EIFFAGE

*29 August 2012*

**PRESS RELEASE**

Revenue: €6,616m (+0.2%)
Operating profit on ordinary activities: €499m (+10.6%)
Net profit (group share): €51m (+18.6%)
Financial net debt: reduction of €818m over one year
Order book: €13.5bn (+19.7%)
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The Board of Directors of Eiffage met on 29 August 2012 to approve the financial statements for the first semester of 2012. The statutory auditors performed a limited review of these financial statements.

## ACTIVITY

Consolidated revenue for the first half of 2012 came to €6.6bn, up slightly year-on-year (increase of 0.2% on a reported basis and of 0.6% like for like).

Revenue of the Contracting activities was stable on a reported basis. Construction recorded a 1.7% decrease, which was due to operations in Europe outside France, notably the closure of operations in the Czech Republic. In France, revenue increased by 3.4%, due notably to the Ile-de-France region where activity remained particularly strong.
Public Works recorded a slight 1.8% decline. In France, the 1.5% decrease in revenue was due to road construction and maintenance, which had to contend with unfavourable weather conditions. There was a further contraction in activity in Spain.
Energy recorded a 1% increase in revenue. While revenue was stable in France, there was a sharp increase in Germany, Spain and Italy.
Metal recorded a 12.4% increase, fuelled mainly by metallic construction in France (start of the constructing the Ofon platform for Nigeria and in Germany), and by facades (Goyer).
Revenue by APRR increased by 1% despite a slight 1.6% decline in traffic. All in all, Concession recorded a 1.1% increase in revenue.

## RESULTS

Operating profit on ordinary activities increased by 10.6. The operating margin improved to 7.5% from 6.8% in the first half of 2011.
The operating margin of the Contracting activities reached 1.6% compared with 1.5% in the first half of 2011. Three of the four Contracting branches recorded stable or higher margins: at the Construction branch, the operating margin held on high at 4.3%, while it improved to 2.7% at the Energy branch thanks to its ongoing reorganisation; the Metal branch achieved a 3.3% margin thanks to the good level of activity. Concerning Public Works branch, the seasonal nature of these activities means that first-half results are not very meaningful, a situation exacerbated this year by the particularly unfavourable weather conditions in France. As a result, the branch's operating margin weakened to -2.7% but given the branch's record order book, the delivery of the restructuring plan already in play and the control over the current major projects a significant catching-up can be expected in the second semester.

The operating margin of the Concessions improved to 41.6% thanks to another increase in APRR's margin, due to the tight management of operating expenditure and to the new public-private partnerships brought into service in the second semester of 2011.

The good operating performance enabled the Group to cushion the substantial increase in finance costs due to the refinancing of APRR-Eiffarie in February 2012 and to the new public-private partnerships brought into service. As a result, net profit increased by 18.6% to €51m.

## FINANCIAL SITUATION

Financial net debt (excluding the fair value of the CNA debt and the swaps) reached €12.9bn at 30 June 2012, down €818m over 12 months but up €303m compared with 31 December 2011, reflecting notably the seasonal increase in working capital requirements. However, working capital requirements continue to be tightly managed (increase of €290m in the first semester of 2012 compared with an increase of €396m in the first semester of 2011).

The bulk (€12.3bn) of the Group's financial net debt is held by the Concessions and non recourse to Eiffage: Holding and Contracting financial net debt came to €593m, down around €300m from €890m at 30 June 2011.

The Group's liquidity, which reaches its low water mark at this time of the year, has held on high, with net available cash of €164m and undrawn credit lines of €700m, confirmed through to December 2015.

As regards the Group's financing, €500m of January 2018 bonds were issued by APRR in January 2012. On 20 February 2012, Eiffarie and its subsidiary APRR signed loan agreements with a pool of eighteen banks, renewing for five years APRR's €0.7bn revolving credit line and Eiffarie's €2.8bn structured credit.

Finally, Eiffage arranged the financing for the new public-private partnerships awarded in 2012: eight secondary schools in the Seine-Saint-Denis in June and the Energy Faculty of the Grenoble University in July for a total of €250m. These successes in project financing and refinancing the Group's activities confirm the financial know-how capacity and expertise of the Group in gaining continued access to the credit markets and providing it with significant liquidity for coming years.

## 2012 PROSPECTS

The order book increased by 19.7% year-on-year to €13.5bn and is equivalent to 13.7 months of activity, supporting management guidance of €14bn of revenue in 2012.

Progress is satisfactory for large projects. The Lille Stadium hosted its inaugural football game on 17 August. Preparatory work for the Bretagne-Pays de la Loire high speed rail line has been launched and administrative authorisation obtained within schedule.

Under these conditions and given measures that have or are being taken to reorganise operations and improve productivity, margins at the Contracting branches can be expected to improve in 2012. At APRR, the EBITDA margin is expected to improve compared with 2011 as a result of the efforts made to curb expenses, as the growth in revenue will remain limited.