



Registered office: 163 Quai du Docteur Dervaux 92600 Asnières-sur-Seine
Registered in the Nanterre Trade and Companies Register under no B 709 802 094
Share capital: €372,733,368

Interim financial report
for the six months ended 30 June 2007
(Article L 451-1-2 III of the Monetary and Financial Code
and Articles 222-4 and 222-6 of the AMF General Regulations)

We present to you the interim financial report for the six months ended 30 June 2007 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 and 222-6 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.fr

Contents

- I. Certification by the person responsible for the document
- II. Interim Management Report
- III. Interim consolidated financial statements
- IV. Statutory Auditors' Report

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 the Eiffage SA and all the companies included in the consolidation scope and that the Management Report for the six months ended 30 June 2007 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.

31 August 2007

Benoît Heitz

Chief Executive Officer

II. Interim Management Report

ACTIVITY

The Group's revenue increased by 17.1% year-on-year to €5,844 million in the first half of 2007 when APRR was consolidated over the entire period, unlike in the previous year. The Contracting activities saw a 13.1% increase in revenue, of which 5.7% was attributable to acquisitions.

The Construction division continued to benefit from a favourable economic environment in France, with revenue rising by 13.1%. Revenue from the Property activities advanced by 17.5%, reflecting a slight increase in the number of homes sold compared with 2006 and the sale of several office programmes, notably in Belgium.

In Europe, the turnaround continued in Poland and growth remained robust in the Benelux countries.

The 8.1% increase in revenue at the Public Works division was in line with forecasts. Business was solid in France and benefited from favourable trading conditions in Spain and from the upturn in the German market, as well as from the integration of newly-acquired companies, which contributed 3.8% of additional revenue, generated chiefly in Spain and Portugal.

The Electrical and Multi-technical Installation business has been recording sustained growth for several semesters, and posted a 22.3% increase in revenue in the first half, 17.4% of which came from acquisitions in France and the rest of Europe (Spain, Portugal, Italy, Belgium and Germany).

The downturn in domestic sales at the Metallic Construction business (Eiffel) was offset by expansion in Europe, particularly in Germany, lifting the share of revenue generated outside France to 23%.

Traffic grew on both the APRR network and the Millau viaduct, up 2.5% and 4.8% respectively. Revenues advanced by 8.0% at APRR and by 12.2% for Millau, thanks to a buoyant trend in heavy goods vehicle traffic.

First-half revenue

<i>In millions of euros</i>	6 months to 30 June 2006	6 months to 30 June 2007	% change
Construction	1,615	1,827	+13.1%
<i>of which Property</i>	235	276	
Public Works	1,710	1,849	+8.1%
Electrical and Multi-technical Installation	948	1,159	+22.3%
Metallic Construction	119	133	+11.8%
Sub-total Contracting Activities	4,392	4,968	+13.1%
Concessions	599	876	+46.2%
Total	4,991	5,844	+17.1%
Of which:			
* France	4,316	4,871	+12.9%
* Rest of Europe	616	888	+44.2%
* Rest of the world	59	85	+44.1%

RESULTS

The operating profit on ordinary activities increased to €469 million in the first half of 2007, up from €325 million in the first half of 2006. The operating margin generated by the Contracting activities improved to 3.2%, with these activities contributing €157m. The contribution by the Concession activities increased strongly, up 69.6% to €324m, thanks to satisfactory growth in revenue and tight cost control at APRR (which raised its EBITDA margin to 68.2%) and to its consolidation over the entire period.

The sale of Eiffage's shareholding in Cofiroute generated an after-tax profit of €484 million, bringing Group share of net profit to €600 million in the first half of 2007.

Given the seasonal nature and dependence on weather conditions of the Group's contracting and concessions activities, the first half results are not normally particularly meaningful.

2007 PROSPECTS

At just under €10 billion, the Contracting order book increased by 21.9% year-on-year. It represents around 11 months of activity for the Group.

The Group continued to grow through acquisitions during the first half of 2007, with the new subsidiaries expected to contribute revenue of €740 million over a full year, of which €475m in the rest of Europe.

The most significant development was the takeover in early July of Tchas, one of the Czech Republic's leading construction and civil engineering companies, with operations in Slovakia and Poland as well. It generates revenue of €300 million and employs 1,400 people.

The Electrical and Multi-technical Installation division (Forclum) is pursuing its development in France, focusing in particular this year on electrical maintenance for industrial customers, with the acquisition of two companies, Samia and Camom, the latter deal still being subject to approval by the competition authorities. These companies will add more than €200 million to the division's revenue and make Forclum a leader in the French industrial maintenance market.

Further acquisitions are expected to be completed in the months ahead as the expansion of our activities in Europe remains a core element of the Group's development strategy.

As regards concessions and public private partnerships, the Group brought into service the last section of the Norscut motorway in Northern Portugal at the end of June. In July, it began construction work on the Sud-Francilien Hospital at Corbeil-Evry, the largest public private partnership contract awarded in France. The boring of the two tubes of the Perthuis rail tunnel, as part of the Perpignan-Figueras high-speed rail link concession, is scheduled this autumn.

Given the size of the order book and the still high level of new business, the outlook is strong, particularly as regards 2007, when revenue is now expected to reach €12.3 billion compared with the €12.0 billion forecast back in February. This corresponds to a 14.5% year-on-year increase in revenue.

FINANCIAL SITUATION

The disposal of the Cofiroute shareholding, combined with robust first-half results, allowed the Group to move from net debt with recourse against Eiffage of €788million to a net cash position of €40 million at 30 June 2007, an improvement of €828 million over 12 months.

The net cash position has improved by a further €64 million since 30 June 2007 as a result of the sale on 23 July of 49% of the Millau viaduct to Caisse des Dépôts and the refinancing of this structure which had until then been financed by Eiffage out of its own resources.

Debt carried by the Financière-Eiffage sub-group, without recourse against Eiffage, decreased slightly to €10,878 million at 30 June 2007.

Consolidated data In millions of euros	6 months to 30 June 2006	6 months to 30 June 2007	% change
Revenue	4,991	5,844	+17.1%
Operating profit on ordinary activities	325	469	+44.3%
Profit attributable to the equity holders of the parent	122	600	x4.9

MAIN RISKS – TRANSACTIONS WITH RELATED PARTIES

Risk factors to which the Group is exposed are disclosed in page 66 and 77 of the 2006 Reference Document registered under no. D.07-0269. 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 2007. The assessment of the Group's exposure to financial covenants 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

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet at 30 June 2007

Assets	30 June	31 December
<i>In millions of euros</i>	2007	2006
Non-current assets		
Property, plant and equipment	882	774
Investment property	41	41
Non-current assets held under concessions	13,104	13,107
Goodwill	2,279	2,237
Other intangible assets	15	14
Investments in associates	98	346
Other financial assets	438	202
Deferred tax assets	121	153
Other non-current assets		1
Total non-current assets	16,978	16,875
Current assets		
Inventories	458	452
Trade and other receivables	3,818	3,267
Current tax assets	19	10
Other current assets	1,526	1,386
Cash and cash equivalents	1,404	1,460
Total assets	24,203	23,450
Equity and liabilities		
	30 June	31 December
	2007	2006
Capital and reserves		
Share capital	373	373
Consolidated reserves	1,526	1,102
Profit for the year	600	377
Minority interests	890	902
Total equity	3,389	2,754
Non-current liabilities		
Borrowings	10,902	10,800
Deferred tax liabilities	1,907	1,898
Non-current provisions	165	164
Other non-current liabilities	47	47
Current liabilities		
Trade and other payables	2,884	2,679
Current borrowings and other financial debt	638	652
Non-current borrowings due within one year	698	1,042
Current tax liability	50	92
Current provisions	427	425
Other current liabilities	3,096	2,897
Total equity and liabilities	24,203	23,450

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated income statement to 30 June 2007

<i>In millions of euros</i>	6 months to 30 June 2007	6 months to 30 June 2006
Revenues from continuing operations	5,862	5,009
Other operating income	1	1
Raw materials and consumables used	(1,278)	(1,176)
Staff benefits expenses	(1,402)	(1,253)
External charges	(2,185)	(1,870)
Taxes (other than income tax)	(165)	(129)
Depreciation and amortisation expense	(367)	(284)
Provisions	1	10
Changes in inventories of finished goods and work in progress	(23)	(23)
Other operating income from ordinary activities	25	40
Operating profit on ordinary activities	469	325
Other expenses from operations	(15)	(9)
Operating profit	454	316
Income from cash and cash equivalents	34	35
Finance costs	(255)	(197)
Net finance costs	(221)	(162)
Other financial income	491	31
Share of profit of associates	3	24
Income tax expense	(88)	(65)
Profit from continuing operations	639	144
Profit from discontinued operations	-	-
Profit	639	144
Attributable to:		
- Equity holders of the parent	600	122
- Minority interests	39	22
Earnings per share attributable to the equity holders of the parent (in euros)		
Basic earnings per share	6.54	1.39
Diluted earnings per share	6.44	1.36

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of changes in equity

In millions of euros

	Share capital	Share premium	Reserves	Profit	Group share	Minority interests	Total
At 1 January 2006	359	131	605	302	1,397	5	1,402
Appropriation of 2005 profit	-	-	302	(302)	-	-	-
Capital increase	1	-	-	-	1	254	255
Treasury shares	-	-	(6)	-	(6)	-	(6)
Share-based payments (IFRS 2)	-	-	4	-	4	-	4
Dividends	-	-	(66)	-	(66)	(71)	(137)
Profit for 6 months to 30 June 2006	-	-	-	122	122	22	144
Translation difference	-	-	(5)	-	(5)	-	(5)
Change in fair value of available-for-sale investments	-	-	(40)	-	(40)	46	6
Change in fair value of financial instruments	-	-	64	-	64	-	64
Income and charges recognised directly to equity	-	-	19	-	19	46	65
Period income and expense	-	-	19	122	141	68	209
Changes in consolidation scope (a)	-	-	-	-	-	758	758
At 30 June 2006	360	131	858	122	1,471	1,014	2,485
At 1 January 2007	373	278	824	377	1,852	902	2,754
Appropriation of 2005 profit	-	-	377	-377	-	-	-
Capital increase	-	-	-	-	-	-	-
Treasury shares	-	-	31	-	31	-	31
Share-based payments (IFRS 2)	-	-	5	-	5	-	5
Dividends	-	-	(93)	-	(93)	(157)	(b) (250)
Profit for 6 months to 30 June 2007	-	-	-	600	600	39	639
Translation difference	-	-	1	-	1	-	1
Change in fair value of available-for-sale investments	-	-	-	-	-	-	-
Change in fair value of financial instruments	-	-	103	-	103	66	169
Income and charges recognised directly to equity	-	-	104	-	104	66	170
Period income and expense	-	-	104	600	704	105	809
Changes in consolidation scope	-	-	-	-	-	39	39
Other	-	-	-	-	-	1	1
At 30 June 2007	373	278	1,248	600	2,499	890	3,389

(a) First-time consolidation of the Financière Eiffarie group

(b) Of which €48 million paid in the second half of 2007

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated cash flow statement to 30 June 2007

<i>In millions of euros</i>	6 months to 30 June 2007	6 months to 30 June 2006
<i>Cash and cash equivalents at 1 January</i>	1,386	363
Effect of foreign exchange rate changes	-	-
Restated cash and cash equivalents at 1 January	1,386	363
- Profit	639	144
- Net effect of investments in associates	1	(16)
- Net depreciation and amortisation expense	337	247
- Share-based payments and other adjustments	(41)	(41)
- Gains on disposals	(506)	(38)
Cash generated by operations	430	296
- Net interest expense	268	199
- Interest paid	(326)	(198)
- Income tax expense	87	65
- Income tax paid	(185)	(173)
Change in working capital related to ordinary activities	(329)	(c) (278)
Net cash used in operating activities (I)	(55)	(89)
- Purchases of intangible assets	(4)	(2)
- Purchases of concessions	(a) (271)	(96)
- Purchases of property, plant and equipment	(87)	(61)
- Purchases of financial investments	(146)	(4,685)
Total purchases of non-current assets	(508)	(4,844)
Proceeds from the disposal of non-current assets	(b) 783	144
Cash and cash equivalents of entities bought or sold	14	156
Net cash from (used in) investing activities (II)	289	(4,544)
Dividends paid	(202)	(137)
Capital increase		255
Purchase and sale of own shares	30	(6)
Repayment of borrowings	(858)	(c) (1,201)
New borrowings	690	6,201
Net cash from (used in) financing activities (III)	(340)	5,112
<i>Increase (decrease) in cash and cash equivalents (I + II + III)</i>	(106)	479
Cash and cash equivalents at 30 June	1,280	842

(a) Investments mainly in the motorway network managed by the Group.

(b) Including divestment of shares in Cofiroute for €758 million.

(c) Reclassification of €157 million, thereby reducing cash from operating activities and increasing cash from financing activities, arising from a new analysis of the divestment of the car park activities in the first half of 2006.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2007

(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 2007 were approved by the Board of Directors on 30 August 2007.

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

Significant events in the first half of 2007

- Cofiroute

On 1 March 2007, the Group sold its 17.06% shareholding in Cofiroute, a company operating a 1,000 kilometre long motorway network. The shares were sold for €758 million, generating an after-tax gain of €484 million.

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 2007 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 2006.

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 2007 did not have an impact on the Group's interim financial statements.

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.

All assets held under public service concession 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 2007	Construction	Public Works	Electrical and Multi-technical Installation	Metallic Construction	Concessions and private public partnerships	Holding	Eliminations	Total
Consolidated 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 from ordinary activities	83	23	49	2	324	(12)		469
Operating profit	76	22	47	2	326	(19)		454

6 months to 30 June 2006	Construction	Public Works	Electrical and Multi-technical Installation	Metallic Construction	Concessions and private public partnerships	Holding	Eliminations	Total
Consolidated income statement								
Revenue from continuing operations	1,732	1,639	917	116	599	6	-	5,009
Inter-segment sales	11	16	25	11	-	22	(85)	-
Total	1,743	1,655	942	127	599	28	(85)	5,009
Operating profit from ordinary activities	67	24	39	5	191	(1)	-	325
Operating profit	60	23	37	5	191	-	-	316

The Concessions division grew in the first half of 2006 as a result of the acquisition of APRR, with Eiffage having taken control of this company on 20 February 2006. If this acquisition had been completed on 1 January 2006, the operating profit contributed by the Concessions division would have amounted to €244 million

4. Changes in the consolidation scope

Purchases of shares in consolidated companies involving the Public Works, Electrical and Multi-technical Installation and Metallic construction divisions amounts to €109 million, settled in cash in the first half of 2007.

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

Net cash and cash equivalents contributed by newly-acquired entities amounted to €14 million.

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

Non-current assets:	€83 million
Current assets:	€182 million
Non-current liabilities:	€13 million
Current liabilities:	€156 million

As regards the income statement, changes in the consolidation had for effect to increase revenue by €478 million, the operating profit by €85 million and the profit by €13 million in the first half of 2007(*).

(* These figures includes amounts contributed in the first half of 2007 by companies consolidated for the first time in 2006, notably APRR which has been included in the consolidation scope since 20 February 2006.

5. Investments in associates

At 1 January 2007	346
Changes in consolidation scope	
Added	2
Removed (a)	(266)
Dividends	(4)
Capital increase	12
Profit	3
Change in fair value of financial instruments	4
At 30 June 2007	97

(a) Including sale of Cofiroute shareholding for €2 million.

6. Deferred taxation

The analysis of the deferred taxation arising on the acquisition of the APRR group has resulted in the netting off of deferred tax assets and deferred tax liabilities amounting to €223 million at 31 December 2006.

	30 June 2007	31 December 2006 restated	31 December 2006 as reported previously
Deferred tax assets	121	153	376
Deferred tax liabilities	1,907	1,898	2,121
Net deferred tax liabilities	1,786	1,745	1,745

7. Capital

	Total number of shares	Of which Treasury shares	Number of shares in circulation
At 1 January 2006	44,894,788	(1,499,687)	43,395,101
Shares created as a result of the exercise of share subscription options	40,270	-	40,270
Purchases/sales of own shares	-	146,799	146,799
Shares created in connection with the one-for-two bonus issue	44,935,058	(1,093,668)	43,841,390
At 30 June 2006	89,870,116	(2,446,556)	87,423,560
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
Purchases/sales 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 sold 1,614,000 of its own shares and purchased an equivalent number of call options to cover its commitments in respect of share options plans and bonus shares.

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

At 30 June 2007	Up to 1 year	From 1 to 5 years	Over 5 years	Total
Financial assets: cash and cash equivalents				
Marketable securities	958			958
Cash at bank and in hand	446			446
Sub-total - Financial assets	1,404			1,404
Financial liabilities: current and non-current				
Non-current borrowings		2,217	8,685	10,902
Non-current borrowings due within one year	698			698
Other borrowings and financial debt	638			638
Sub-total - Financial liabilities	1,336	2,217	8,685	12,238
Net debt	68	(2,217)	(8,685)	(10,834)

At 30 June 2007 long-term borrowings totalled €11,600 million (including the part due within one year), of which €190 million was due in respect of finance leases and €11,410 million was due to credit institutions.

At 30 June 2007, only €978 million of borrowings were with recourse out of total net borrowings of €10,834 million.

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 (term that corresponds to specific contractual definitions) equal to or lower than 11.30 at 30 June 2007; and
- Interest coverage ratio (term that corresponds to specific contractual definitions) equal to or more than 1.10 at 30 June 2007.

The ratios were 9.53 and 1.74 respectively at 30 June 2007.

Eiffarie (in relation to the lenders under the aforementioned agreement) and APRR (in relation to Caisse Nationale des Autoroutes and the members of the loan syndicate) have undertaken for APRR Group to comply with the following two ratios:

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

These ratios were 5.7 and 3.2 respectively at 30 June 2007.

The securitisation programme for a maximum amount of €400 million was totally utilised at 30 June 2007. The availability of this facility is not subordinated to compliance with any financial ratios.

9. Cash and cash equivalents

Cash and cash equivalents comprise the following amounts:

	30 June 2007	30 June 2006
Assets		
Other financial assets	-	196
Marketable securities	958	562
Cash at bank and in hand	446	330
	<hr/> 1,404	<hr/> 892
	(I)	1,088
Liabilities		
Bank overdrafts	86	210
Deposit linked to the securitisation programme	38	36
	<hr/> (II) 124	<hr/> 246
Cash and cash equivalents at 30 June	(I-II) 1,280	842

10. Borrowings

	At 1 January 2007	Changes in consolidation scope	Other movements (a)	Increases	Decreases	At 30 June 2007
Non-current borrowings (including part due within 1 year) (b)	11,842	16	(91)	725	(892)	11,600
Bank overdrafts	43	10		33		86
Other borrowing and financial debt	609	3			(60)	552
Borrowings	652	13		33	(60)	638

(a) Adjustment not involving any movement of funds

	Decrease	Increase
(b) Impact on borrowings arising from the restatement of finance leases (IAS 17)	35	-42

11. Provisions

	At 1 January 2007	Changes in consolidation scope	Additional provisions	Utilisation of provisions	Reversal of provisions	Other movements	At 30 June 2007
Provisions for retirement indemnities	147	4	10	(13)			148
Provisions for long service medals	17						17
Non-current provisions	164	4	10	(13)			165
Provisions for losses on completion	11		14	(10)			15
Provisions for restructuring	11			(4)			7
Provisions for property risks	12		5	(1)			16
Provisions for guarantees given	78	1	7	(7)	(1)		78
Provisions for disputes and penalties	67		7	(6)	(4)		64
Provisions for retirement indemnities	13						13
Provisions for long service medals	2						2
Provisions for other liabilities - France	142	2	21	(20)	(1)	(1)	143
Provisions for other liabilities - Europe	75		7	(7)			75
Provisions for other liabilities - Export	14		2	(2)			14
Current provisions	425	3	63	(57)	(6)	(1)	427

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.

16. Events after the balance sheet date

At the start of July 2007, the Group acquired 90% of the capital of Tchas, a company based in the Czech Republic with annual revenue of €300 million. This company will be consolidated in the second half of 2007.

On 23 July, sold 49% of its shareholding in Compagnie Eiffage du Viaduc de Millau after obtaining refinancing for this company amounting to €573 million. This disposal generated a gain of €185 million

IV. Statutory Auditors' report on the financial information for the six months ended 30 June 2007

As the statutory auditors and in application of Article L. 232-7 of the French Commercial Code (*Code de Commerce*), we have performed:

- A limited audit of the condensed interim consolidated financial statements of Eiffage SA for the period 1 January 2007 to 30 June 2007 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.

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 and any other procedure considered necessary. 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. It does not therefore provide assurance that all significant matters have been identified, as would be the case if a full audit had been performed, and accordingly we are not required to express an opinion.

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.

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 and Neuilly-sur-Seine, 31 August 2007

The Statutory Auditors

KPMG Audit
Department of KPMG SA

PricewaterhouseCoopers Audit

Philippe Mathis
Partner

Yan Ricaud
Partner