

SALES and RESULTS

EIFFAGE has proved the viability of its business model with stable consolidated sales of €13.3bn (+0.7%) in 2010. This marks the third consecutive year in which sales have held steady. Operating profit on ordinary activities rose 2.4% to €1,041 million. Net profit attributable to equity holders of the Group rose 22.1% to €232 million.

Activity in the Contracting divisions held up well, declining just 2% as an environment of ongoing difficulty compressed margins to 2.5% from 3.1% in 2009. However, new orders are showing signs of recovery.

The Concessions divisions, particularly APRR, fulfilled their role as a stabilising force for sales and results.

After dropping very sharply in 2009, Construction sales reduced by 2% to €3.62bn. Solid growth of 2.5% in Europe partially offset 3.9% erosion of sales in France. The operating margin rose above 4% (to 4.3%), with a stable contribution from property development. This activity enjoyed support in France from low interest rates and fiscal stimulus measures, as well as better profitability from works in both France and Belgium. In Poland, sales recovered, and the business is still profitable. Meanwhile, losses continued for a third year in the Czech Republic, but the activity is expected to break even in 2011 thanks to thorough restructuring measures. The order book began 2011 at a new high thanks to large year-end contracts.

The Public Works division was penalised in 2010 by severe weather conditions, tough competition in road building in France and Spain's severely depressed economy. However, sales advanced by 4.2% to €3.9bn thanks to acquisitions in Germany (acquisitions of EIFFAGE RAIL and FABER at end-2009) and the A65 motorway, which was delivered on time at end-2010 after 30 months of work. The operating margin declined to 1.7%.

In the year's final quarter, the order book recovered, and in 2011 it will expand further thanks to the Bretagne-Pays-de-Loire high-speed rail line. Sales should benefit from a more favourable environment for road building and private contracts in France.

The Energy division had a difficult year in 2010 as unfavourable conditions continued on the industrial works market and several large hospital projects had an impact on earnings. The largest of these, the Sud-Francilien Hospital Centre, was delivered on time on 17 January 2011. Against this backdrop, 2010 sales declined to €3,094bn and profitability as measured by operating profit on ordinary activities to 1.6%.

FORCLUM was reorganised in order to integrate CRYSTAL, adapt to changes in the local authorities market, and develop new offers, particularly on growth markets around new energy sources and energy performance contracts.

These efforts should start to show positive results for FORCLUM in 2011. It will also benefit from renewed sales to industrial clients, earnings at CLEMESSEY, confirmation of the Spanish subsidiaries' recovery and their 2010 return to profitability.

The Metal division's sales rose 4.3% to €737 million, benefiting from integration of several new 2010 acquisitions. These offset the decline in maintenance work for industrial clients. Metallic construction remains dynamic in France and Germany, and the drop in the facades market should be halted as from 2012 with recovery in the commercial property market. The order book is at an all-time high.

APRR had an excellent year with sales of €1.94bn, up 4.6% thanks to recovery in heavy goods vehicles traffic, which rose 6.1%, and continued healthy growth of 2% in light vehicles traffic. The EBITDA margin continued to expand to 68.4%, despite particularly high costs associated with winter maintenance.

Initial traffic figures for the A65 motorway are encouraging, and traffic on the Millau viaduct is growing.

The strategic initiative in public-private partnerships (PPP) was crowned with the success of the Bretagne-Pays-de-Loire high-speed line, as well as several smaller projects such as secondary schools in the Central and Lorraine regions.

EIFFAGE's Board of Directors approved the financial statements for the 2010 financial year at its meeting on 24 February 2011; the audit of these financial statements has been carried out and the audit report will be issued as soon as the diligences relating to specific verifications have been completed.

Income tax expense amounted to €183 million. Consolidated cash flow reached €1bn, up 1.8%, whilst working capital requirements declined by €98 million. As a result of this, as well as the investments made in the Concessions and PPP and especially EIFFARIE's increase of its investment in APRR to 98.2% in the summer of 2010 (€523 million for EIFFARIE's share), indebtedness at the Contracting division and the holding company rose to €203 million at end-2010, compared with a net cash position of €488 million one year earlier. The Group's liquidity remains high, as EIFFAGE renewed its credit lines amounting to €700 million for five years in December 2010.

Growth by acquisition remained moderate in 2010 at €48 million, consisting mainly of investments by the Group in Concessions and PPP (€1bn, excluding the purchase of APRR shares). These investments increased the net debt used to finance them by €781 million compared with €13.8bn at end-2010. Nearly all of this debt (€13.2bn) is non-recourse debt with respect to the parent, Eiffage. Most of it is long-term and very long-term fixed-rate debt. In general, repayment is scheduled over the life of the contract financed by a specific debt vehicle. A study of refinancing EIFFARIE's €3.6bn (at end-2010) net debt maturing in February 2013 was begun in September 2010. An important first step was the successful €1bn bond issue by APRR in January 2011. To complete this refinancing, other market and bank financing transactions will follow between now and February 2012.

Consolidated results – in € million	2009	2010	Change
Sales	13,233	13,330	+0.7%
Operating profit on ordinary activities	1,017	1,041	+2.4%
Cash generated by operations	982	1,000	+1.8%
Net profit attributable to the equity holders of the parent	190	232	+22.1%

GENERAL MEETING – DIVIDEND

Eiffage SA recorded a net profit of €210 million in 2010 compared with €240 million in 2009.

At the General Meeting to be held on 20 April 2011, the Board of Directors will propose an unchanged dividend of €1.20 per share. This dividend will be paid on 29 April 2011 on the 90,000,000 shares that make up the capital.

2011 PROSPECTS

Eiffage is starting 2011 with a record order book of €10.7bn, soon to be augmented by the major sales successes of early 2011. These include the Le Mans-Rennes high-speed line, which will be the largest contract in Eiffage's history.

Concessions should continue to drive the Group's sales and results higher, in particular thanks to the accretive nature of APRR minorities buy out. Consolidated sales for 2011 are estimated at €13.7bn, representing a 3.1% increase. The Contracting division should return to moderate growth around 2.4% to €11.6bn and then to accelerate in 2012 under the leadership of Pierre Berger, who becomes the Group's Chief Executive Officer on 1 July 2011.



Detailed financial statements for the 2010 financial year are available on the company's website:

www.eiffage.com