80%.

Sales recorded by Concessions include contributions by APRR (from 20 February 2006) and by the Millau Viaduct but not the car parks that were sold at the start of the year.

Traffic inched up 0.5% at APRR and was stable at the Millau Viaduct after the very high levels reached in 2005. Toll revenues increased by 5.1% at APRR and by 8.5% at the Millau Viaduct due to an increase in tariffs and the greater proportion of heavy goods vehicles.

RESULTS

Operating profit on ordinary activities increased to €325 million, up from €117 million in the first half of 2005. Not taking into account Concessions, operating profit on ordinary activities increased by 24% to €135 million.

Net profit attributable to the equity holders of the parent increased by 28.4% to €122 million *. Given the seasonal profile of all of the Group's activities and their exposure to weather conditions, first half results have traditionally not been particularly meaningful.

2006 PROSPECTS

Not taking into account Concessions, the order book increased by 8.3% year-on-year to € billion, equivalent to nearly 11 months of activity for the Group.

The Group's policy of growth through acquisitions was pursued actively in the first half, resulting in investments totalling €1 million for the acquisition of 15 companies that will contribute annual sales of over €150 million (with €80 million coming from the rest of Europe outside France). Further acquisitions should be completed in coming months, one of the avenues of development defined by the Group being to grow its activities in the rest of Europe.

Since the start of the year, EIFFAGE has enjoyed several notable commercial successes in the fast growing market of Public-Private Partnerships (PPP) and concessions in France. In particular, the Group won 30-year design, build and maintain contracts for four prisons as well as for a hospital at Corbeil-Evry south of Paris in the Ile-de-France. These contracts represent a total investment of over €600 million for annual rents of around €60 million. In addition, the Group has been short-listed for the concession of the A65 motorway (150 kilometres linking Pau and Langon), which represents an investment of more than € billion.

These successes, along with the still dynamic order taking, support management guidance for 2006, with sales now expected to increase to €0.6bn (up from the €0.3bn announced back in February). Sales growth is therefore expected to reach 25.7% this year.

The acquisition by Caisse des Dépôts of a participating interest in CEVM should be completed at the start of 2007 once agreement has been obtained from the French State in its capacity as concessionaire. This will free financial resources that can be ploughed back into the Group in new PPP projects and concessions.

FINANCIAL SITUATION

The acquisition of APRR has changed completely the consolidated balance sheet, the recognition of assets made available under concessions being **balanced** on the credit side by €0.9 billion of debt carried by the two holding companies FINANCIÈRE EIFFARIE and EIFFARIE and by APRR, this debt being without recourse to EIFFAGE.

Debt with recourse to EIFFAGE increased by €41 million to €788 million in the last 12 months, while investments by the Group during this period amounted to €32 million, net of the disposal of the car park business.

Consolidated results (€m)	First half 2005	First half 2006	% change
Sales	3,967	4,991	+25.8%
Operating profit on ordinary activities	117	325	2.8x
Net profit attributable to the equity holders of the parent	95	122	+28.4%

* after taking into account the increased level of interest payable and minority interests.

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