

EIFFAGE

Public limited company with a capital of €372,733,368

Registered office: 163 Quai du Docteur-Dervaux 92601 Asnières-sur-Seine Cedex, France

Registered in the Nanterre Trade and Companies Register under no B 709 802 094

Interim Financial Report for the six months ended 30 June 2008

(Article L 451-1-2 III of the Monetary and Financial Code
and Articles 222-4 et seq. of the AMF General Regulations)

We present to you the interim financial report for the six months ended 30 June 2008 prepared in accordance with the provisions of Article L. 451-1-2 III of the French Monetary and Financial Code (*Code Monétaire et Financier*) and Articles 222-4 et seq. of the General Regulations of the French Financial Markets Regulator (*Autorité des Marchés Financiers –AMF*).

This report has been made available in accordance with the provisions of Article 221-3 of the AMF General Regulations. It is available notably on the Company's website at www.eiffage.com

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I. Certification by the person responsible for the document

I certify that, to the best of my knowledge, the Interim Financial Statements have been drawn up in accordance with applicable accounting standards and present a true and fair view of the assets, financial situation and results of Eiffage SA and all the companies included in the consolidation scope and that the Management Report for the six months ended 30 June 2008 provides a true and fair view of significant events during this period and their impact on the Interim Financial Statements and of transactions with related parties, and contains a description of the main risks and uncertainties for the remaining six months of the financial year.

29 August 2008

Jean-François Roverato

Chairman and Managing Director

II. Interim Management Report

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%.

SALES FOR THE SECOND HALF OF 2008

In millions of euros

	1st half 2007	1st half 2008	% change
Construction	1,827	2,056	+12.5 %
<i>Of which Property</i>	276	313	
Public Works	1,849	1,941	+5.0 %
Electrical and Multi-technical Installations	1,159	1,412	+21.8%
Metallic Construction	133	197	+48.1%
Sub-total Contracting Activities	4,968	5,606	+12.8%
Concessions	876	916	+4.6%
Total	5,844	6,522	+11.6%
Of which:			
* France	4,871	5,236	+7.5%
* Rest of Europe	888	1,211	+36.4%
* Rest of world	85	75	-11.8%

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. An agreement was signed in July with the Portuguese government to restore the equilibrium of the Norscut concession following changes to the route taken by the northern section of the motorway. 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 €13.3 billion from the €13.0 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 €576 million at 30 June 2008 compared with €536 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 €11,926 million at 30 June 2008, an increase of €263 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 €488 million after-tax profit on the sale of the shareholding held in Cofiroute.

MAIN RISKS – TRANSACTIONS WITH RELATED PARTIES

Risk factors to which the Group is exposed are disclosed in page 91 and 92 of the 2007 Reference Document registered under no. D.08-0246. At the date of this report, there has been no modification in the nature of these risks or in the attendant uncertainties that might have a significant impact on the Group's activities and results in the second half of 2008. The assessment of the Group's exposure to financial covenants at 30 June 2008 is detailed hereunder in Note 8 to the interim financial statements.

Transactions with related parties are disclosed in Note 13.

III. Interim consolidated financial statements
presented in condensed form

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet at 30 June 2008

Assets	30 June	31 December
<i>in millions of euros</i>	2008	2007
Non-current assets		
Property, plant and equipment	1,116	965
Investment property	12	11
Non-current assets held under concessions	13,339	13,240
Goodwill	2,522	2,425
Other intangible assets	24	23
Investments in associates	96	88
Other financial assets	501	378
Deferred tax assets	217	204
Other non-current assets	-	-
Total non-current assets	17,827	17,334
Current assets		
Inventories	498	503
Trade and other receivables	4,358	3,933
Current tax assets	27	11
Other current assets	1,392	1,318
Assets classified as held for sale	-	70
Cash and cash equivalents	1,609	1,930
Total assets	25,711	25,099
Equity and liabilities		
<i>in millions of euros</i>	30 June	31 December
	2008	2007
Capital and reserves		
Share capital	373	373
Consolidated reserves	2,453	1,507
Profit for the year	144	1,000
Group's share of shareholders' equity	2,970	2,880
Minority interests	780	786
Total equity	3,750	3,666
Non-current liabilities		
Borrowings	11,679	11,627
Deferred tax liabilities	1,877	1,886
Non-current provisions	190	192
Other non-current liabilities	42	43
Current liabilities		
Trade and other payables	3,177	3,041
Current borrowings and other financial debt	236	272
Non-current borrowings due within one year	1,044	763
Current tax liability	54	89
Current provisions	464	481
Other current liabilities	3,198	3,037
Liabilities directly associated with assets classified as held for sale	-	2
Total equity and liabilities	25,711	25,099

Consolidated income statement to 30 June 2008

in millions of euros

	30 June 2008	30 June 2007
Revenue from continuing operations	6,611	5,862
Other operating income	2	1
Raw materials and consumables used	(1,460)	(1,278)
Staff benefits expenses	(1,595)	(1,402)
External charges	(2,508)	(2,185)
Taxes (other than income tax)	(173)	(165)
Depreciation and amortisation expense	(388)	(367)
Provisions	(2)	1
Change in inventories of finished goods and work in progress	(12)	(23)
Other operating (expenses) income from ordinary activities	(2)	25
Operating profit on ordinary activities	473	469
Other (expenses) income from operations	16	(15)
Operating profit	489	454
Income from cash and cash equivalents	56	34
Finance costs	(292)	(255)
Net finance costs	(236)	(221)
Other financial income (expenses)	1	491
Share of profit of associates	2	3
Income tax expense	(81)	(88)
Profit from continuing operations	175	639
Attributable to:		
- Equity holders of the parent	144	600
- Minority interests	31	39
Earnings per share attributable to the equity holders of the parent (euros)		
Basic	1.55	6.54
Diluted	1.54	6.44

Consolidated statement of changes in equity for the six months to 30 June 2008

<i>in millions of euros</i>	Share capital	Share premium	Reserves	Profit for the period	Group share	Minority interests	Total
At 1 January 2007	373	278	824	377	1,852	902	2,754
Appropriation of 2006 profit	-	-	377	(377)	-	-	-
Capital increase	-	-	-	-	-	-	-
Treasury shares	-	-	31	-	31	-	31
Share-based payments (IFRS 2)	-	-	5	-	5	-	5
Dividends	-	-	(93)	-	(93)	(157)	(250)
Profit for the period	-	-	-	600	600	39	639
Translation difference	-	-	1	-	1	-	1
Change in fair value of financial instruments	-	-	103	-	103	66	169
Income and charges recognised directly in equity	-	-	104	-	104	66	170
Period income and expense	-	-	104	600	704	105	809
Change in the consolidation scope	-	-	-	-	-	39	39
Other	-	-	-	-	-	1	1
At 30 June 2007	373	278	1,248	600	2,499	890	3,389
At 1 January 2008	373	278	1,229	1,000	2,880	786	3,666
Appropriation of 2007 profit	-	-	1,000	(1,000)	-	-	-
Capital increase	-	-	-	-	-	-	-
Treasury shares	-	-	(3)	-	(3)	-	(3)
Share-based payments (IFRS 2)	-	-	5	-	5	-	5
Dividends	-	-	(111)	-	(111)	(119)	(*) (230)
Profit for the period	-	-	-	144	144	31	175
Translation difference	-	-	18	-	18	-	18
Change in fair value of financial instruments	-	-	37	-	37	27	64
Income and charges recognised directly in equity	-	-	55	-	55	27	82
Period income and expense	-	-	55	144	199	58	257
Change in the consolidation scope	-	-	-	-	-	55	55
Other	-	-	-	-	-	-	-
At 30 June 2008	373	278	2,175	144	2,970	780	3,750

(*) Of which paid in the second half €111 million

Consolidated cash flow statement for the 6 months to 30 June 2008

in millions of euros

	30 June 2008	30 June 2007
Cash and cash equivalents at the beginning of period	1,843	1,386
Effect of foreign exchange rate changes	4	-
Restated cash and cash equivalents at the beginning of period	1,847	1,386
- Profit for the period	175	639
- Net impact of investments accounted for by the equity method	3	1
- Net depreciation and amortisation expense	343	337
- Share-based payments and other adjustments	(38)	(41)
- Gains on disposals	(40)	(506)
Cash generated by operations	443	430
- Net interest expense	270	268
- Interest paid	(312)	(326)
- Income tax expense	81	87
- Income tax paid	(185)	(185)
Movements in working capital related to ordinary activities	(271)	(329)
Net cash from operating activities (I)	26	(55)
- Intangible assets	(2)	(4)
- Concessions	(404)	(271)
- Property, plant and equipment	(122)	(87)
- Investments	(165)	(146)
Total purchases of non-current assets	(693)	(508)
Proceeds from disposal of non-current assets	120	(*) 783
Cash and cash equivalents of entities bought or sold	17	14
Net cash from (used in) investing activities (II)	(556)	289
Dividends paid	(119)	(202)
Proceeds from issue of shares	-	-
Repurchase and resale of own shares	(3)	30
Repayments of borrowings	(227)	(858)
Bond issues	546	690
Net cash from (used in) financing activities (III)	197	(340)
<i>Net increase (decrease) in cash and cash equivalents (I + II + III)</i>	(333)	(106)
Cash and cash equivalents at the end of the period	1,514	1,280

(*) Of which disposal of Cofiroute for €758 million

The main variations highlighted by the cash flow statement concern investments in concessions that amounted to €404 million in the first half of 2008 (first half of 2007: €271 million), of which:

- €201 million on the APRR/AREA network;
- €83 million on the motorway being built by A'liénor;
- €73 million on the construction of four prisons under public private partnerships; and
- €22 million on the hospital being built in the south of the Ile-de-France.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2008

(in millions of euros unless otherwise indicated)

1. General information

The registered office of Eiffage Group is located at 163 quai du Docteur Dervaux, Asnières-sur-Seine, France.
The shares of Eiffage SA are listed on the Eurolist market organised by Euronext Paris.

The interim consolidated financial statements for the six months ended 30 June 2008 were approved by the Board of Directors on 28 August 2008.

The consolidated financial statements for the year ended 31 December 2007 are available on demand from the registered office of Eiffage Group. They are also available on its website at www.eiffage.fr.

There was no significant event in the first half of 2008.

2. Significant accounting policies and methods used for the preparation of the condensed interim accounts and applicable standards

2.1. The condensed interim financial statements to 30 June 2008 were prepared in accordance with IAS 34, "Interim Financial Reporting". The statements do not contain all the information required in the complete annual financial statements and must be read in conjunction with the consolidated financial statements for the year ended 31 December 2007.

The same accounting methods were applied as before.

2.2. The Group's consolidated financial statements are prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, since 1 January 2005.

New standards and amendments to standards effective since 1 January 2008 did not have an impact on the Group's interim financial statements for the period ended 30 June 2008.

2.3. Non-current assets held under concessions

IFRIC 12, "Service Concession Arrangements", published in November 2006 by the International Accounting Standards Board (IASB) is still being examined by the European Union.

The European Union has not yet endorsed this Interpretation. If endorsed, it will be effective for annual periods beginning on or after 1 January 2008, being the date set by the International Financial Reporting Interpretations Committee.

In these conditions, the Group continued to apply the same accounting treatment as before in the interim consolidated financial statements for the period ended 30 June 2008.

All assets held under public service concessions or public private partnerships are reported on the balance sheet under "Non-current assets held under concessions".

The assets in question correspond either to assets that are not renewable during the concession (notably infrastructures and civil engineering structures) or to assets that are renewable during the concession, their useful life being shorter than the term of the concession (parking facilities, toll equipment, IT equipment, road covering, etc.).

These non-current assets are stated at acquisition or construction cost (including finance costs incurred during the period of construction) net of accumulated depreciation.

Non-current assets with a specific useful life that is shorter than the term of the concession are depreciated over their estimated useful life.

Non-renewable non-current assets are depreciated over the term of the concession at a rate reflecting the consumption of economic benefits derived from the use of the asset concerned

3. Segment reporting

6 months ended 30 June 2008	Construction	Civil Engineering	Electrical Contracting	Metallic Construction	Concessions and Utilities Management	Holding	Eliminations	Total
Income statement								
Revenue from continuing operations	2,131	1,951	1,401	204	917	7	-	6,611
Inter-segment sales	13	18	30	7	-	37	(105)	-
Total	2,144	1,969	1,431	211	917	44	(105)	6,611
Operating profit from ordinary activities	81	21	42	6	345	(22)	-	473
Operating profit	73	20	40	6	344	6	-	489

6 months ended 30 June 2007

	Construction	Civil Engineering	Electrical Contracting	Metallic Construction	Concession and Utilities Management	Holding	Eliminations	Total
Income statement								
Revenue from continuing operations	1,906	1,799	1,139	138	876	4	-	5,862
Inter-segment sales	12	22	22	3	-	35	(94)	-
Total	1,918	1,821	1,161	141	876	39	(94)	5,862
Operating profit on ordinary activities	83	23	49	2	324	(12)	-	469
Operating profit	76	22	47	2	326	(19)	-	454

4. Changes in the consolidation scope

Purchases of shares in consolidated companies involving the Electrical Contracting, Civil Engineering and Metallic Construction amounted to €156 million, settled in cash in the first half of 2008.

Disposals of subsidiaries consolidated under the full method were not material.

Net cash and cash equivalents contributed by newly-acquired entities amounted to €17 million.

The assets and liabilities contributed by these companies are detailed below:

Non-current assets:	€104 million
Current assets:	€86 million
Non-current liabilities:	€8 million
Current liabilities:	€71 million

As regards the income statement, changes in the consolidation had for effect to increase revenue by €332 million, the operating profit by €5 million and the profit by €1 million in the first half of 2008(*).

(*) These figures include amounts contributed in the first half of 2008 by companies consolidated for the first time in 2007.

5. Investments in associates

At 1 January 2008	88
Profit for the period	2
Dividends	(6)
Change in fair value of financial instruments	5
Changes in consolidation scope (*)	7
At 30 June 2008	96

(*) Impact of increase in the shareholding in Société Marseillaise du Tunnel Prado-Carénage from 29% to 33%.

6. Deferred taxation

	30 June 2008	31 December 2007
Deferred tax assets	217	204
Deferred tax liabilities	1,877	1,886
Net deferred tax liabilities	1,660	1,682

7. Capital

	Total number of shares	Of which treasury shares	Number of shares in issue
At 1 January 2007	93,172,338	(2,395,398)	90,776,940
Shares created as a result of the exercise of share subscription options	11,004	-	11,004
Sale of own shares	-	1,856,520	1,856,520
At 30 June 2007	93,183,342	(538,878)	92,644,464
During the first half of 2007, the Group notably sold 1,614,000 of its own shares and purchased an equivalent number of call options to cover its commitments in respect of share option plans and bonus shares.			
At 1 January 2008	93,183,342	(531,158)	92,652,184
Purchases/sales of own shares	-	95,069	95,069
At 30 June 2008	93,183,342	(436,089)	92,747,253

During the first half of 2008, the Group exercised 1,251,000 options to purchase Eiffage shares and sold or granted 1,346,069 Eiffage shares in respect of share option plans and bonus shares.

8. Analysis of financial assets and financial liabilities by remaining term

At 30 June 2008	Up to 1 year	From 1 to 5 years	Over 5 years	Total
Financial assets: cash and cash equivalents				
Marketable securities	941	-	-	941
Cash at bank and in hand	668	-	-	668
Sub-total - Financial assets	1,609	-	-	1,609
Financial liabilities: current and non-current				
Non-current borrowings	-	2,367	9,312	11,679
Non-current borrowings due within one year	1,044	-	-	1,044
Other borrowings and financial debt	236	-	-	236
Sub-total - Financial liabilities	1,280	2,367	9,312	12,959
Net cash (debt)	329	(2,367)	(9,312)	(11,350)

At 30 June 2008, long-term borrowings totalled €12,634 million (including the part due within one year), of which €189 million was due in respect of finance leases and €12,445 million was due to credit institutions.

Debt carried by the Eiffarie/APRR group, to the VP1 group (holding controlling Compagnie EIFFAGE du Viaduc de Millau) and A'liéonor is without recourse against EIFFAGE. This long-term debt, which amounted to €11,926 million at 30 June 2008, carries fixed rates or rates indexed to inflation. In the case of Compagnie EIFFAGE du Viaduc de Millau, this debt is repayable out to 2051

For Eiffarie/APRR, it is planned to obtain refinancing by issuing bonds amounting to at most €6 billion and by arranging bank financing. In addition, a liquidity agreement was arranged by APRR in 2006 for a period of 7 years at inception to cover financing requirements in between market operations.

Under the Senior Debt Agreement signed by Eiffarie for the acquisition of the APRR group, the company has undertaken to comply with a certain number of financial ratios at the level of the Eiffarie group, defined contractually as follows:

- *Debt coverage ratio* (terms that correspond to specific contractual definitions) equal to or less than 10.69 at 30 June 2008;
- *Interest coverage ratio* (terms that correspond to specific contractual definitions) equal to or more than 1.10 over the loan term.

These ratios came to 9.21 and 1.54 respectively at 30 June 2008.

In addition, Eiffarie (with regard to the lenders party to the above debt agreement) and APRR (with regard to the Caisse Nationale des Autoroutes, the European Investment Bank and the members of the loan syndicate) have undertaken to comply with the following two ratios at the level of the APRR group:

- *Net debt/EBITDA* of less than 7; and
- *EBITDA/net finance costs* of more than 2.2.

These ratios came to 5.63 and 3.40 respectively at 30 June 2008.

VP2, the parent company of Compagnie EIFFAGE du Viaduc de Millau (with regards to the lenders for the financing totalling €573 million arranged in July 2007) has undertaken to comply with a number of ratios calculated periodically on 25 May and 25 November of each year by reference to a financial model and applying definitions specific to the financing agreement:

- *Annual debt service ratio* calculated for the year preceding the date of calculation and for each of the next five years equal to or more than 1.05;
- *Annual debt service ratio* for the year calculated over the terms of the loans equal to or more than 1.15; and
- *Annual debt coverage ratio* for the year calculated over the term of the loans equal to or more than 1.25.

VP2 complied with this ratio when it was calculated for the first time on 25 May 2008.

The securitisation programme for a maximum amount of €400 million was not utilised at 30 June 2008. The availability of this facility is not subordinated to compliance with any financial ratios.

9. Cash and cash equivalents

Cash and cash equivalents comprise:

	30 June 2008	30 June 2007
Assets		
Marketable securities	941	958
Cash at bank and in hand	668	446
	1,609	1,404
Less deposits made in connection with securitisation programme	(9)	(38)
	A 1,600	1,366
Liabilities		
Bank overdrafts	B 86	86
Cash and cash equivalents at 30 June	A-B 1,514	1,280

10. Borrowings

	At 1 January 2008	Changes in consolidation scope	Foreign exchange differences	Other movements	Increases	Decreases	At 30 June 2008
Non-current borrowings (including part due within 1 year) (*)	12,390	25	3	(1)	574	(268)	12,723
Bank overdrafts	79	2	-	-	5	-	86
Other borrowing and financial debt	193	-	-	-	3	(46)	150
Borrowings	272	2	-	-	8	(46)	236

(*) Impact on borrowings arising from the restatement of finance leases (IAS 17)

Increases	31	Decreases	(44)
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11. Provisions

	At 1 January 2008	Changes in consolidation scope	Additional provisions	Utilisation of provisions	Reversal of provisions	Other movements	At 30 June 2008
Provisions for retirement indemnities	168	(3)	7	(6)	-	-	166
Provisions for long service medals	23	-	-	-	-	-	23
Other non-current provisions	1	-	-	-	-	-	1
Non-current provisions	192	(3)	7	(6)	-	-	190
Provisions for losses on completion	21	-	20	(19)	-	-	22
Provisions for restructuring	16	-	1	(6)	-	-	11
Provisions for property risks	14	-	1	(1)	-	-	14
Provisions for guarantees given	85	1	12	(11)	(1)	1	87
Provisions for disputes and penalties	71	-	13	(6)	(2)	(2)	74
Provisions for retirement indemnities	4	-	-	-	-	-	4
Provisions for long service medals	3	-	-	-	-	-	3
Provisions for other liabilities - France	173	-	126	(120)	(6)	(3)	170
Provisions for other liabilities - Europe	80	1	6	(7)	(15)	-	65
Provisions for other liabilities - Export	14	-	-	-	-	-	14
Current provisions	481	2	179	-170	(24)	(4)	464

Each of the current provisions above results from the addition of various disputes linked mainly to construction contracts that, taken individually, are not material.

The maturity of these provisions, linked to the operating cycle, is less than one year as a rule. No reimbursements are expected.

12. Hedging instruments

Interest rate hedging instruments are used to reduce the exposure of variable rate loans to changes in interest rates. These instruments are documented as to the hedging relationship and its effectiveness.

The Group carries on its activities nearly exclusively in the euro zone. As a result, fluctuations in exchange rates for currencies other than the euro have little impact on the financial statements.

13. Transactions with related parties

There are no related parties such as defined by IAS 24, "Related Party Disclosures", except for participating interests in associates. Transactions with these companies are done on an arm's length basis.

14. Income tax expense

Income tax expense is recognised on the basis of the best estimate of the average tax rate expected over the financial year as a whole. This average tax rate takes into account the Group's geographical diversity.

15. Disputes, arbitration and other commitments

In the ordinary course of its activities, the Group is involved in various disputes. The matters referred to below have, when appropriate, given rise to provisions considered as adequate in the light of current circumstances.

SNCF has instituted an action against various companies belonging to the Group in order to obtain the reimbursement of amounts that it estimates were overpaid in connection with the construction of the Northern High-Speed Rail Link. This action follows a ruling handed down by the French national competition body (*Conseil de la Concurrence*). As matters stand, the Group does not consider that its financial situation will be materially affected by the outcome of this case.

Several group companies are currently being investigated by the French national competition body to determine whether these companies engaged in restrictive trade practices with regard to various public works contracts in the Ile-de-France region and to contracts for the construction of schools in France. Given the provisions already set aside, the Group does not consider that the outcome of this investigation will have a material effect in coming years.

Given the nature of its activities, which in some cases have been carried on at old industrial sites, suits for environmental pollution have been brought against the Group. Because the pollution dates back a very long way, the Group's liability has not been established formally. Nevertheless, because of the uncertain nature of the procedures, provisions have been recognised. The Group does not consider that the outcome of these proceedings will have a material effect in coming years.

In connection with the Group's building activity, there is a risk that defects will come to light in the first ten years, which could result in significant repair costs. Therefore, in addition to instituting a system of deductibles, the Group has taken out ten-year contractors' guarantee insurance policies. The necessary provisions have been constituted and the Group does not expect this risk exposure to have material consequences.

IV. Statutory Auditors' Report

As the statutory auditors and in application of Article L. 232-7 of the French Commercial Code (*Code de Commerce*) and Article L.451-1-2 III of the Monetary and Financial Code (*Code Monétaire et Financier*) we have performed:

- A limited audit of the condensed interim consolidated financial statements of Eiffage SA for the period 1 January 2008 to 30 June 2008 as appended to this report; and
- A verification of the information disclosed in the Financial Report for this same period.

The condensed interim consolidated financial statements have been prepared under the responsibility of the Board of Directors. It is our responsibility, based on our limited audit, to report to you our conclusions on these financial statements.

I – Conclusion reached regarding the accounts

We have performed a limited audit in accordance with professional standards applicable in France. A limited audit of the interim financial statements consists in obtaining relevant information, mainly from persons responsible for the accounting and financial aspects, and in performing analytical procedures. A limited audit does not include all controls performed in connection with a full audit carried out in accordance with professional standards applicable in France. Compared with a full audit, a limited audit does not provide the same degree of assurance that the financial statements, taken as a whole, do not contain anomalies.

Based on our limited audit, we have not identified significant anomalies of a nature such as to bring into question, in any material aspect, the compliance of the condensed interim consolidated financial statements with IAS 34, "Interim Financial Reporting", part of the International Financial Reporting Standards adopted by the European Union.

II – Specific verifications

We also verified, in accordance with professional standards applicable in France, the information disclosed in the interim report relating to the condensed interim consolidated financial statements that were the object of our limited audit. We have no comment to make as to the true and fair view of this information and its consistency with the condensed interim consolidated financial statements.

Paris La Défense, 29 August 2008

Neuilly-sur-Seine, 29 August 2008

KPMG Audit
Department of KPMG SA

PRICEWATERHOUSECOOPERS AUDIT

Philippe Mathis
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