

PRESS RELEASE

Sales: €6,606m

Operating profit on ordinary activities: €451m (up 9.5%)

Order book: €11.3bn (up 5%)

The Board of Directors of EIFFAGE met on 31 August 2011 to approve the financial statements for the first half of 2011. The statutory auditors performed a limited review of these financial statements.

ACTIVITY

The first half of 2011 was marked by a recovery in activity (2.3% increase to €6.6bn) after slight contractions in the first half of 2010 and 2009. At the same time, the different divisions posted contrasted performances.

Sales at the Construction division increased by 5.3%, with 3.6% growth in France thanks to the good dynamism enjoyed by the works as well as the property activities. In the rest of Europe, trends observed in 2010 carried over, with robust growth in Belgium and Poland, but another contraction in the Czech Republic.

The Metal division recorded a 3.8% increase, mainly in France.

The Public Works division recorded a slight 1.3% decline, with a more pronounced 3.4% decrease in France due to the anticipated softness in civil engineering and earthmoving, whereas there was an incipient recovery in road construction and maintenance. In the rest of Europe, upbeat conditions in Germany offset the weakness of the Spanish market.

At the Energy division, the 1% decline reflected a moderate recovery in France, with a 1.6% increase, whereas activity fell sharply in Spain because of the crisis, while there were temporary dips in Germany and Belgium.

The Concessions division posted a strong 8.4% increase, with a higher contribution made by APRR (thanks to increases in tariffs and in traffic, up 0.7% for light vehicles and up 5.5% for heavy goods vehicles) as well as the start of commercial operations of concessions and public-private partnerships (which contributed €34m of incremental revenue).

RESULTS

Operating profit on ordinary activities increased by 9.5% to €451m in the first half of 2011. The operating margin improved to 6.8% (from 6.4% in the first half of 2010), thanks to a strong rise in profit margin at the Concessions division.

The operating margin of the Contracting activities declined to 1.5% (from 1.7% in the first half of 2010). At the Construction division, the margin held at a satisfactory level thanks to operations in France and Belgium, whereas operations in Central Europe remain difficult. Like in 2010, the Public Works division recorded an operating loss on ordinary activities. This loss, which amounted to €36m in the first half of 2011, was due to the seasonal nature of these activities, a negative volume effect in civil engineering and earthmoving, and still fierce competition in road construction and maintenance. The operating margin at the Energy division remained low in difficult market conditions.

The Concessions division contributed an operating profit on ordinary activities of €393m, up 16%. This incorporates the opening of three new motorway sections at APRR and of the A65 Pau-Langon motorway at the end of 2010, as well as delivery of the Corbeil-Essonnes hospital on 17 January 2011.

The start of commercial operations of concessions and public-private partnerships as well as the bond issues completed by APRR in the first half led to an increase in finance costs. Profit attributable to the equity holders of the Group declined to €43m (from €70m in the first half of 2010) despite an additional €7m contribution made by APRR as a result of the minority buyout of June 2010.

FINANCIAL SITUATION

Most of the Group's net debt is held by the Concessions division for a total of €13.6bn, of which €13bn without recourse to Eiffage. Net debt carried by the Holding company and Contracting activities amounted to €890m, reflecting the seasonal increase in working capital requirements of the Contracting activities. Despite this seasonal effect, the Group's liquidity, which reaches its low water mark at this time of the year, remained significant with €120m of cash at 30 June 2011 and undrawn credit lines for €450m maturing in December 2015.

Three bond issues with maturities ranging from 2017 to 2021 were completed by APRR totalling €1.55bn in the first half of 2011. These major bond issues constitute the first phase of the refinancing process of the debt contracted in February 2006 for the acquisition of APRR by Eiffage in partnership with Macquarie. Completing these issues and wrapping up the financing of the Bretagne-Pays de la Loire high speed rail line in just three months on 28 July 2011 demonstrate the Group's ability to raise funds for PPP and concession projects.

2011 PROSPECTS

The order book, which increased by 5% over one year, is equivalent to 11.7 months of activity, supporting management guidance of full year sales of €13.7bn in 2011. The order book at 30 June 2011 does not include the construction work for the Bretagne-Pays-de la Loire high speed rail line, as the public-private partnership and financing agreements were signed on 28 July by Eiffage Rail Express, a wholly-owned subsidiary of Eiffage.

The growth in activity observed at the Construction division in the first half of 2011 is expected to carry over, as well as at the Metal division. More contrasted performances are expected at the Public Works division until the work on the Bretagne-Pays de la Loire high speed rail line gets under way. At the Energy division, the reorganisation of Forclum is proceeding to plan whilst the come back of industrial customers at Clemessy is confirmed.

As regards large projects, work on the Lille Stadium is proceeding at a brisk pace, the impact of the new seismic regulation is being studied with the grantor. The delivery of the Alpes Léman hospital (on 21 July) and of national police headquarters (in October) under public-private partnerships showcased the group's ability to develop synergies between its different divisions.

At APRR, its growth in toll receipts over the year can be expected to pave the way for another improvement in the EBITDA margin (69% in the first half of 2011 compared with 67.7% the previous year), despite a significant increase in taxes.

Further to the request by Eiffage and Macquarie, the public purchase offer by Eiffage of APRR shares was re-opened for the period from 29 August to 9 September 2011 further to a ruling handed down by the Court of Appeal on 28 July 2011.

