EIFFAGE

Public limited company with a capital of €357,754,520

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

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

Interim Financial Report
for the six months ended 30 June 2013

(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 2013 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 disseminated 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 condensed financial statements for the six months ended 30 June 2013 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 period then ended provides a true and fair view of significant events during this period and their impact on the 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.

28 August 2013

Pierre Berger

Director - Chairman and Chief Executive Officer

II. Interim Management Report

ACTIVITY

Consolidated sales in the first half of 2013 came to €6.5bn, decreasing by 1.3% in the half year.

At the Contracting activities, after a sharp decline in the first quarter, sales recovered in the second quarter, but were down by 2.2% in the first half of 2013. At the Construction branch, activity held at a high level in the Ile-de-France region, but conditions were more difficult in the provinces, so that sales were down 7.8%. In Europe, activity held up, notably in the Benelux. The Public Works branch recorded a 2.4% increase, fuelled mainly by activity in France (up 5.2% thanks to the Bretagne-Pays de la Loire high-speed rail line project gearing up). The Energy branch recorded a 0.5% increase thanks to international operations in Europe and further afield, more than offsetting the slight decrease in France (down 0.5%). The Metal branch recorded a 6.1% decrease in the first half of 2013, with Industrial Services and Metallic Construction in France posting the most pronounced declines.

At the Concessions branch, revenue contributed by APRR increased by 1.9%, on a 0.2% rise in traffic. Overall, Concessions recorded solid growth of 3% in the first half of 2013.

SALES FOR THE FIRST HALF OF 2013

In millions of euros	**1st half 2012**	**1st half 2013**	**% change**	
			Reported	Like-for-like
CONSTRUCTION	1,840	1,696	-7.8%	-6.5%
Of which Property	*258*	*257*		
PUBLIC WORKS	1,764	1,806	+2.4%	+1.3%
ENERGY	1,542	1,550	+0.5%	-1.3%
METAL	427	401	-6.1%	-6.3%
Sub-total Contracting Activities	5,573	5,453	-2.2%	-2.5%
CONCESSIONS (excluding IFRIC 12)	1,043	1,074	+3.0%	+3.0%
TOTAL GROUP (excluding IFRIC 12)	**6,616**	**6,527**	**-1.3%**	**-1.6%**
Of which:				
. France	5,638	5,554	-1.5%	-1.8%
. Rest of Europe	874	844	-3.4%	-3.8%
. Rest of world	104	129	+24.0%	+24.0%
Construction revenue of Concessions (IFRIC 12)	78	114	n/m	

RESULTS

Operating profit on ordinary activities increased by 3.8% in the first half of 2013, driving the operating margin improvement to 7.9% from 7.5% in the first half of 2012.

The operating margin of Contracting activities was stable at 1.6%, despite sales having declined due to the far more unfavourable weather conditions than in the first half of 2012. At the Construction branch, which unusually posted the most

pronounced dip in volumes, the operating margin put up a good resistance at 4.2%. The operating margin improved slightly to 2.8% at the Energy branch and recovered from -2.7% in the first half of 2012 to -2.2% in the first half of 2013 at the Public Works branch. Finally, the operating margin improved to 3.5% at the Metal branch.
At the Concessions branch, the operating margin remained high at 41.2% thanks to traffic holding up at the motorway concessions and to the tight management of operating expenses.
The increase in the operating profit on ordinary activities along with a decrease in net finance costs paved the way for a sharp increase in net profit, up 13.7% to €58m in the first half of 2013.

FINANCIAL SITUATION

Financial net debt (excluding the marked to market value of the CNA debt and swaps) reached €13.2bn, compared with €12.9bn at 30 June 2012. The increase in financial net debt in the first half, which was particularly sharp this year, was due to significant interest and tax payments in the first half of 2013 of €610m (compared with €433m in the first half of 2012), in addition to which the seasonal increase in working capital requirements was more pronounced at €639m (compared with a €290m increase in the first half of 2012). Working capital requirements continue to be tightly controlled and have in fact declined sharply over the last two years.

Almost all of the Group's financial net debt is carried by the Concessions: €12.3bn, without recourse to Eiffage. Financial net debt carried by the holding company and Contracting activities came to €911m.

The Group's liquidity, which reaches its low water mark at this time of the year, remain high, with an undrawn credit line totalling €700m, confirmed through to December 2015. The Group has continued to diversify its sources of financing, putting into place a commercial paper programme.

APRR has continued to optimise the cost of its debt, issuing for €300m of three-year bonds on good conditions.

2013 OUTLOOK

With an order book totalling €12.5bn, representing about 13 months of activity, Eiffage confirms its 2013 guidance, which remains for sales of €14.2bn. Given the recovery in traffic at the motorway concessions, the satisfactory progress of major projects and efforts to improve worksite productivity, the Group's results can be expected to improve in 2013.

MAIN RISKS – TRANSACTIONS WITH RELATED PARTIES

Risks to which the Group is exposed are disclosed on pages 148 to 150 of the Reference Document registered under no. D.13-0230. 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 2013. The assessment of the Group's exposure to financial covenants at 30 June 2013 is detailed hereunder in Note 10 to the interim financial statements.

Transactions with related parties are disclosed in Note 15.

III. Condensed consolidated financial statements for the six months ended 30 June 2013

Consolidated balance sheet at 30 June 2013

Assets

In millions of euros	30 June 2013	31 December 2012 (*)
Non-current assets		
Property, plant and equipment	1,408	1,436
Investment property	6	6
Concession intangible assets	12,496	12,640
Goodwill	2,850	2,850
Other intangible assets	168	157
Investments in associates	101	93
Non-current financial assets	1,603	1,419
Deferred tax assets	348	356
Total non-current assets	**18,980**	**18,957**
Current assets		
Inventories	631	608
Trade and other receivables	4,146	4,096
Current tax assets	7	5
Current financial assets	16	15
Other current assets	1,727	1,365
Cash and cash equivalents	1,498	1,956
Total current assets	**8,025**	**8,045**
Total assets	**27,005**	**27,002**

Equity and liabilities

In millions of euros	30 June 2013	31 December 2012
Equity		
Share capital	358	349
Consolidated reserves	2,400	2,234
All other comprehensive income items	(428)	(519)
Profit for the period	58	221
Equity attributable to the owners of the company	**2,388**	**2,285**
Non-controlling interests	(10)	(80)
Equity	**2,378**	**2,205**
Non-current liabilities		
Borrowings	14,172	14,269
Deferred tax liabilities	1,039	991
Non-current provisions	532	524
Other non-current liabilities	54	54
Total non-current liabilities	**15,797**	**15,838**
Current liabilities		
Trade and other payables	3,133	3,080
Loans and other borrowings	1,077	884
Non-current borrowings due within one year	549	574
Current income tax liabilities	53	96
Current provisions	463	472
Other liabilities	3,555	3,853
Total current liabilities	**8,830**	**8,959**
Total equity and liabilities	**27,005**	**27,002**

(*) Comparatives restated to reflect change in accounting method resulting from the application of IAS 19 (revised), “Employee Benefits”, described in Note 18.

Consolidated income statement for the six months ended 30 June 2013

In millions of euros	30 June 2013	30 June 2012 (*)
Revenue	**6,578**	**6,661**
Other operating income	2	2
Raw materials and consumables used	(1,233)	(1,317)
Employee benefits expense	(1,701)	(1,789)
Other operating expenses	(2,622)	(2,562)
Taxes (other than income tax)	(184)	(199)
Depreciation and amortisation	(418)	(411)
Net decrease in provision	9	24
Change in inventories of finished goods and work in progress	22	66
Other operating income on ordinary activities	65	25
Operating profit on ordinary activities	**518**	**500**
Other expenses from operations	(30)	(19)
Operating profit	**488**	**481**
Income from cash and cash equivalents	18	21
Finance costs	(368)	(390)
Net finance costs	**(350)**	**(369)**
Other financial expenses	**(12)**	**(5)**
Share of profit of associates	**3**	**1**
Income tax	**(45)**	**(40)**
Profit for the period	**84**	**68**
Attributable to:		
- Owners of the company	58	52
- Non-controlling interests	26	16
Earnings per share attributable to the owners of the company (in euros)		
Basic	0.68	0.60
Diluted	0.66	0.59

(*) Comparatives restated to reflect change in accounting method resulting from the application of IAS 19 (revised), “Employee Benefits”, described in Note 18.

Consolidated comprehensive income statement for the six months ended 30 June 2013

In millions of euros	30 June 2013	30 June 2012 (*)
Profit for the period	**84**	**68**
Items that will not be reclassified subsequently to profit or loss		
Actuarial gains and losses on staff benefits	(1)	(24)
Tax on items that will not be reclassified to profit or loss	-	8
Share of gains and losses of associates that will not be reclassified to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss		
Translation differences	(3)	2
Re-measurement of derivative hedging instruments	202	(147)
Tax on items that are or may be reclassified subsequently to profit or loss	(71)	50
Share of gains and losses of associates that are or may be reclassified subsequently to profit or loss	11	(5)
Other items of comprehensive income	**138**	**(116)**
Comprehensive income for the year	**222**	**(48)**
Attributable to:		
- Owners of the company	150	(34)
- Non-controlling interests	72	(14)

(*) Comparatives restated to reflect change in accounting method resulting from the application of IAS 19 (revised), “Employee Benefits”, described in Note 18.

Consolidated statement of changes in equity for the six months ended 30 June 2013

In millions of euros	Share capital	Share premium	Reserves	Currency translation difference	Financial instruments	Employee benefits	Attributable to owners of the company	Non-controlling interests	Total
Equity at 1 January 2012	**349**	**198**	**2,149**	**17**	**(377)**	**-**	**2,336**	**(1)**	**2,335**
Capital increase/reduction	-	-	-	-	-	-	-	-	-
Treasury shares	-	-	(5)	-	-	-	(5)	-	(5)
Share-based payments	-	-	2	-	-	-	2	-	2
Dividends	-	-	(102)	-	-	-	(102)	(18)	(120)
Transactions with shareholders	**-**	**-**	**(105)**	**-**	**-**	**-**	**(105)**	**(18)**	**(123)**
Profit for the period	-	-	52	-	-	-	52	16	68
Other comprehensive income items	-	-	-	2	(73)	(15)	(86)	(30)	(116)
Comprehensive income	**-**	**-**	**52**	**2**	**(73)**	**(15)**	**(34)**	**(14)**	**(48)**
Changes in consolidation scope and reclassifications	-	-	15	(13)	(1)	-	1	-	1
Equity at 30 June 2012 (*)	**349**	**198**	**2,111**	**6**	**(451)**	**(15)**	**2,198**	**(33)**	**2,165**

In millions of euros	Share capital	Share premium	Reserves	Currency translation difference	Financial instruments	Employee benefits	Attributable to owners of the company	Non-controlling interests	Total
Equity at 1 January 2013 (*)	**349**	**198**	**2,257**	**8**	**(505)**	**(22)**	**2,285**	**(80)**	**2,205**
Capital increase/reduction	9	51	-	-	-	-	60	-	60
Treasury shares	-	-	(3)	-	-	-	(3)	-	(3)
Share-based payments	-	-	2	-	-	-	2	-	2
Dividends	-	-	(105)	-	-	-	(105)	(2)	(107)
Transactions with shareholders	**9**	**51**	**(106)**	**-**	**-**	**-**	**(46)**	**(2)**	**(48)**
Profit for the period	-	-	58	-	-	-	58	26	84
Other comprehensive income items	-	-	-	(3)	95	(1)	91	46	137
Comprehensive income	**-**	**-**	**58**	**(3)**	**95**	**(1)**	**149**	**72**	**221**
Equity at 30 June 2013	**358**	**249**	**2,209**	**5**	**(410)**	**(23)**	**2,388**	**(10)**	**2,378**

(*) Comparatives restated to reflect change in accounting method resulting from the application of IAS 19 (revised), “Employee Benefits”, described in Note 18.

Consolidated cash flows statement for the six months ended 30 June 2013

In millions of euros	30 June 2013	30 June 2012 (*)
Cash and cash equivalents at the beginning of the year	**1,829**	**2,277**
Effect of foreign exchange rate changes	(2)	1
Restated cash and cash equivalents at the beginning of the year	**1,827**	**2,278**
- Profit for the year	84	68
- Profit of associates	(3)	(1)
- Dividends from associates	8	7
- Depreciation, amortisation and net increase (decrease) in provisions	378	340
- Other non cash items	(9)	15
- Gain or loss on disposals	(7)	(7)
Cash-flows from (used in) operations before interest and taxes	**451**	**422**
- Net interest expense	345	353
- Interest paid	(504)	(411)
- Income tax	45	40
- Income tax paid	(106)	(22)
Changes in working capital requirement	(639)	(290)
Net cash from (used in) operating activities (I)	**(408)**	**92**
Intangible assets	(25)	(16)
Concession intangible assets	(110)	(79)
Property, plant and equipment	(57)	(98)
Investments	(221)	(116)
Total purchases of non-current assets	**(413)**	**(309)**
Proceeds from disposal of non-current assets	16	12
Cash and cash equivalents of entities bought or sold	(9)	(3)
Net cash from (used in) investing activities (II)	**(406)**	**(300)**
Dividends paid to shareholders	(107)	(117)
Capital increase	60	-
Repurchase and resale of treasury shares	(3)	(5)
Repayments of borrowings (**)	(460)	(3,858)
New borrowings (**)	595	3,347
Net cash from (used in) financing activities (III)	**85**	**(633)**
Net increase (decrease) in cash and cash equivalents (I + II + III)	**(729)**	**(841)**
Cash and cash equivalents at the end of the period	**1,098**	**1,437**

(*) Comparatives restated to reflect change in accounting method resulting from the application of IAS 19 (revised), "Employee Benefits", described in Note 18.
(**) The importance of these two lines in the first half of 2012 was due mainly to the refinancing of the debt of the Eiffarie Group, which amounted to €3,264m.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2013

(in millions of euros unless otherwise indicated)

1. General information

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

The interim consolidated financial statements for the six months ended 30 June 2013 were approved by the Board of Directors on 28 August 2013.

The consolidated financial statements for the year ended 31 December 2012 are available on demand from the registered office of Eiffage SA. They are also available on its website at www.eiffage.com.

Significant events in the first half of 2013

In the first half of 2013, Eiffage SA staged a capital increase reserved for the Group's employees in France, which resulted in the issue of 2,276,499 shares of €4 each. Following this increase, the share capital of Eiffage SA amounted €357,754,520.

The Metal division of Eiffage has signed, subject to a number of conditions precedents, a contract for the acquisition of the main entities of the Smulders group in Belgium, the Netherlands and Poland. The acquired businesses are expected to generate around €200m of revenues over the whole of 2013 and have 770 employees.
With this acquisition, Eiffage is strengthening its presence on the offshore energy market in general and in the offshore wind energy market in particular. It will also enable the Metal division to develop its traditional activity in offshore oilfield equipment and services and complex metal constructions abroad, notably in Northern Europe.

Further to the decree of 28 May 2013, the fee for the use of public property by motorway concession operators was increased by 50%, with effect from 1 July 2013. An action for cancellation has been filed before France's State Council.

2. Seasonal nature of the activities

The activities carried on by the Group are affected by their seasonal nature, in particular road construction and maintenance (because of the less favourable weather conditions in the first half of the year) and the operation of motorway concessions (because of the increase in traffic during the summer holidays at the start of the second half). It follows that sales and results in the first half of the year cannot be extrapolated to the year as a whole.

The seasonal natural of the activities lead to an increase in net cash used in operating activities.

No attempt is made to correct this seasonality in the interim financial statements.

3. Accounting policies and methods used for the preparation of the condensed interim financial statements and applicable standards

The condensed interim financial statements to 30 June 2013 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 2012.

The same accounting methods were applied as in 2012, except for standards, amendments and interpretations adopted by the European Union, for which application was compulsory for accounting periods beginning on or after 1 January 2013, notably:

- Amendment to IAS 1 on presenting other items of comprehensive income;
- Amendments to IAS 19 (revised), "Employee Benefits";
- Amendment to IFRS 7 on offsetting financial assets and financial liabilities;
- IFRS 13, "Fair Value Measurement"; and
- IFRIC 20, "Stripping Costs in the Production Phase of a Surface Mine"

These new standards, amendments and interpretations did not have a material impact of the Group's interim financial statements except for the amendments to IAS 19, "Employee Benefits". The impact of these amendments is set out in Note 18.

The Group is in the process of assessing the potential impact on its financial statements of the standards, amendments and interpretations published as at 30 June 2013 but applicable in accounting periods beginning on or after 1 January 2014:

- IFRS 10, "Consolidated Financial Statements";
- IFRS 11, "Joint Arrangements";
- IFRS 12, "Disclosure of Interests in Other Entities";
- Amendment to IAS 27, "Separate Financial Statements";
- Amendment to IAS 28, "Investments in Associates and Joint Ventures";
- Amendment to IAS 32 on offsetting financial assets and financial liabilities; and
- Amendment to IAS 36 on recoverable amount disclosures for non-financial assets

4. <u>Significant accounting estimates and judgements</u>

When preparing the consolidated financial statements in accordance with International Financial Reporting Standards, management relies on estimates and assumptions that affect the amounts of assets and liabilities reported in the balance sheet, contingent liabilities reported in the notes, and income and charges reported in the income statement. These estimates and assumptions are based on past experience and on various other factors, bearing in mind the current economic and financial environment has lowered visibility as regards business prospects. It is possible that the carrying amounts of the assets and liabilities may be adjusted subsequently because of these estimation uncertainty sources.

The estimates and assumptions concern essentially:

- the stage of completion of construction contracts and the measurement of the profit on completion (trade receivables on the asset side of the balance sheet, other payables on the liability side, and revenue in the income statement)
- provisions;
- valuation of share-based payments;
- employee benefit calculations (discount rate, inflation, rate of increase in wages and salaries);
- impairment tests (key assumptions used to determine recoverable amounts: model and discount rate); and
- the recoverability of deferred tax assets.

Regarding construction contracts, estimates and assumptions regarding the stage of completion and the measurement of the profit on completion are reviewed regularly for each contract on the basis of the information that is available. When applicable, compensation sought from customers is recognised when it is probable these amounts will be collected.

Past costs, future costs and any guarantee costs are analysed; their measurement is based on the costs best estimate that will be incurred to fulfil the Group's contractual obligations.

Assumptions relied upon take into account the technical and contractual constraints specific to each contract.

5. <u>Segment reporting</u>

In accordance with IFRS 8, segment reporting is based on the Group's internal organisation for reporting to senior management. Accordingly, the operating segments are:

- Construction: building design and construction, property development and building maintenance;
- Public Works: civil engineering, road construction, infrastructure maintenance and material production;
- Energy: electrical contracting and air conditioning;
- Metal: metallic construction and services to industry;
- Concessions and Utilities Management: construction and operation of infrastructures under concessions and public private partnerships; and
- Holding: management of participating interests and services to Group companies.

5.1 First half of 2013

Information by business segment

	Construction	Public Works	Energy	Metal	Concessions and Utilities Management	Holding	Eliminations	Total
Income statement								
Revenue	1,765	1,777	1,478	371	1,176	11	-	6,578
Inter-segment sales	13	24	69	31	1	59	(197)	-
Total	**1,778**	**1,801**	**1,547**	**402**	**1,177**	**70**	**(197)**	**6,578**
Operating profit on ordinary activities	71	(39)	43	14	442	(12)	-	518
Operating profit	63	(46)	35	12	442	(18)	-	488

Information by geographical area

	France	Rest of world
Revenue from continuing operations	5,647	931

5.2 First half of 2012

Information by business segment

	Construction	Public Works	Energy	Metal	Concessions and Utilities Management	Holding	Eliminations	Total
Income statement								
Revenue from continuing operations	1,870	1,764	1,469	415	1,131	12	-	6,661
Inter-segment sales	20	27	76	13	1	52	(189)	-
Total	**1,890**	**1,791**	**1,545**	**428**	**1,132**	**64**	**(189)**	**6,661**
Operating profit on ordinary activities	80	(47)	43	14	434	(24)	-	500
Operating profit	72	(54)	39	14	434	(24)	-	481

Information by geographical area

	France	Rest of world
Revenue from continuing operations	5,714	947

6. Changes in the consolidation scope

Changes in consolidation scope at the Construction, Energy and Public Works divisions had the following impacts:

On the balance sheet:

- Non-current assets — €3m decrease
- Current assets — €41m increase, of which cash and cash equivalents for €2m
- Non-current liabilities — €2m decrease
- Current liabilities — €40m increase, of which cash and cash equivalents for €11m

These changes had the following impacts on the income statement:

- Revenue — €19m increase, of which €16m relating to Budillon Rabatel (Public Works division), acquired at the end of 2012.
- Operating profit and net profit — neutral for the period

The cost of these acquisitions amounted to €9m.

7. Change in investments in associates

At 1 January 2013	93
Profit for the period	3
Dividends distributed	(8)
Change in capital	4
Change in fair value of financial instruments	11
Other	(2)
At 30 June 2013	**101**

8. Deferred taxes

	30 June 2013	31 December 2012
Deferred tax assets	348	356
Deferred tax liabilities	1,039	991
Net deferred tax liabilities	**691**	**635**

9. Share capital

The capital is composed of 89,438,630 fully paid-up shares of €4 each, all ranking pari passu. Changes in the number of shares in issue are analysed in the table below:

	Total number of shares	Of which treasury shares	Free float
At 1 January 2013	87,162,131	(1,829,619)	85,332,512
Capital increase reserved for employees	2,276,499		2,276,499
Purchases, sales, allotments and cancellations of treasury shares		(107,515)	(107,515)
At 30 June 2013	89,438,630	(1,937,134)	87,501,496

In the first half of 2013, in connection with plans for the allocation of options and free shares, the Group purchased 165,720 of its own shares and allotted 16,150 shares.

As part of the liquidity agreement, Eiffage purchased 881,147 of its own shares and sold 923,202.

	Total number of shares	Of which treasury shares	Free float
At 1 January 2012	87,162,131	(1,594,128)	85,568,003
Purchases, sales, allotments and cancellations of treasury shares	-	(256,714)	(256,714)
At 30 June 2012	87,162,131	(1,850,842)	85,311,289

In the first half of 2012, in connection with plans for the allocation of options and free shares, the Group purchased 295,520 of its own shares and allotted 2,000 shares.

As part of the liquidity agreement, Eiffage purchased 294,312 of its own shares and sold 311,118.

10. Analysis of financial assets and liabilities

	Less than 1 year	1 year and over	Total
Financial assets: cash and cash equivalents			
Marketable securities	472	-	472
Cash at bank and in hand	1,026	-	1,026
Sub-total – financial assets	**1,498**	**-**	**1,498**
Financial liabilities			
Loans	549	14,172	14,721
Current portion of loans and other borrowings	1,077	-	1,077
Sub-total – financial liabilities	**1,626**	**14,172**	**15,798**
Net debt			**14,300**

At 30 June 2013, the Eiffarie/APRR group, the VP1 group (holding company controlling Compagnie Eiffage du Viaduc de Millau), A'Liénor and certain public-private partnerships carried debt amounting to €13,338 million without recourse against Eiffage. This long-term debt carries almost exclusively 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 APRR, the intention is to refinance as and when required, with recourse to various sources of financing, including bond issues, bank loans and, shorter term, by drawing down against credit lines and issuing commercial paper. In the first half of 2013, APRR issued €300 million of bonds bearing variable interest rates and maturing in January 2016 as part of its €6 billion EMTN programme put into place in October 2007. Given this issue and earlier issues made under this programme, notably in 2011, a further €2.25 billion could still be issued as at 30 June 2013. In addition to a first 7-year loan amounting to €75 million arranged with the European Investment Bank (EIB) and drawn down at end-2012 to fund APRR's investments, a second 7-year loan amounting to €75 million, also for 7 years, was arranged with this bank in March 2013, which is to be drawn down in July 2013. Furthermore, APRR has a revolving credit facility amounting to €719.5 million, maturing in February 2017. No amounts were drawn against this facility, the full amount of which was therefore available at 30 June 2013. Finally, a commercial paper programme has been arranged with Banque de France, with €120 million outstanding at 30 June 2013, up €55 million compared with 31 December 2012.

Under the Credit Agreement amounting to €2,764.7m and maturing in February 2007 arranged by Eiffarie in February 2012 to refinance the loan entered into in 2006 for the acquisition of the APRR group and which matured in February 2013, the company has undertaken to comply with a certain number of financial ratios at the level of the Eiffarie group, defined contractually as follows:

- *Consolidated debt coverage ratio* (terms that correspond to specific contractual definitions) equal to or less than 8.44 at 30 June 2013; and
- *Consolidated interest coverage ratio* (terms that correspond to specific contractual definitions) equal to or more than 1.32 at 30 June 2013.

These ratios came to 6.40 and 2.14, respectively, on 30 June 2013.

In addition, Eiffarie has undertaken to comply with a ratio at the level of the company to ensure resources are available to ensure, at the very least, the servicing of the interest due:

- *Interest coverage ratio* (terms that correspond to specific contractual definitions) equal to or more than 1.00.

This ratio came to 2.38 on 30 June 2013.

Non-compliance with any one of these ratios would be treated as an event of default and trigger the early repayment of all of Eiffarie's debt.

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 lending banks) 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 cost* of more than 2.2.

These two ratios came to 4.7 and 4.1, respectively, on 30 June 2013.

Non-compliance with either of these two ratios would be treated as an event of default and trigger the early repayment of all of the Eiffarie group's debt.

VP2, the parent company of Compagnie Eiffage du Viaduc de Millau, has undertaken with regard to the lenders for the financing totalling €573 million arranged in July 2007, to comply with a number of ratios calculated 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;
- *Debt coverage ratio* calculated over the terms of the loans, equal to or more than 1.15; and
- *Debt coverage ratio* calculated over the term of the concession, equal to or more than 1.25.

VP2 complied with all of these ratios when they were last calculated for the first half of 2013, with values of between 1.42 and 1.81 for the first ratio and of 1.38 and 1.83 for the second and third ratios.

Non-compliance with any one of these three ratios would be treated as an event of default and trigger the early repayment of all of VP2's debt.

In connection with the credit agreement signed for the concession of the Pau-Langon A65 motorway, A'liénor has undertaken with regard to the lenders to comply with the ratios indicated below on each interest payment date:

- *Coverage ratio for historical debt* equal to or more than 1; and
- *Forecast annual debt service ratio* (terms that correspond to specific contractual definitions) equal to or more than 1.

When these ratios were last calculated after the half-year repayment in April 2013, A'liénor complied with both covenants, with ratios of 1 both cases.

Non-compliance with any one of these ratios would be treated as an event of default and trigger the early repayment of the debt of A'liénor.

H'ennez is a company specifically incorporated to design, build, operate and maintain the Rennes hospital. In connection with a credit agreement dated 11 July 2007, H'ennez undertook with regard to the lenders to comply with the ratios indicated below, as from 28 February 2010, when the building was delivered, and subsequently on 30 June and 31 December every year:

- *Actual annual debt service ratio* equal to or more than 1.05;
- *Forecast annual debt service ratio* equal to or more than 1.05;
- *Debt coverage ratio*, corresponding to the present value of forecast debt servicing over the outstanding debt at the date of calculation, equal to or more than 1.10.

When these ratios were last calculated on 30 June 2012, they came to 1.81, 2.03 and 1.92, respectively.

Non-compliance with any one of these ratios would be treated as an event of default and trigger the early repayment of all of the debt of H'ennez.

Héveil is a company specifically incorporated to finance, design, build, operate and maintain the hospital located in the communes of Corbeil-Essonnes and Evry. In connection with a credit agreement dated 11 July 2006, Héveil undertook with regard to the lenders to comply with the ratios indicated below, as from the date when the building was delivered on 17 January 2011 and subsequently on 30 June and 31 December every year:

- *Actual annual debt service ratio* equal to or more than 1.05;
- *Forecast annual debt service ratio* equal to or more than 1.05;
- *Debt coverage ratio*, corresponding to the present value of forecast debt servicing over the outstanding debt at the date of calculation, equal to or more than 1.10.

When these ratios were calculated on 30 June 2013, they came to 2.00, 2.00 and 1.85, respectively.

Non-compliance with any one of these ratios on two observation dates would be treated as an event of default and trigger the early repayment of all of the debt of Héveil.

Hanvol is a company specifically incorporated to finance, design, build, operate and maintain the Annemasse hospital. In connection with a long-term credit agreement dated 20 March 2008, modified by a rider dated 28 February 2011, Hanvol undertook with regard to the lenders to comply with the ratios indicated below, as from the second date of observation following delivery of the building and on every subsequent quarterly observation date, namely 31 March, 30 June, 30 September and 31 December:

- *Actual annual debt service ratio* equal to or more than 1.05;
- *Forecast annual debt service ratio* equal to or more than 1.05;
- *Debt coverage ratio* equal to or more than 1.10

When these ratios were calculated on 30 June 2013, they came to 1.86, 1.53 and 1.57, respectively.

Non-compliance with any one of these ratios on two consecutive observation dates would be treated as an event of default and trigger the early repayment of all of the debt of Hanvol.

Eifficentre is a company specifically incorporated to finance, design and carry out work and provide services and supplies that will result in energy savings at 18 secondary schools and 4 administrative buildings in Central France. In connection with a long-term credit agreement dated 23 July 2010, Eifficentre undertook with regard to the lenders to comply with the ratios indicated below, as from the date when the buildings were delivered on 28 November 2012 and subsequently on 30 June and 31 December every year:

- *Annual debt service coverage ratio* equal to or more than 1.10;
- *Forecast annual debt service coverage ratio* equal to or more than 1.10;
- *Debt coverage ratio* equal to or more than 1.15.

When these ratios were calculated on 30 June 2013, they came to 10.00, 8.93 and 9.01, respectively.

Non-compliance with either one of these ratios on two consecutive observation dates would be treated as an event of default and trigger the early repayment of all of the project debt of Eifficentre.

The securitisation programme for a maximum amount of €400 million was utilised was used for an amount of €355 million at 30 June 2013. The availability of this facility is not subject to compliance with any financial ratios.

11. Cash and cash equivalents

Cash and cash equivalents comprise:

		30 June 2013	30 June 2012
Assets			
Marketable securities (*)		472	895
Cash at bank and in hand (*)		1,026	768
	(I)	**1,498**	**1,663**
Liabilities			
Bank overdrafts	(II)	400	226
Cash and cash equivalents at period end (see cash flow statement)	**(I – II)**	**1,098**	**1,437**

(*) Invested in standard money market UCITS and sight bank certificates of deposit.

12. Borrowings

	At 1 January	Changes in consolidation scope	Other movements	Change in fair value of financial instruments	Increases	Decreases	At 30 June
Non-current loans and portion of non-current loans maturing in less than one year (1)	**14,843**	**(2)**	**15**	**(218)**	**539**	**(456)**	**14,721**
Bank overdrafts	127	12	-	-	261	-	400
Other loans and financial liabilities	757	-	(12)	-	115	(183)	677
Other borrowings	**884**	**12**	**(19)**	**-**	**376**	**(176)**	**1,077**
(1) Impact of change in loans recognised in accordance with IAS 17, "Leases"					59	(41)	

13. Provisions

	At 1 January (*)	Changes in consolidation scope and currency translation differences	Additions	Utilisation	Reversal	Other	At 30 June
Provisions for maintaining in condition infrastructures held under concessions (**)	245	-	18	(15)	-	-	248
Provisions for retirement benefits	246	-	11	(7)	-	1	251
Provisions for long-service awards	30	-	-		-	-	30
Other non-current provisions	3	-	-				3
Non-current provisions	**524**	**-**	**29**	**(22)**	**-**	**1**	**532**
Provisions for maintaining in condition infrastructures held under concessions	39	-	-	-	-	-	39
Provisions for losses at completion	25	-	18	(20)	(1)	-	22
Provisions for restructuring	17	-	1	(6)	(1)	-	11
Provisions for property risks	3	-	-	-	-	-	3
Provisions for guarantees given	104	-	11	(6)	(6)	4	107
Provisions for disputes and penalties	91	-	4	(9)	(2)	(5)	79
Provisions for retirement benefits	12	-	-	-	-	-	12
Provisions for long-service awards	3	-	-	-	-	-	3
Provisions for other liabilities	178	1	29	(13)	(9)	1	187
Current provisions	**472**	**1**	**63**	**(54)**	**(19)**	**-**	**463**

(*) Figures restated to reflect change in accounting method resulting from the application of IAS 19 (revised), "Employee Benefits", described in Note 18.

(**) Additions in provisions include a discounting effect for €4.4 million.

Each of the current provisions above represents the aggregate 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.

14. 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 almost exclusively in the Eurozone. As a result, fluctuations in exchange rates for currencies other than the euro have little impact on the financial statements.

15. 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 on an arm's length basis.

16. 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 diversification.

17. 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.

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

As a 27.5% member of a grouping of companies, the Group is indirectly party to a dispute abroad that is being heard by an arbitration court. The preliminary ruling handed down in the first half of 2012, does not by its nature bring into question the position adopted previously by Group (neither as to its substance or the amounts involved). A final ruling is expected in the second half of 2013.

Given the nature of its road construction and maintenance activities, products derived from oil are used by the Group to manufacture its materials. In this respect, since there are instances when the manufacture is carried on at old industrial sites, suits for environmental pollution may brought against the Group.

In connection with the Group's building activity, there is a risk that defects may come to light as long as ten years after project completion, and such defects can result in significant repair costs. The Group has therefore taken out ten-year contractors' guarantee insurance policies covering claims exceeding defined deductibles. The necessary provisions have been constituted and the Group does not expect this risk exposure to have material consequences.

18. Change of accounting method - summary of impacts following the application of IAS 19 (revised)

The application of IAS 19 (revised), “Employee Benefits”, was compulsory for accounting periods beginning on or after 1 January 2013, with effect retrospectively. The impacts of this change of accounting method indicated in the summary tables below was due mainly:

- Elimination of the “corridor” method, with the requirement instead to recognise immediately all actuarial differences in other comprehensive income, without subsequent reclassification to profit or loss;
- Elimination of the amortisation of vesting past service costs, with the requirement instead that these costs be recognised immediately to profit or loss;
- Elimination of the expected return on plan assets in favour of net financial interest calculated by reference to the rate used to amortise defined benefit obligations, with the requirement that the difference between the actual return on plan assets and their remuneration calculated in this way should be recognised immediately in other comprehensive income.

Consolidated balance sheet

	1 January 2012			31 December 2012		
Assets	Reported	IAS 19 (revised) "Employee Benefits"	Restated	Reported	IAS 19 (revised) "Employee Benefits"	Restated
Non-current assets						
Property, plant and equipment	1,411	-	1,411	1,436	-	1,436
Investment property	7	-	7	6	-	6
Concession intangible assets	12,909	-	12,909	12,640	-	12,640
Goodwill	2,851	-	2,851	2,850	-	2,850
Other intangible assets	140	-	140	157	-	157
Investments in associates	100	-	100	93	-	93
Non-current financial assets	1,259	-	1,259	1,419	-	1,419
Deferred tax assets	273	6	279	339	17	356
Total non-current assets	**18,950**	**6**	**18,956**	**18,940**	**17**	**18,957**
Current assets						
Inventories	527	-	527	608	-	608
Trade and other receivables	4,158	-	4,158	4,096	-	4,096
Current tax assets	5	-	5	5	-	5
Current financial assets	8	-	8	15	-	15
Other current assets	1,120	-	1,120	1,365	-	1,365
Cash and cash equivalents	2,402	-	2,402	1,956	-	1,965
Total current assets	**8,220**		**8,220**	**8,045**		**8,045**
Total assets	**27,170**	**6**	**27,176**	**26,985**	**17**	**27,002**

Equity and liabilities	Reported	IAS 19 (revised) "Employee Benefits"	Restated	Reported	IAS 19 (revised) "Employee Benefits"	Restated
Equity						
Share capital	349	-	349	349	-	349
Consolidated reserves	2,155	(12)	2,143	2,246	(12)	2,234
All other comprehensive income items	(361)	-	(361)	(497)	(22)	-519
Profit for the period	205	-	205	220	1	221
Equity attributable to the owners of the company	**2,348**	**(12)**	**2,336**	**2,318**	**(33)**	**2,285**
Non-controlling interests	(1)	-	(1)	(78)	(2)	(80)
Equity	**2,347**	**(12)**	**2,335**	**2,240**	**(35)**	**2,205**
Non-current liabilities						
Borrowings	14,607	-	14,607	14,269	-	14,269
Deferred tax liabilities	1,070	-	1,070	993	(2)	991
Non-current provisions	443	18	461	470	54	524
Other non-current liabilities	62	-	62	54	-	54
Total non-current liabilities	**16,182**	**18**	**16,200**	**15,786**	**52**	**15,838**
Current liabilities						
Trade and other payables	2,862	-	2,862	3,080	-	3,080
Loans and other borrowings	764	-	764	884	-	884
Non-current borrowings due within one year	741	-	741	574	-	574
Current income tax liabilities	72	-	72	96	-	96
Current provisions	540	-	540	472	-	472
Other liabilities	3,662	-	3,662	3,853	-	3,853
Current liabilities	**8,641**	**-**	**8,641**	**8,959**	**-**	**8,959**
Total equity and liabilities	**27,170**	**6**	**27,176**	**26,985**	**17**	**27,002**

Consolidated income statement

	30 June 2012			31 December 2012		
	Reported	IAS 19 (revised) "Employee Benefits"	Restated	Reported	IAS 19 (revised) "Employee Benefits"	Restated
Revenue	**6,661**	**-**	**6,661**	**14,028**	**-**	**14,028**
Other operating income	2	-	2	6	-	6
Raw materials and consumables used	(1,317)	-	(1,317)	(2,832)	-	(2,832)
Employee benefits expense	(1,790)	1	(1,789)	(3,437)	1	(3,436)
Other operating expenses	(2,562)	-	(2,562)	(5,511)	-	(5,511)
Taxes (other than income tax)	(199)	-	(199)	(401)	-	(402)
Depreciation and amortisation	(411)	-	(411)	(830)	-	(830)
Net decrease in provision	24	-	24	13	-	13
Change in inventories of finished goods and work in progress	66	-	66	89	-	89
Other operating income on ordinary activities	25	-	25	74	-	74
Operating profit on ordinary activities	**499**	**1**	**500**	**1,199**	**1**	**1,200**
Other expenses from operations	(19)	-	(19)	(57)	-	(57)
Operating profit	**480**	**1**	**481**	**1,142**	**1**	**1,143**
Income from cash and cash equivalents	21	-	21	39	-	39
Finance costs	(390)	-	(390)	(768)	-	(768)
Net finance costs	**(369)**	**-**	**(369)**	**(729)**	**-**	**(729)**
Other financial expenses	**(5)**	**-**	**(5)**	**(26)**	**-**	**(26)**
Share of profit of associates	**1**	**-**	**1**	**3**	**-**	**3**
Income tax	**(40)**	**-**	**(40)**	**(133)**	**-**	**(133)**
Profit for the period	**67**	**1**	**68**	**257**	**1**	**258**
Attributable to:						
- Owners of the company	51	1	52	220	1	221
- Non-controlling interests	16	-	16	37	-	37

Consolidated comprehensive income statement

	30 June 2012			31 December 2012		
	Reported	IAS 19 (revised) "Employee Benefits"	Restated	Reported	IAS 19 (revised) "Employee Benefits"	Restated
Profit for the period	**67**	**1**	**68**	**257**	**1**	**258**
Items that will not be reclassified subsequently to profit or loss						
Actuarial gains and losses on staff benefits	-	(24)	(24)	-	(37)	(37)
Tax on items that will not be reclassified to profit or loss	-	8	8	-	13	13
Share of gains and losses of associates that will not be reclassified to profit or loss	-	-	-	-	-	-
Items that may be reclassified subsequently to profit or loss						
Translation differences	2	-	2	(8)	-	(8)
Re-measurement of derivative hedging instruments	(147)	-	(147)	(269)	-	(269)
Tax on items that are or may be reclassified subsequently to profit or loss	50	-	50	96	-	96
Share of gains and losses of associates that are or may be reclassified subsequently to profit or loss	(5)	-	(5)	(9)	-	(9)
Other items of comprehensive income	**(100)**	**(16)**	**(116)**	**(190)**	**(24)**	**(214)**
Comprehensive income for the year	**(33)**	**(15)**	**(48)**	**67**	**(23)**	**44**
Attributable to:						
- Owners of the company	(20)	(14)	(34)	84	(21)	63
- Non-controlling interests	(13)	(1)	(14)	(17)	(2)	(19)

IV. Statutory Auditors’ Report

In fulfilment of the assignment entrusted to us by the Shareholders’ General Meeting and in application of 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 2013 to 30 June 2013 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 financial statements

We have performed a limited audit in accordance with professional standards applicable in France. A limited audit consists mainly in consulting the persons responsible for the accounting and financial aspects, and in performing analytical procedures. The scope of such an audit is less extensive than that of a full audit carried out in accordance with professional standards applicable in France. A limited audit therefore provides only a moderate degree of assurance that the financial statements, taken as a whole, do not contain material anomalies, less than would be the case had a full audit been performed.

Based on our limited audit, we have not identified significant anomalies of a nature such as to bring into question 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 the information disclosed in the interim financial 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.

Neuilly-sur-Seine and Paris La Défense, 28 August 2013

The Statutory Auditors

PricewaterhouseCoopers Audit	KMPG Audit *Department of KPMG SA*
Gérard Morin	Baudouin Griton