

2008 REFERENCE DOCUMENT

The company EIFFAGE CONSTRUCTION METALLIQUE, formerly Eiffel Construction Métallique, has by executive decree of the Court of Appeal of Bordeaux on May 16<sup>th</sup>, 2011, been the object of an interdiction against using the name Eiffel for any purposes.

The present document was made before this decision was announced, and thus features the name Eiffel which is at this time and henceforth no longer used as a brand name, title or trade name by the company EIFFAGE CONSTRUCTION METALLIQUE.

It should therefore be noted that the name EIFFEL no longer belongs to and is no longer used in a commercial context by the company EIFFAGE CONSTRUCTION METALLIQUE.



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## ACTIVITIES

# 18

## SUSTAINABLE DEVELOPMENT

# 50

## FINANCIAL REPORT

# 90

2008 REVENUES

€ **13,226** million

ORDER BOOK

€ **10,400** million

**71,181**

EMPLOYEES AS AT 31/12/2008  
NOT INCLUDING TEMPORARY WORKERS  
WITH CLEMESSY & CRYSTAL

**98%**

OF EMPLOYEES IN FRANCE  
ARE GROUP SHAREHOLDERS

## A bold and talented **EIFFAGE** breaks new ground

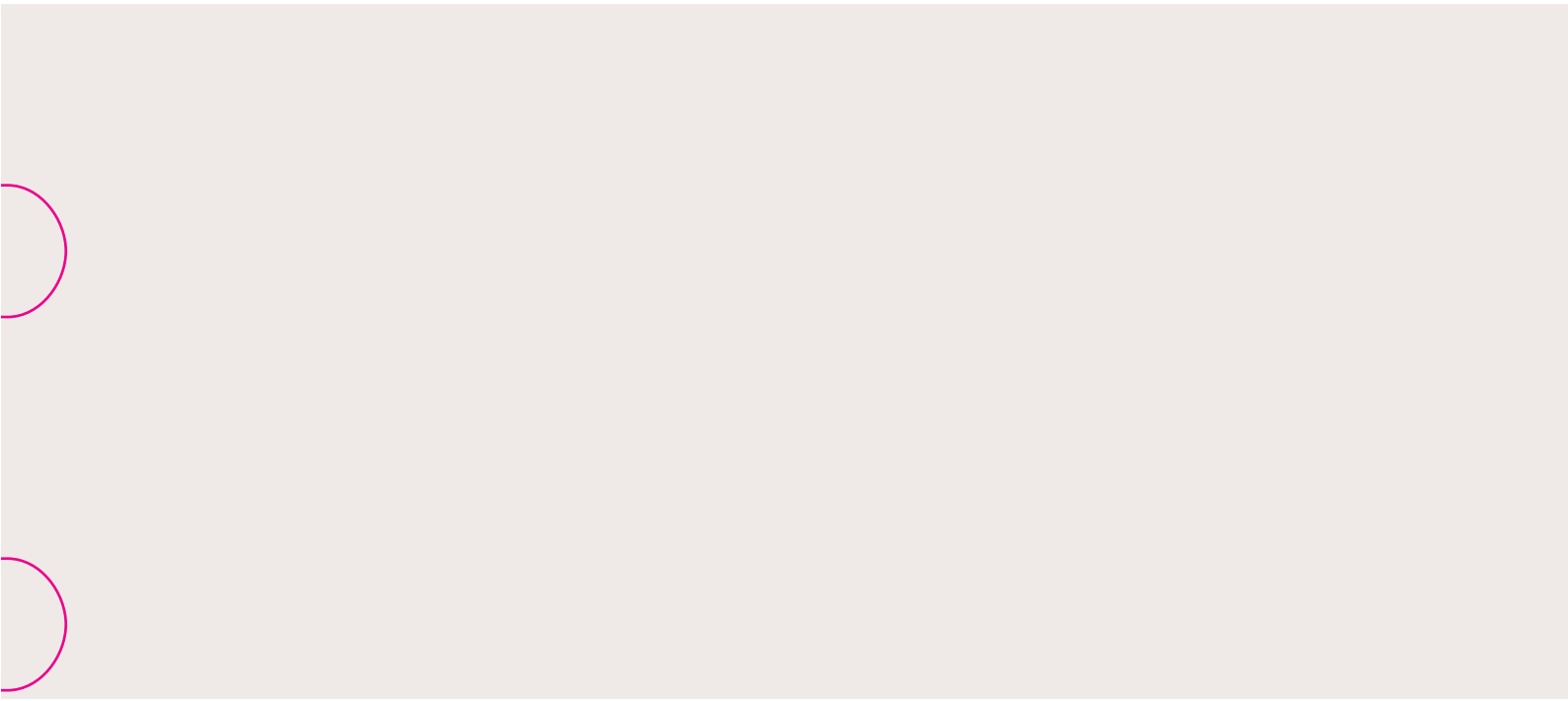
EIFFAGE harnesses its network of more than 500 locations in France and fifteen other mainly European countries to deploy its expertise across the full spectrum of building and infrastructure construction and operating businesses, including property development (EIFFAGE Construction), road construction and civil engineering (EIFFAGE Travaux Publics), electrical and multi-technical installations (Forclum and Clemessy), metallic construction, industrial maintenance and façade construction (Eiffel), and concessions (EIFFAGE Concessions).

Having built and financed the now-famous Millau Viaduct, before incorporating the motorway operator APRR (Autoroutes Paris-Rhin-Rhône) and handling new concessions such as the A'Liéonor project for the A65 Pau-Langon motorway, while at the same time expanding its portfolio of public private partnership (PPP) contracts with emblematic projects such as the new stadium in Lille and the national police headquarters, EIFFAGE is strengthening its position as a major player (currently the eighth-largest in Europe) in the "build-and-operate" industry.

The Group's 71,000 employees, of whom almost 98% in France are also shareholders, helped EIFFAGE achieve sales of €13.2 billion in 2008.

# Chairman's

**MESSAGE**



## A bridge over troubled waters

Bringing a troubled period to an end, Caisse des Dépôts and EIFFAGE's employees increased their holdings in the Group in 2008, to 20% and 30% respectively.

The year also saw the handover of the A41 North motorway between Annecy and Geneva, delivery of two PPP prisons in Roanne and Lyon-Corbas, as well as the completion of the main structure of the Southern Paris Region hospital centre in another PPP contract. The list of highlights continued with the signing of public private partnership contracts for hospitals in Saint-Nazaire and Annemasse-Bonneville, for the national police headquarters to be built in Issy-les-Moulineaux, and for Lille's new stadium, which is set to rival the Millau Viaduct as the most emblematic structure of the 21st century!

So far in 2009, the Perpignan-Figueras high-speed rail link has been handed over on schedule and EIFFAGE Deutschland has been chosen as preferred bidder for a PPP road construction project in Westphalia.

EIFFAGE will undoubtedly be among the first to benefit from the economic stimulus plan currently being put in place, justifying the Group's continued emphasis on accident prevention, recruitment, training and sustainable development.

In 2009, EIFFAGE is to retain 40% of its profits, pass on 40% to employees and distribute the remaining 20% as shareholder dividends, after earmarking €50 million for a special profit-sharing bonus for 50,000 employees.

Senior managers have not received stock-options for the past five years; their remuneration is being cut by 5% while I myself am taking a 10% pay cut. Since 1991, EIFFAGE has remained true to its core values of responsibility, trust, transparency and setting an example for others. Faced with the current economic crisis, we must now update this list to include clear thinking, courage and a fighting spirit.

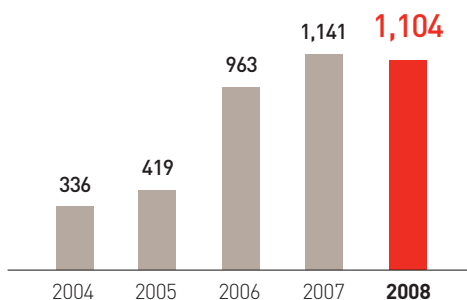
**Jean-Francois Roverato**  
*Chairman and Managing Director*



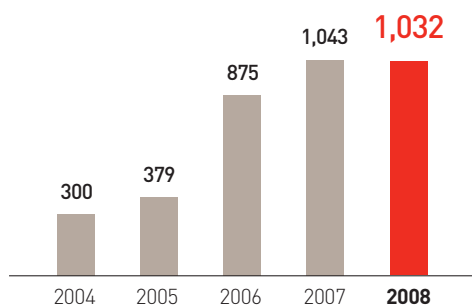
# key FIGURES

## CONSOLIDATED REVENUE by activity (excluding VAT)

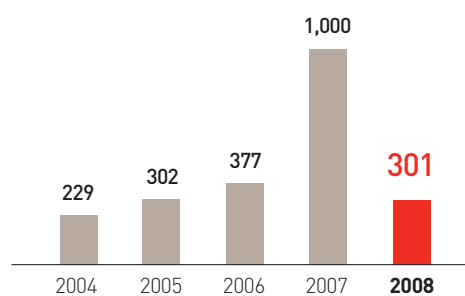
(€ million)	2007	2008	Variation
Construction	3,801	4,118	+8.3%
Of which Property	592	631	
Public Works	4,114	3,932	-4.4%
Electrical and Multi-Technical Installations	2,529	2,912	+15.1%
Metallic Construction	318	396	+24.5%
<b>Sub-total Contracting Activities</b>	<b>10,762</b>	<b>11,358</b>	<b>+5.5%</b>
Concessions	1,834	1,868	+1.9%
<b>TOTAL</b>	<b>12,596</b>	<b>13,226</b>	<b>+5.0%</b>
Of which:			
France	10,192	10,733	+5.3%
Rest of Europe	2,229	2,357	+5.7%
Rest of the world	175	136	-22.3%



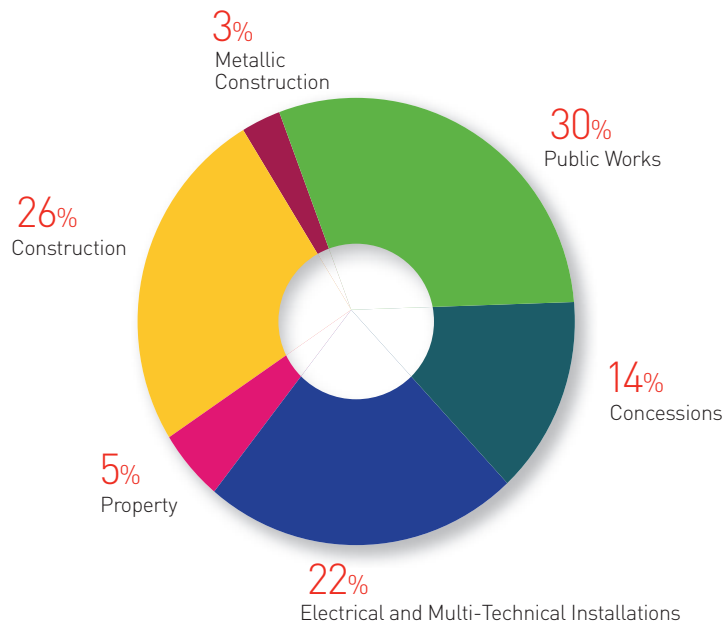
CONSOLIDATED OPERATING PROFIT ON  
ORDINARY ACTIVITIES  
(€ million)



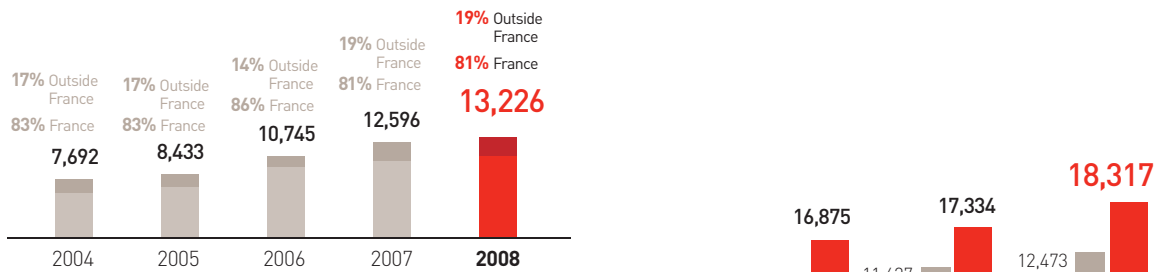
CONSOLIDATED CASH FLOW  
(€ million)



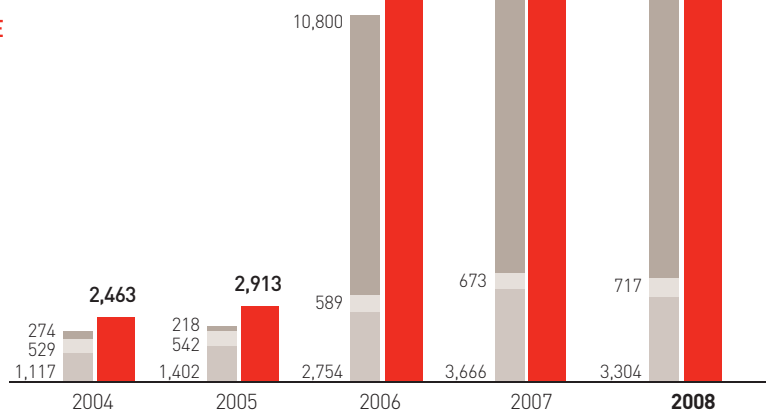
CONSOLIDATED NET PROFIT,  
GROUP SHARE  
(€ million)



**ANALYSIS OF 2008 REVENUE BY ACTIVITY** (as a % of total revenue)



**CHANGE IN CONSOLIDATED REVENUE**  
(€ million)



**CHANGE IN CAPITAL EMPLOYED AND NON-CURRENT ASSETS**  
(€ million)

- Non-current assets
- Capital and reserves
- Provisions
- Long-term borrowings

# shareholder

## INFORMATION

### EIFFAGE SHARE

#### LISTING

Compartment A of Euronext Paris

#### ISIN CODE

FR 0000 130452

#### NOMINAL VALUE

€4

#### ELIGIBLE

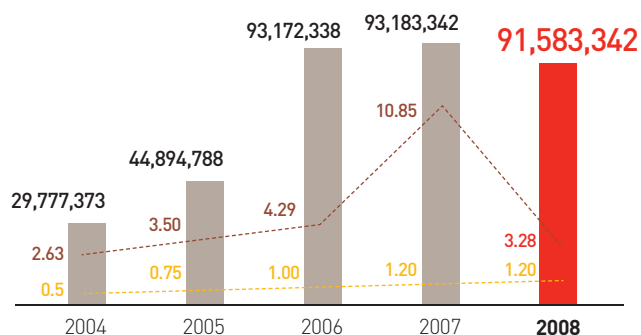
for deferred settlement service  
(Service à Règlement Différé - SRD) and  
for inclusion in French personal equity plans  
(Plans d'Épargne en Actions - PEA)

#### INDICES

SBF 120, CAC Next 20 and Euronext FAS IAS

#### CODES

Bloomberg: FGR FP; Reuters: FOUG. PA



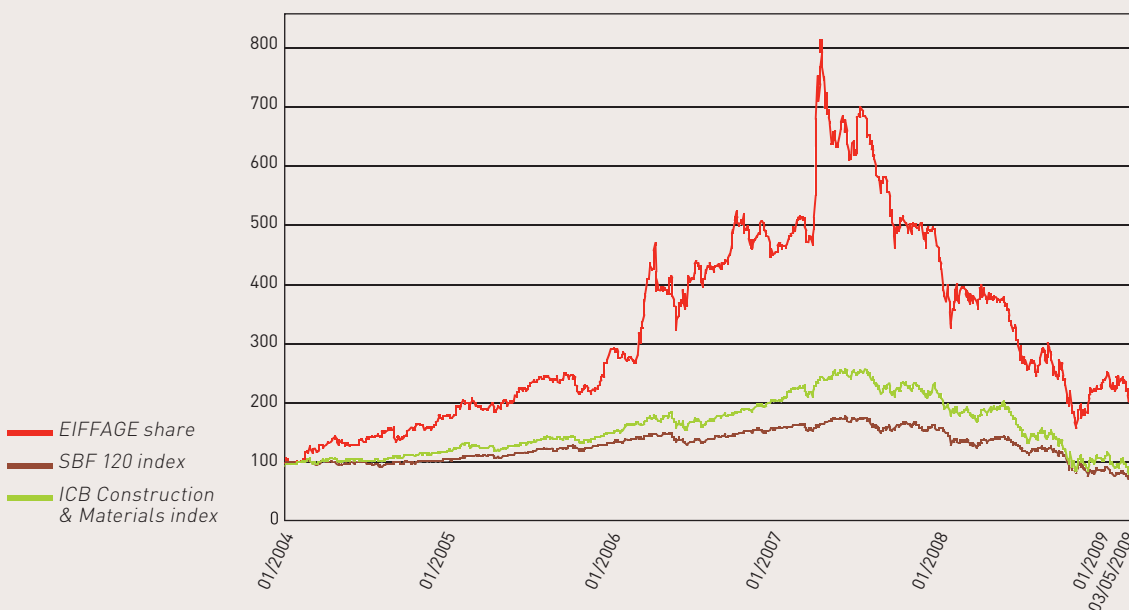
#### CHANGE IN EARNINGS AND DIVIDEND PER SHARE (€)

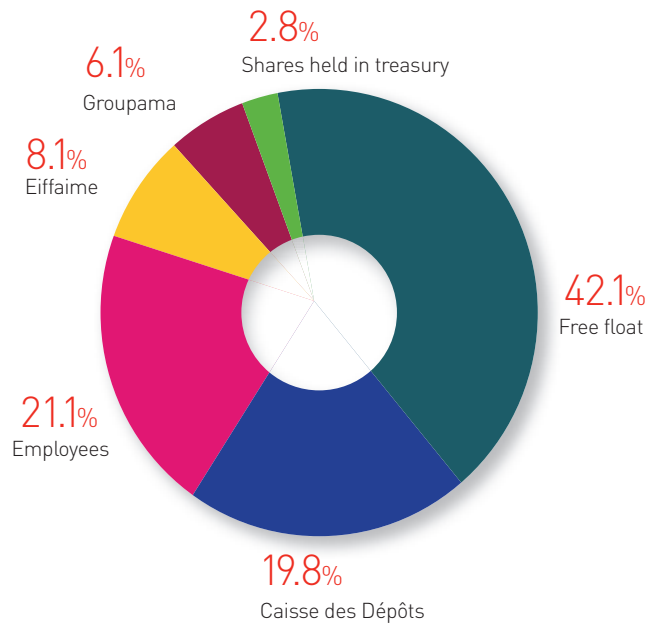
■ Number of shares  
 - - - Earnings per share (excluding minority interests)<sup>(1)</sup>  
 - - - Net dividend per share<sup>(1)</sup>

<sup>(1)</sup> Adjusted to reflect the issue of bonus shares and the division of the shares' nominal value.

### EIFFAGE SHARE PRICE PERFORMANCE SINCE 2004

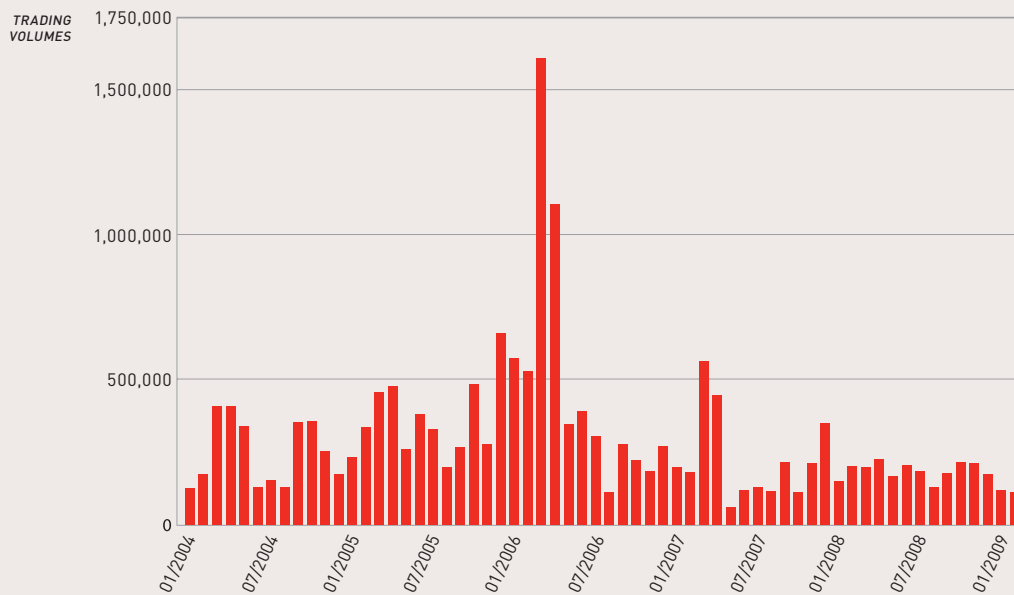
(SBF 120 and ICB Construction & Materials indices rebased)





SHAREHOLDER STRUCTURE at 31 december 2008

### EIFFAGE SHARE: MONTHLY AVERAGE DAILY TRADING VOLUMES



# 2008

## HIGHLIGHTS

### 1 Recycling in Dunkirk

On 30 January, Dunkirk opened its waste-to-energy incinerator, which was built by EIFFAGE Travaux Publics. This facility, designed for the district council by Merlin, will process 80,000 tonnes of household and industrial waste each year.

### 2 Sand barrier works near Sète

Development work began on the Lido sand barrier between Sète and Marseillan. This project, which is being carried out by a consortium led by EIFFAGE Travaux Publics, involves relocating a 12 km section of coastal road some 150 m inland, to protect the beach against erosion and return the sea front to nature.

# 01

## JANUARY

### 3 Concession awarded for the Prado Sud tunnel

Marseille Provence Métropole awarded the concession contract for the Prado Sud tunnel in Marseille to a consortium bringing together Vinci (58.5%) and EIFFAGE (41.5%). The consortium is tasked with designing, financing, building, maintaining and operating the structure under the terms of a 46-year delegated public service contract. EIFFAGE Travaux Publics is leading the group responsible for the building work.

### 4 Grande Ravine viaduct on the Tamarins road

On 13 February, Eiffel personnel working on Reunion Island moved the first sections of roadway deck into place on the Grande Ravine viaduct, which was completed in the autumn. The viaduct spans a 320 m wide, 170 m deep gorge in the terrain.

# 02

## FEBRUARY

### 5 Corniche road in Dakar

In Senegal, the Corniche road in Dakar was officially opened at the summit of the Organisation of the Islamic Conference (OIC). This project, which was launched in 2006, involved building 4 km of dual carriageway road and two engineering structures, as well as moving more than 450,000 cu. m of earth and building an 800 m long, 15 m high gabion wall.

### 6 Hospital PPP contract

A public private partnership contract between EIFFAGE and the Annemasse-Bonneville hospital centre was signed on 20 March 2008. Working with Groupe 6 architects, EIFFAGE will finance, design, build and operate the facility for a period of 35 years. This 50,000 sq. m, 445-bed hospital is scheduled for completion in 2011.

# 03

## MARCH



# 2008

## HIGHLIGHTS

### 1 Valenciennes ice skating rink

The new ice rink in Valenciennes opened its doors to skaters in April. This attractive building with flowing architectural lines accommodates an Olympic-size 1,750 sq. m rink, a 700 sq. m fun rink and a 900-seat spectator stand. This facility was designed by Jean-Michel Ruols and built over an 18-month period by EIFFAGE Travaux Publics, on a site next to the A2 motorway.

04  
APRIL

### 2 Retail centre in Ostrava

Avion Shopping Park – the second-largest shopping centre in the Czech Republic, opened its doors in Ostrava. This extension to an existing centre was built by Tchas for the developer Inter Ikea Centre Czech Republic, increasing the floor area to 85,000 sq. m and doubling the number of stores.

05  
MAY

### 3 Cité de la Voile sailing centre in Lorient

The Cité de la Voile Éric Tabarly in Lorient was officially opened on 17 May. EIFFAGE Travaux Publics helped to build this combined museum and sailing centre, where visitors can discover the world of contemporary sailing and yacht racing.

### 4 Bordeaux rail bridge

Rail traffic was successfully switched from the existing bridge to the new structure over the bank holiday weekend from 8-10 May 2008. The 445 m long, 212 m wide new bridge over the river Garonne was built by EIFFAGE Travaux Publics and Eiffel.

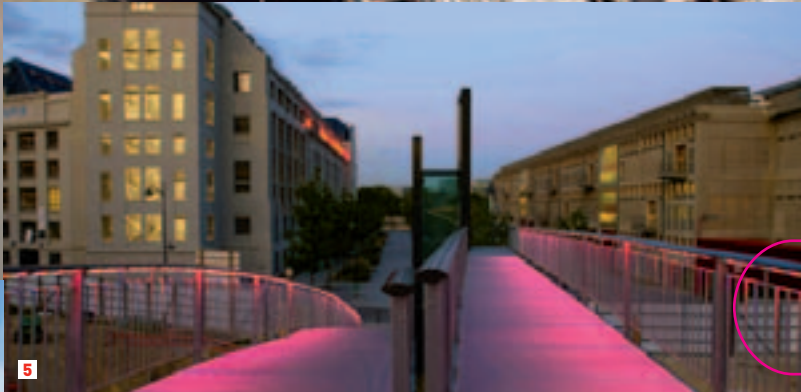
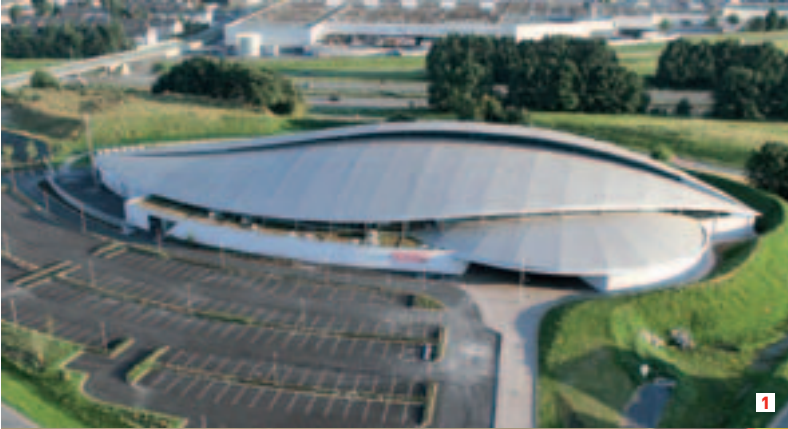
### 5 Grands-Moulins footbridge in Paris

EIFFAGE Travaux Publics completed a footbridge overlooking the site of the Grands-Moulins gardens that are to be created in the 13th arrondissement of Paris. The 42 m long, 3 m wide, arcing structure ordered by Semapa was illuminated by Forclum.

### 6 André-Malraux multimedia library in Strasbourg

One of France's largest libraries, the André-Malraux multimedia library in Strasbourg, opened to the public. This extraordinary centre, designed by the architects Ibos & Vitard, has breathed new life into a site that had been derelict for several years. Strasbourg district council chose EIFFAGE Construction as the consortium leader, and Forclum handled all of the electrical and multi-technical installations.

06  
JUNE





# 2008

## HIGHLIGHTS

### 1 Tamarins road - Ravine des Trois-Bassins viaduct

The Ravine des Trois-Bassins viaduct on the Tamarins road on Reunion Island was delivered in July 2008. This viaduct is the first of four exceptional engineering structures to be built by a consortium including EIFFAGE Travaux Publics.

### 2 PPP prison in Roanne

In Roanne, after two years of work, EIFFAGE personnel handed over the first of four prisons covered by the public private partnership contract with France's judicial buildings authority (*Agence Publique pour l'Immobilier de la Justice - APIJ*). Working alongside the architects Valode & Pistre, the whole Group is involved in this major public private partnership (PPP) programme to finance, design, build, maintain and operate the prison facilities for a period of 27 years.

# 07

## JULY

# 08

## AUGUST

### 5 Îlot Bonnac development in Bordeaux

The Îlot Bonnac development in Bordeaux is now complete. This mammoth urban regeneration project is the fruit of long-term cooperation between EIFFAGE Immobilier, Bordeaux district council (CUB), the architect Jean-Pierre Buffi and EIFFAGE Construction. This city-centre development, renamed "Les Allées des Beaux-Arts", features 92 homes, 340 parking spaces, a hotel, self-catering tourist accommodation and 6,000 sq. m of retail premises.

### 6 Gustave-Flaubert bridge in Rouen

The Gustave-Flaubert vertical lift bridge in Rouen opened to traffic on 25 September 2008, and was officially inaugurated on the 29th. Europe's largest moving bridge, which was designed and built by a consortium comprising EIFFAGE Travaux Publics and Eiffel, won the national "Grand Prix" engineering award in 2006.

### 3 EIFFAGE in Germany

EIFFAGE Deutschland completed the earthworks for the ThyssenKrupp Quarter in Essen. This new development in central Essen is set to become the headquarters of the ThyssenKrupp group, from which it takes its name. The project involves dealing with contaminated materials, pipe-laying and preparatory work for the construction of an underground car park. Berthold-Beitz Boulevard will also be developed as part of the project. This 1.3 km long dual carriageway is one of the city's principal roads, being both the final link in the Krupp orbital motorway and a section of the city's inner ring road.

### 4 "Enfants du Paradis" in Chartres

The final apartments at the "Enfants du Paradis" development were released in Chartres. This 64-home programme (which also included the renovation of a ten-screen multiplex cinema, which opened at the start of the year) was developed by EIFFAGE Immobilier to a design by Rudy Ricciotti. EIFFAGE Construction led the work, which required expertise from across the Group: EIFFAGE Travaux Publics erected the filigree façade and carried out site access and other exterior work, while Forclum handled the technical work packages.

# 09

## SEPTEMBER



# 2008

## HIGHLIGHTS

### 1 The Maurice-Lemaire tunnel reopens

The Maurice-Lemaire tunnel reopened to traffic on 1 October 2008 after four years of safety improvement works ordered by APRR and carried out by EIFFAGE Travaux Publics and Forclum.

### 2 Lille Métropole stadium

The public private partnership contract to design, finance and build Lille's new sports stadium, and then maintain it for 31 years was signed on 15 October. The Grand Stade de Lille Métropole, designed by Valode & Pistre in association with Pierre Ferret, will have a capacity of 50,000 when configured for football, and will be the home ground for Lille OSC. The stadium will also stage major national and international football, rugby and indoor sports competitions, as well as concerts and other live performances.

# 10

## OCTOBER

### 3 Vélizy Campus

Dassault Systèmes moved into its new head office at Vélizy Campus. The architectural firm Arte Charpentier arranged the property's 65,000 sq. m of office space in the middle of a large landscaped site. A consortium led by EIFFAGE Construction spent two years building this "high environmental quality" (HQE®) facility, for which the façades were installed by Goyer (Eiffel).

### 4 Rhine-Rhône high-speed rail link

Along the route of the Rhine-Rhône rail link, the first deck section was moved into position on the Savoureuse viaduct on 26th November. This 792 m long engineering structure, being built by EIFFAGE Travaux Publics and Eiffel, will overlook the Savoureuse valley, in turn crossing the D437 road, the Haute-Saône canal, the A36 motorway and the river Savoureuse itself.

# 11

## NOVEMBER

### 5 Liane opens to traffic

The A41 North motorway was officially inaugurated on 5 December, before opening to traffic on 22 December. This 19.3 km section of motorway, known under the name "Liane", allows motorists to travel between Annecy and Geneva in under 30 minutes.

The concession holder Adelac (a 49.9%-owned subsidiary of AREA) has entrusted AREA with the task of operating the road, keeping it safe for traffic and handling maintenance and toll collection.

### 6 PPP prisons - Lyon-Corbas

Following the delivery of the prison in Roanne, the Lyon-Corbas remand centre was handed over to the prisons authority on 19 December. Two of the four prisons built by EIFFAGE under public private partnership arrangements were completed in 2008.

# 12

## DECEMBER



# activit

Expertise  
in synergy



18

# ies

Note: The information in this section relates to the Group's sectors of activity, which may not have exactly the same scope as the legal structures that form the various divisions.

**20 CONCESSIONS AND PPP**

**26 APRR**

**30 CONSTRUCTION**

**34 PUBLIC WORKS**

**38 ENERGY**

**42 METAL**

**46 EUROPE**



# activit

## CONCESSIONS AND PPP

### PARTICIPATING INTERESTS

51% COMPAGNIE EIFFAGE DU VIADUC DE MILLAU

36% NORSCUT

33% TUNNEL PRADO-CARENAGE

50% TP FERRO

65% A'LIÉNOR

41.5% TUNNEL PRADO SUD

100% CONNECTIC 78 (Broadband connectivity in Yvelines)

81% CONNECTIC 39 (Broadband connectivity in Jura)

81% ALLIANCE CONNECTIC (Broadband connectivity in Belfort-Delle-Héricourt-Montbéliard)

81% ARMOR CONNECTIC (Broadband connectivity in Côtes d'Armor)

81% CAPAIX CONNECTIC (Broadband connectivity in Pays d'Aix-en-Provence)

50% AD'TIM (Broadband connectivity in Drôme-Ardèche)

15% SEQUALUM (Broadband connectivity in Hauts-de-Seine)

19% MEMONET (Broadband connectivity in Meurthe-et-Moselle)

100% OPTIMEP 4 (Prisons)



# 20

More than 18 million road users have already crossed the Millau Viaduct.

# ies

100% HEVEIL (Southern Paris Region hospital centre)  
100% H'ENNEZ (Rennes hospital centre)  
100% HANVOL (Annemasse-Bonneville hospital centre)  
100% SOPRANO (Plessis-Robinson market)  
100% CENTOR 36 (Châteauroux police station)  
100% ELISA (Lille Métropole stadium)  
100% EIFFIGEN (police headquarters in Issy-les-Moulineaux)



## A year of concrete progress for concessions and PPP

EIFFAGE strengthened its position in a booming public private partnership market in 2008, signing no fewer than ten PPP and concession contracts worth a total of almost €1.3 billion.

As well as designing and building these projects, EIFFAGE structures the financing arrangements and then handles the technical and commercial aspects of the finished structures' operation and maintenance, thereby generating a recurrent revenue stream for the Group. Although the first such projects were launched more than thirty years ago, the portfolio has been considerably expanded and diversified in the years since 2004. Indeed, the growing popularity of these concessions and public private partnerships has seen EIFFAGE's palette of investments grow to include functional structures, data networks, urban facilities and even an international high-speed rail line.



# activities

## CONCESSIONS AND PPP

The organisation now in place is based on dedicated teams that coordinate the expertise of the various operational divisions and EIFFAGE's network of local offices, which are major assets in winning and successfully completing this type of project. In the opening months of 2009, design- and construction-related activities arising out of concession and PPP projects accounted for 25% of the order book of the EIFFAGE Group's operational divisions. Highlights of 2008 include the handover - without reservation and on schedule - of the new prisons in Roanne (on 23 September 2008) and Lyon (on 19 December 2008). Work continues at a further two facilities, in Nancy and Béziers, to ensure that they are delivered on time in February and July 2009, respectively. The first prisoners arrived in Roanne in January 2009, marking the start of an operating phase that will last approximately 27 years, for which EIFFAGE's maintenance teams have been preparing since the initial request for proposals.

Following the completion of the shell, construction work continues apace at the site of the hospital centre in Évry-Corbeil, which is due to be handed over in January, 2011.

The medical technology and haematology unit being built at the teaching hospital in Rennes is scheduled to be handed over at the end of December 2009.

### The Group's expertise has been the key to numerous contracts

Despite the difficult international banking context, EIFFAGE leveraged its skills and know-how to secure no fewer than ten concession and PPP orders worth a total of €1,279 million ex VAT, including the financing arrangement costs.

For example, EIFFAGE won the PPP contract for the 445-bed Annemasse and Bonneville hospital, a project in which sustainable development and energy performance have been given high priority.



1

**1 2** Considerable human and equipment resources were mobilised at the site of the **Southern Paris Region hospital centre**, allowing the main structure to be completed by the end of 2008. **3** The future **national police headquarters** in Issy-les-Moulineaux. **4** Lighting tests at **Roanne prison**, which has capacity for 600 prisoners.



2

“EIFFAGE handed over the first PPP prison to the French Justice ministry, on schedule, on budget and with no reservations.”



At the end of a 40-month construction stage, EIFFAGE will operate and maintain the hospital for a period of 31 years and 8 months following delivery, which is scheduled for July 2011.

On 14 March 2008, Marseille-Provence-Métropole and Prado Sud (a company in which EIFFAGE is a shareholder) signed the concession agreement for a new 1,400 m tunnel linking the Prado-Carénage tunnel and the A50 motorway with Avenue du Prado. Five years of construction work will be necessary before Marseille's motorists can begin using the new structure, for which a 46-year concession has been granted.

After spending a few months fine-tuning the project, on 15 October 2008 Lille district council and EIFFAGE signed the partnership agreement to build Lille's new stadium (known as the Grand Stade), marking a new departure for the Group: the construction of multipurpose facilities for local authorities on a delegated public service basis.

On 19 December 2008 - one year to the day after the signing of the PPP contract for the police station in Châteauroux, which is due to be delivered in January 2010 - the French Ministry of Defence and EIFFAGE signed a contract for the design, construction, financing and operation of the national police headquarters in Issy-les-Moulineaux.

The 47,000 sq. m of offices and related premises will be ready in autumn 2011, marking the starting point of an operation and maintenance period lasting 32 years.

### Strong positions in the energy solutions market

In the wake of the measures adopted at the Grenelle environmental summit, local authorities are beginning to issue the first energy-related partnership contracts. EIFFAGE has decided to operate in this market, leveraging the expertise of its operational divisions. The Group therefore bid for the first contract - involving 14 secondary schools- which was put up for tender by Alsace regional council. Further contracts were signed in 2008, for fibre optic broadband communication networks that are currently being deployed under delegated public service arrangements in the Hauts-de-Seine, Yvelines, Jura, Côtes d'Armor, Drôme, Ardèche and Meurthe-et-Moselle departments (the last of which being the only project with a partnership contract), as well as the Belfort-Montbéliard and Aix-en-Provence urban areas. These projects involve laying a total of 4,400 km of fibre optic networks and installing 800,000 Fibre To The Home (FTTH) connectors.

# activities

## CONCESSIONS AND PPP

Furthermore, Yvelines department council has opened exclusive negotiations with EIFFAGE relating to a second delegated public service project that involves rolling out an existing network, which was created in 2004 and subsequently operated by EIFFAGE Connectic 78. Lastly, in December 2008, the Senegalese government named EIFFAGE as its preferred bidder for the Dakar-Diamniadio motorway concession. This approximately 25 kilometre-long section of road will feed the Dakar region from the new international airport currently under construction. Work to finalise the 30-year concession agreement got underway in January 2009.

In December 2008, in a bid to mitigate the impact of the economic crisis, the French government launched a stimulus package. One of the measures in this package was to confirm a whole series of PPP projects, in particular in the area of transport infrastructure. These include the Sud Europe Atlantique high-speed rail line –for which an initial tender was submitted in September 2008–, the Nîmes to Montpellier high-speed rail bypass, the Bretagne – Pays-de-Loire high-speed rail link, the Seine Nord Europe canal and three motorways: the A63 in Aquitaine, the A150 in Upper Normandy and the A355 in Alsace.

Following on from the university-building projects for which EIFFAGE submitted its final proposals in early 2009 (namely the transfer of ENSTA to the site of the École Polytechnique and projects at the Paris 7 and Saint-Quentin-en-Yvelines universities), many other programmes are expected to get underway in 2009, whether as part of the “Campus” university renovation plan, or for the Justice ministry (prisons and court buildings) or the ministry of Défense, which has a project to restructure its facility in Balard.

### → STADIUM PROJECT GRAND STADE DE LILLE

The PPP contract to design, build, operate and maintain the new stadium in Lille –at a total cost of €324 million– was signed on 15 October 2008. This is set to be a spectacular construction project, culminating in 2012 when the extremely versatile venue will be ready to host all kinds of sporting and cultural events in its 50,000-seat arena with an opening roof and partly-removable grass pitch. As well as giving pleasure to Lille’s inhabitants, the Grand Stade will raise the profile of the regional capital of Flanders.

“A 30% increase in traffic over the Millau Viaduct confirms the project’s success.”





**1 Grand Stade de Lille Métropole.**  
**2 In Marseille, the Prado Sud tunnel** will extend the Prado-Carénage tunnel in 2013. **3 A new hospital** located midway between Annemasse and Bonneville will be completed in July 2011, 40 months after the contract was signed.



EIFFAGE intends to capitalise on its standing as the leader in the concessions and PPP sector by playing a major role in such projects, thereby consolidating its position in what is a sizeable and fast-growing market.

### A plethora of PPP and concession projects

The law on partnership contracts passed on 28 July 2008 has prompted a flurry of initiatives by local authorities, resulting in a string of small projects in addition to the flagship ventures. To address this demand, EIFFAGE has set up a number of investment vehicles that are now ready and able to assist the implementation of regional projects. These new entities include Eiffabat, a company that is able to interweave the Group's capabilities, experience and expertise in the development of major PPP projects with the intimate knowledge of the local environment possessed by EIFFAGE's regional business units.

In its fourth year of operation, the Millau Viaduct confirmed its success, in terms of both traffic numbers, which rose by 3%, and its contribution to the local economy.

The project is a showcase example of a public private partnership, as is the A24 motorway in north-eastern Portugal, which completed its first full year of operation in 2008. The agreement with the Portuguese government confirms the success of this major project, which opens up a whole region of Portugal by linking it both to Spain, to the north, and to the Portuguese motorway network, to the south.

Equally important to the areas that it crosses, the A65 Pau-Langon motorway project began in earnest in July 2008, with the issue of the government orders allowing work in sensitive areas. This is the first link motorway project to factor in the criteria arising out of the Grenelle environmental summit regarding the road's integration into its surroundings.

In Marseille, traffic levels through the Prado-Carénage tunnel remained high, prompting the city authorities to extend it with another toll structure, the Prado Sud tunnel, for which EIFFAGE won the concession in association with Vinci.

Working in partnership with ACS, EIFFAGE successfully took up the challenge of designing and building a 45 km long high-speed railway line through the Pyrénées between France and Spain, in a five-year project featuring the construction of an 8 km twin-tube tunnel. The line must now be connected to the Spanish high-speed rail network to the south, which the Spanish authorities are expected to achieve by 2012.

# activit

**APRR**

€1,834 million  
Revenues

+ 67.8%  
EBITDA



The Nant de Pesse-Vieille viaduct on the new section of the A41 Annecy-Geneva motorway. The roadway decks on this 212 m long structure are supported by two 2.95 m high steel beams.

# ies

20,561  
million kilometres travelled

4,079  
employees



## Expanding the network to better serve our customers

The current financial and economic crisis has been responsible for a 1.2% dip in traffic, but has not hampered APRR in its efforts to develop its network for the benefit of customers. APRR pursued the four main objectives of its business strategy, namely improving safety, expanding the network, enhancing the service offering and maximising economic performance, accomplishing what it set out to achieve in 2008.

# activities

## APRR

### Further improving safety

The number of accidents resulting in injury continued to decline in 2008, and most importantly, the number of fatalities on the APRR network was practically halved, from 61 to 31. Safety remains a top priority for the APRR group, as reflected, for example, in the safety improvement work at the Maurice-Lemaire tunnel (see inset), which reopened on 1 October 2008, and the completion of safety upgrades in the tunnels along the A40, meaning the network is now fully compliant with the requirements of the "Mont Blanc" directive. In addition to sustained investment at accident-prone locations, numerous initiatives were launched, including awareness campaigns conducted during the lead-up to the year's busiest periods with the aim of altering customer behaviour. In terms of employee safety, the good results obtained in 2007 were consolidated in 2008, which saw 67 accidents resulting in time off work, compared with 62 in 2007 and 89 in 2006.

### Enhancing the service offering

Improving customer service is priority for the APRR group. Efforts to achieve this include:

- Creating and extending lorry parks at rest areas;
- Building a network of secure lorry parking facilities (see inset);
- Improving reception at service areas;
- Providing more traffic news, and in particular, journey time forecasts covering the AREA network;
- Carrying out important maintenance work overnight to minimise inconvenience.

Use of remote toll charging grew strongly, with almost 40% of transactions in 2008 being made using this system. This increase was due to the successful deployment of remote charging for lorries and the development of products suitable for cars and vans. In parallel, 90 of the Group's 140 toll stations had become either partially or wholly remotely-operated by the end of 2008, compared with 66 at the close of 2007.

### → PARK+ LORRY PARKS – ENHANCED SECURITY AND MORE SERVICES

The first PARK+ secure parking facility for heavy goods vehicles was established on the A31 motorway near Langres in October 2006. Following a 40% increase in custom over the space of a year, APRR decided to expand its offering in 2008 by opening two more secure lorry parks on strategic motorway routes (one on the A5b south-east of Paris, the other on the A43 in the Rhône-Alpes region). PARK+ facilities, which are open to heavy goods vehicles only, offer a full range of services, including 24/7 video surveillance, to keep loads secure and provide for drivers' comfort.



**1 A36 motorway:** Work to widen the Belfort to Sochaux section to three carriageways in each direction was completed in 2008. **2 Park+** is an innovative concept based on secure parking facilities offering enhanced protection and peace of mind for lorry drivers and transport operators. **3 Each year, as winter draws near,** a dress rehearsal and competition are organised to remind workers about best practices in the area of wintertime road servicing. **4 The Maurice-Lemaire tunnel** reopened to traffic on 1 October 2008 following work to install **state-of-the-art safety and operating equipment.**



A number of security and customer service improvement initiatives were carried out in 2008, including using new energy sources and conducting trials for a remote toll charging system that does not require vehicles to stop.

### Expanding the network

In late 2008, APRR inaugurated a new third carriageway along a 75 km section of the A31 between Beaune and Langres, and on 18 km of the A36 between Belfort and Montbéliard. Adelaç (a subsidiary of AREA) recently opened the new section of the A41 Nord known as "Liane" (see inset). The expansion of the APRR network is entering a new stage featuring several construction projects, including the Les Échets/La Boisse section of the A432, the Mâcon southern bypass (A406) and the Montluçon



3



4

### → ANNECY – GENEVA – A NEW MOTORWAY

The Saint-Julien-en-Genevois/Villy-le-Pelloux-Saint-Martin-Bellevue section of the A41, code-named "Liane", opened to traffic on 22 December 2008. Motorists can now make the journey between Annecy and Geneva in less than half an hour. The opening of this "missing link" in the motorway between Haute-Savoie and Switzerland sets the seal on a project first launched more than 20 years ago. The latest section was completed in line with the 38-month schedule set by Adelaç; this was quite an achievement by staff at Adelaç and the Constructeurs A41 economic interest grouping, who designed and developed the project in nine months and then built this 19.3 km structure featuring four viaducts and a 3.1 km twin-tube tunnel in only 29 months. This new section of the A41 motorway is operated by AREA.

**"The number of fatalities was practically halved, from 61 in 2007 to 31 in 2008."**

access road (A714). The Group is committed to opening these three new links, which have a combined length of 30 km, between late 2010 and 2011.

### Improving economic performance

Total traffic carried by the APRR group slipped by 1.2% in 2008, as a consequence of the financial and economic crisis as well as the spike in fuel prices during the summer. While suffering from the slowdown, revenues nevertheless grew by 1.7% to €1,834 million. Reaping the benefits of the rollout of the toll barrier modernisation plan, the level of commitment by staff to improving and simplifying the company's organisation, and the considerable efforts being made to control operating costs, EBITDA and the EBITDA margin consolidated their previous gains. (The EBITDA margin was 67.8%, compared with 67.0% in 2007 and 64.0% in 2006). At €333 million, net profit in 2008 was down slightly on the 2007 figure of €341 million.

### → THE MAURICE-LEMAIRE TUNNEL REOPENS

The 6,950 m long Maurice-Lemaire tunnel reopened on 1 October 2008, following major modernisation work lasting four years. This toll tunnel is the longest road tunnel situated entirely on French soil. It runs under the Vosges mountains in the Ballons natural park, linking France's Alsace and Lorraine regions.

The Maurice-Lemaire tunnel is now equipped with all the latest equipment and ready to carry traffic in the safest possible conditions.



# activit

## CONSTRUCTION

€4,118 million  
Revenues

+ 4.5%  
Operating profit  
on ordinary activities



**Vélizy Campus**  
Client:  
Foncière des Régions  
Architect:  
Arte Charpentier

30

# ies

€4,320 million  
Order book

11,947  
employees in France



## Extensive resources for custom projects

EIFFAGE Construction was the first French construction company to combine the necessary expertise to operate as a land and property developer, builder and multiservice maintenance contractor.

This all-round approach to projects enables EIFFAGE Construction to support its customers not only during the design and construction of their buildings, but also during their operation and maintenance.

Thanks to the versatility of the company's staff, EIFFAGE Construction's 150 operational units (which are organised into 12 regional departments) are able to manage large and highly-specific projects. In this respect, they are supported by the Group's central services and national specialist centres.

All across Europe, from France and the Benelux countries to Poland and the Czech Republic, EIFFAGE Construction is a name that stands for professionalism and dependability.

# activities

## CONSTRUCTION

### The turnkey specialist

EIFFAGE Construction is a major player in the European construction industry and France's third-largest building contractor, with expertise in construction, land and property development and maintenance. This combined expertise provides a platform for supporting clients at all stages of their projects: designing, financing, building, marketing and then operating their buildings. Being first and foremost a general contractor, EIFFAGE Construction has its own design offices, a well-regarded research and development department and specialist departments for each of its target markets, which include public facilities, social and private housing, business and retail premises and healthcare institutions. Another of the company's specificities is its highly effective network of regional locations that provide invaluable local knowledge and responsiveness. Each regional department has its own production resources, backed by access to the Group's expertise. This breadth of expertise is a major asset when dealing with complex projects such as public private partnership contracts and large-scale urban development operations.

### → CLEAR, REALISTIC AMBITIONS

In its dual capacity as developer and building contractor, EIFFAGE Construction gives consideration to the issues specific to these two activities at the earliest possible stage when studying a project. This approach allows the company to rapidly target the products that correspond best to the marketplace and demand, and to control the inherent financial risks. EIFFAGE Construction is able to regulate the pace of its property development business at all times, by controlling the supply of building land channelled through its land development activity and by requiring at least 50% of each new development to be sold off-plan before breaking ground. Only 90 of the 3,100 homes started during 2008 were still awaiting buyers at the end of the year.



#### 1 Cœur Méditerranée in Marseille

Client: Constructa  
Architects: J-P. Viguier / Atelier 9

#### 2 Rivétoile in Strasbourg

Clients: Unibail / La Sers /  
SCI Florwell / Batigère  
Architects: Chapman Taylor /  
Bik Architecture

Project manager: Setec

#### 3 Îlot Bonnac in Bordeaux

Client: Eiffage Immobilier Aquitaine  
Architect: Jean-Pierre Buffi

4 Erecting scaffolding.



“Strong growth resulting in an 8.3% rise in revenues.”

## → MAINTENANCE AND OPERATION – LOCAL RELATIONSHIPS AND EFFICIENT, RESPONSIVE SERVICES

The Maintenance and Operation division was further strengthened in 2008, with the acquisition of *Énergies Services* in Franche-Comté and *Les Chauffages Réunis* in the Paris region. EIFFAGE Construction Services assists its public and private-sector customers in their everyday lives, carrying out one-off jobs requiring a fast response and providing reception and other services. This division's 70 locations specialising in works and services generated revenues of €180 million in 2008, up 6% year-on-year. After winning a string of public private partnership (PPP) contracts, EIFFAGE Construction Services introduced an organisation to manage maintenance and operation over the long term. When it comes to efficiency and local relationships, EIFFAGE Construction is a natural.

## Imagination and innovation play an important role in construction

Reconciling the objectives of the Grenelle environmental summit with the economic constraints of the marketplace implies defining new methods, whether for the design of low energy-consumption, new-build structures or for improvements to existing buildings to make them compliant with current standards.

To address these needs, two new entities were created in 2008: IRD2, a dedicated innovation, research and sustainable development department; and Luxsolis, a company specialising in solar heating and photovoltaic electricity. At the new EIFFAGE Construction Industries plant in Fresnay-sur-Sarthe, preparations are underway for the production of high added-value modules such as the first bathroom units that will be installed at the Cité Sanitaire hospital centre in Saint-Nazaire in 2009. Industrialising construction processes offers many benefits in terms of technical performance, quality and lead times.

## Tackling key issues in our towns and cities

EIFFAGE Construction is a major player in the area of urban and property development. EIFFAGE Aménagement and EIFFAGE Immobilier work jointly on site improvement projects, providing their respective expertise to local authorities in order to improve our everyday surroundings. The Asnières Quartier de Seine mixed-use development area, the Carré Jaude in Clermont-Ferrand, the Hélianthe building in Lyon-Confluence, the îlot Bonnac in Bordeaux, or Arcachon's city centre development are examples of complex projects that would not have seen the light of day without the Group's comprehensive expertise and local presence. EIFFAGE Immobilier's strategy is based on careful site selection, an emphasis on multi-product operations and medium-term reasoning. EIFFAGE Immobilier supports housing authorities and private clients from the earliest stages of their projects, continuing to provide its expertise until developments have been fully sold or let. The Group breathes new life into whole areas, creating social housing, offices, shopping centres and serviced accommodation.



# activit

## PUBLIC WORKS

€3,932 million  
Revenues

+ 4.3%  
Operating profit  
on ordinary activities



Construction of the **Perpignan-Figueras** high-speed rail link ended with the laying of the concrete raft foundation in the Perthus tunnel.

# ies

€3,035 million  
Order book

18,343  
employees in France



## Public works on a grand scale

EIFFAGE Travaux Publics is a top-flight public works contractor, not just in France but also in Spain, Germany and Senegal, offering customers a comprehensive range of services.

Each year EIFFAGE Travaux Publics builds and maintains several million square metres of roads –whether village streets or motorways– using exclusive products and processes that are constantly being improved in its laboratories. The division has also built many facilities that improve the quality of life and appearance of our towns and villages.

As an earthworks specialist and leading civil engineering operator, the company has an impressive portfolio of achievements including engineering structures, underground, offshore and inland waterway-based projects, as well as environmental, industrial and sports facilities, all contributing to the development of their host communities. EIFFAGE Travaux Publics is now also establishing a reputation as a significant player in the railway engineering sector.

# activities

## PUBLIC WORKS

### Moving into 2009 with strong foundations

Despite the difficult market conditions, EIFFAGE Travaux Publics revenues dipped only slightly in France, confirming the company's resistance to cyclical phenomena affecting the industry, such as the elections held in March 2008.

The order book remained at broadly the same level as at the end of the previous year, putting the company in a strong position for 2009. EIFFAGE Travaux Publics benefited from the startup of several major projects and is also counting on the French government's stimulus package to boost operations postponed by local and regional authorities. EIFFAGE Travaux Publics has a very strong network of local offices, organised into seven regional departments. These local operations handled thousands of small and medium-sized projects in 2008, reasserting the company's status as a "go-to" partner for public authorities and industrial customers.

### Impressive credentials in all areas of activity

Highlights at regional level in 2008 include runway renovation projects at the Roissy – Charles-de-Gaulle and Lyon – Saint-Exupéry airports, the start of work along the Sète-Marseillan coastal sand barrier, urban regeneration operations in northern France, the creation of mixed-use development areas in the Paris region, and overhauling the course at Nantes hippodrome, which is the largest racecourse in western France. Turning to large projects, in addition to winning the contract for the new stadium in Lille and receiving the go-ahead for the A65 motorway, the company handed over several projects along the Tamarins road on Reunion Island.

#### → AN ENVIRONMENTALLY-FRIENDLY RING-ROAD

EIFFAGE Travaux Publics applied its sustainable development experience when building the south-east section of the Troyes ring-road, which opened to traffic in July 2008.

This project delivered high environmental added value by combining the use of Ertalh® recycled coated aggregate treated with hydraulic binder, EBT® low-temperature coated aggregate and Microphone® noise-abating surfacing material. This initiative received a Special Commendation from the jury at the 2008 edition of the national enterprise and environment awards organised by France's environment ministry, MEEDDAT.



**1** EBT® low-temperature coated aggregate with a pale-coloured plant-based binder. State-of-the-art products and processes were used for the project to relocate the coastal road along the Sète-Marseillan sand barrier. **2** Reflecting EIFFAGE's industrial nature, almost €3 million were invested to redevelop Corbigny, one of almost 90 quarries owned by the Group. **3** Following on from the Vaires-sur-Marne power station (photo), the company is building a plant for EDF in Blénod-lès-Pont-à-Mousson, with work due to start soon on a further three facilities overseas.



Construction of the Perpignan-Figueras high-speed rail link ended with the use of an innovative technique to create the concrete raft foundation in the Perthus tunnel and lay the track. Work along the route of the future Rhin-Rhône high-speed rail link is nearing completion, and at the line's most emblematic structure, the Savoureuse viaduct, which is being built in partnership with Eiffel, the first section of deck was successfully moved into position in November.

### A perfectly-honed R&D strategy

"Tomorrow's materials" is one of the areas in which the company is focusing its research and development activities; continued efforts are also being made to consolidate the runaway success of EBT® low-temperature coated aggregate.



### → A CENTRAL ROLE IN EVEN THE LARGEST PROJECTS

In 2009, following the on-schedule handover of the Perpignan-Figueras high-speed rail line, the division's leadership in the area of large infrastructure projects will be reasserted as construction of the A65 motorway between Pau and Langon gathers pace and work begins on the Grand Stade stadium in Lille and the Prado Sud tunnel in Marseille.

**"The company proudly asserts its identity, whether handling small jobs or bold turnkey developments."**

Trials were conducted to evaluate Luciole®, an exclusive modular lighting product developed jointly with Forclum. This product features a series of light-emitting diodes embedded in construction materials (asphalt, coated aggregate or concrete).

A new application was developed for the ITE® wide-soled I-beam made from BSI®, the ultra-high performance concrete developed by the company. This beam design was used in an engineering structure in the Val-d'Oise department, and the presentation of the process won an award from the International Federation for Structural Concrete (FIB) at its May 2008 symposium in Amsterdam. Furthermore, the ANR Orthoplus research project also calls for the use of BSI® as a structural element in a new generation of orthotropic slab-based structures.

### Better-trained employees with greater awareness of their surroundings

Accident prevention and training have long been the bedrock of the Group's human resources policy. The "1515" interactive accident-prevention programme aimed at all site supervisors revealed many avenues for progress. The company opened a fourth training institute in eastern France in the autumn, following on from those inaugurated in 2006 and 2007 in the Ile-de-France/Centre, Mediterranean and Rhône-Alpes/Auvergne regions, which have already trained nearly 250 young people.

Last but not least, a plan to facilitate the employment of disabled workers was launched at the end of the year. Awareness-raising posters were displayed on work sites, a guide intended for administrative personnel was produced and an agreement relating to trainee recruitment, induction and support was reached with the Le Belloy vocational rehabilitation centre.



# activit

## ENERGY

€2,912 million  
Revenues

+3.6%  
Operating profit  
on ordinary activities



As a builder of sustainable energy solutions, Forclum aims to responsibly produce the power generation facilities that will take over as fossil energy grows scarcer.

# ies

€2,380 million **14 789**  
Order book employees in France



## Forclum builds sustainable energy solutions

Forclum is a major player in the electrical engineering and HVAC sector. For more than a century, the company has been developing its expertise in the design, construction, operation and maintenance of energy and information systems and networks for local authorities as well as customers in industry and the service sector.

Concerning the company's activity, two new, interrelated trends emerged in 2008 that will be sources of growth for many years to come. Firstly, Forclum was involved in more large projects, such as infrastructure projects, large commercial developments and public private partnerships involving projects led by EIFFAGE, in synergy with the expertise of the Group's other divisions.

Secondly, contractors are increasingly being expected to offer environmentally-friendly, energy-efficient technical solutions.

# activities

## ENERGY

Faced with constantly-changing challenges in terms of design, production, routing and energy efficiency, among other considerations, Forclum's greatest strength over the last century and more has undoubtedly been its ability to anticipate these major shifts.

As well as seeking to maximise the company's economic performance, Forclum constantly strives for progress in two key areas: building innovative, high-quality solutions, and developing respect for people and the environment. The company seeks to use these two progress levers to achieve its constant, underlying aim of harnessing technical excellence to implement a pragmatic and clearly-stated overall policy of sustainable development. Forclum intends to play a very active role in achieving this goal as part of the EIFFAGE Group.

### An owner's perspective

When considering each of the prisons for which it had won contracts, Forclum's project teams sought to approach every aspect - from the purchasing procedures to the wiring in the electrical cabinets - from an owner's perspective.

#### → RESEARCH AND DEVELOPMENT

As part of its effort to achieve sustainable development through innovation Forclum has applied to patent a ceiling tile process with built-in LED lighting that saves energy and cuts glare, making it easy on the eyes. Developing this process required several years of research, with the R&D team contributing expertise in electronics and plastic processing as well as heat, mechanical and optical engineering in order to create the prototypes. This invention is expected to be widely installed in offices, meeting rooms and corridors in commercial buildings.

#### → THE FIRST BIOMASS-FIRED POWER PLANT

The electrical distribution work at France's first biomass-fuelled power plant, built in Fature in Gironde, was entrusted to Forclum's local teams, with the high-voltage work being handled by the national subsidiary Forclum Énergie Services. The term "biomass" refers to all organic matter suitable for use as an energy source.



**1** Engineering technicians inspect the site of the **Pontchaillou hospital in Rennes**, where Forclum is in charge of the air conditioning and safety work packages.

**2** On the **Perpignan-Figueras high-speed rail line** currently under construction, Forclum is responsible for all the electrical work packages, and in particular, the **Soler sub-station**, which houses two 60 MVA transformers that will supply power to the line. **3** Forclum has developed expertise in all types of electrical and multi-technical installations. Here we see an **air conditioning and ventilation system being installed at a food processing facility** in Normandy. **4** The architectural lighting at the **archive tower in Rouen** won first prize in the 2008 "Lumières" contest organised by the electrical and climate engineering organisation, SERCE, in association with Philips Lighting. This award was presented in recognition of Forclum's years of experience in the area of architectural and street lighting.



“Harnessing technical excellence to implement a pragmatic and clearly-stated sustainable development policy.”



Only the most reliable equipment from leading industrial brands was selected. Because Forclum is more conscious than ever of the importance of operational and maintenance issues in its sector of activity, the company's solutions are designed for quality and built to last.

### Extra-high energy efficiency

To take another example, building a structure that complies with the criteria for the “high environmental quality” label does not simply mean handing over an eco-friendly building. It is also important to manage work at the site so as to minimise disruption to the environment and to local residents. This is achieved by reducing noise-related nuisances, conscientiously managing water consumption at the site, systematically cleaning the wheels of vehicles leaving the site to avoid dirtying the roads, recycling waste and, naturally, by rationalising energy use throughout the construction process. In step with its commitments in this area, Forclum will soon be moving its headquarters to a new HQE® building that complies with extra-high energy efficiency standards.

### High environmental quality - HQE®

Considering one final example, a host of technical achievements are necessary in order to design and build a hospital, which is a vast machine of great operational complexity.

The Southern Paris Region hospital centre is one of France's largest and most modern hospitals, arranged over 110,000 sq. m of floor space and offering more than 1,000 beds. It recently became the first hospital to be certified under the NF Bâtiments Tertiaires HQE® scheme, which recognises buildings that “*deliver environmental performance in line with current best practice and pre-empt future environmental regulations*”.

The HQE® approach has numerous goals including minimising the environmental impact of the construction work, optimising energy and waste management, and preserving water quality.

The scale of this project has made it a technological showcase, burnishing Forclum's credentials as an innovator in the areas where it is involved, i.e. high- and low-voltage electricity, heating, ventilation, air-conditioning and smoke removal. For instance, Forclum has pioneered the use of an underground power generation area on this site.

### → OUTLOOK FOR 2009

The serious debate now underway about cutting greenhouse gas emissions, coupled with efforts to develop renewable energy sources and make buildings, industrial facilities and street-lighting systems more energy-efficient will offer significant business opportunities across the spectrum of electrical and climate engineering-related businesses.

# activit

**METAL**

€396 million  
Revenues

+1.8%  
Operating profit  
on ordinary activities



42

**The Grande Ravine viaduct**  
on Reunion Island spans  
a 320 m wide, 170 m deep  
natural gorge in the landscape.

# ies

€665 million  
Order book

3,801  
employees in France



## Eiffel has a strategy of openness and consolidation

Eiffel, the longstanding leader in the metallic construction sector, has a culture of innovation and is constantly pushing back the limits of technology. The Group is an industrial designer and OEM renowned for its ability to build complex structures - including engineering structures, façades and structural walls, heavy structures for factories and other buildings - in fields as diverse as mechanical engineering, boilermaking and industrial maintenance and related services.

# activities

## METAL

Thanks to the wide variety of services that Eiffel is now able to provide, the company is in a position to diversify its activities, participate in strategic projects and move into new sectors.

### Prestigious awards for the footbridge at Limerick University in Ireland

This elegant footbridge won in the Engineering Structures category at the 2008 awards honouring the most attractive metal structures.

It also received a prize in the footbridge category of the "Structural Awards" held in London by the prestigious Institution of Structural Engineers (IStructE).

This structure, linking two parts of Limerick University, consists of six metal spans and seven metal piers; it features innovative and extremely complex architectural lines incorporating five panoramic windows.

### Impressive achievements in Eiffel's traditional business lines in 2008

The most significant projects of the year in the area of engineering structures were the Grande Ravine viaduct on Reunion Island and the Savoureuse viaduct on the Rhin-Rhône high-speed railway line. In terms of mechanical engineering, the technical and commercial highlights include the handover of the Gustave-Flaubert lift bridge in Rouen and the signing of a contract to manufacture two polar cranes for the Taishan power plant in China, following the construction of the polar crane in Olkiluoto, which is currently nearing completion, and the auxiliary cranes at the Flamanville power plant. The multimodal transport hub at Massy-Palaiseau station and the contract to build the façade at satellite terminal S4 at Charles-de-Gaulle airport illustrate Eiffel's technical achievements in the field of special-purpose structures.

Goyer, which is France's leading façade-builder, completed numerous structures including the Tour Granite high-rise building in La Défense. Work to extend the Fougères-sur-Bièvres manufacturing plant by 10,000 sq. m was completed during the spring. Lastly, in a joint venture with Matière, Eiffel set up a company –with very bright prospects– to supply rapid-assembly modular bridges to emerging markets.



**1** Goyer manufactured and installed the 750 "breathing" bow windows that make up the façade of the **Khapa building** in Boulogne-Billancourt, which was designed by the architects Foster & Partners. **2** Forcluméca workshops in Normandy. **3** A dimensional inspection. **4** The Living Bridge is a 330 m long **footbridge at Limerick University** in Ireland. This exceptional structure features six metal spans supported by seven steel piers.



## → ISO 14001 CERTIFICATION

The Lauterbourg manufacturing plant, which has been pursuing a proactive environmental management strategy for more than a year, was certified ISO 14001-compliant in late 2008. A similar process is underway at the industrial facilities in Frouard, Maizières-lès-Metz and at Camom's many plants and workshops.

## Energy and sustainable development

Eiffel's specialist businesses enjoyed a good year in 2008, owing to the Group's strong position in energy-related markets. The expertise of Eiffel Munch, backed by the confidence of major customers such as EDF, Areva and Alstom, consolidated Eiffel's status as a top-flight boilermaker for the energy industry.

Munch is the market leader in France for the manufacture, installation and renovation of tubular heat exchangers as used in condensers at nuclear power plants, and in 2008

began producing equipment for the EPR plant in Flamanville.

Eiffel also continued diversifying its Offshore/Energy division by building gas compression stations. Working in partnership with EIFFAGE's other divisions, Eiffel can now offer gas industry customers a complete range of services with a well-organised project management structure.

## Business diversification

The acquisition of eleven companies specialising in industrial maintenance and services to industry (namely Camom, Samia and Sara, Somis, Forcluméca, Métareg Aquitaine, Métareg Atlantique, CAC Degremont, CE2II, Barep and SED) extends the range of services that Eiffel is able to offer industrial customers, and opens the door to new sectors including the chemical, petrochemical, pharmaceutical, agri-food and paper-making industries.

Camom is one of France's foremost industrial maintenance contractors, operating mainly in the chemicals and petrochemical sectors. The company has recognised expertise in working in high-security environments, and has also developed several niche businesses.

Forcluméca provides multidisciplinary services to an industrial clientele, primarily in the pharmaceutical and agri-food sectors.

Samia, which specialises in maintenance and production unit transfers during planned shutdowns, transferred the press line from Renault's Sandouville plant to a Dacia plant in Romania in an operation that involved shipping 200,000 tonnes of equipment by sea.

Barep is a French valve specialist serving both the domestic and international markets.

Somis and Camom are rapidly expanding their businesses in the area of gas- and steam-driven generating plants. CAC Degremont and SED operate in boilermaking niche markets and fabrication.

Métareg Aquitaine maintains overhead cranes while Métareg Atlantique works at the STX (formerly Chantiers de l'Atlantique) naval yard, where it notably installs kitchens in ocean liners.





# activit

## EUROPE

€2,357 million  
Revenues

+ 5.7% over 1 year  
Total revenue growth



46

Europe's largest solar  
electricity farm in Amaraleja  
(in the municipality of Moura),  
Portugal.

# ies

€1,485 million  
Order book

11,183  
employees



## Sharing EIFFAGE's expertise in Europe

EIFFAGE has a significant presence outside France in each of the Group's businesses (i.e. construction, public works, electrical and multi-technical installations, metallic construction and concessions), generating annual revenues exceeding €2 billion in European markets.

Europe offers growth potential for every division in the Group, as well as a powerful lever for synergies.

# activities

## EUROPE

Following a development phase boosted by a series of acquisitions, efforts are now being focused on consolidating and integrating the European subsidiaries and on generating organic growth. Europe offers strong growth potential, due to significant structural investment (via economic stimulus plans and European Union structural funds) and the opportunity to replicate on a continental scale the know-how possessed in individual countries.

Thanks to its presence in 14 countries, the Group can rely on the expertise of its European staff when addressing complex briefs:

- Employees from EIFFAGE Energía (a Spanish subsidiary of Forclum) and Wittfeld (a German subsidiary of EIFFAGE Travaux Publics) took part in the project to build a high-speed rail link between Perpignan and Figueras, for which they built the superstructures.
- In Guyana, staff from Forclum and its Italian subsidiary Grossi & Speier submitted the winning bid for an extension to the hot and chilled water production plants for the Ariane launch facilities at Kourou space centre.
- In Portugal, teams from EIFFAGE Energía and JJTomé (a Portuguese subsidiary of Forclum) worked together to create Europe's largest solar electricity farm, in Amaraleja.

Staff exchanges and experience-sharing help to bring EIFFAGE subsidiaries in different countries closer together. As well as encouraging common standards of behaviour across the Group, this type of dialogue helps to embed its culture in each country. Geographical mobility by employees at European level is encouraged in all business lines.



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1 The court building in Liège, built by EIFFAGE Benelux. 2 Installing track panels on the Perpignan-Figueras high-speed rail line. 3 The new railway station in Ostrava-Stodolni in the Czech Republic. Tchas also carried out the modernisation work on the railway line between Ostrava and Ostrava-Kuncicky stations. 4 In Senegal, the Corniche road in Dakar was officially opened at the summit of the Organisation of the Islamic Conference (OIC).



2

### Full list of EIFFAGE businesses

	Building	Public works	Road construction	Metallic construction	Electrical and multi-technical installations	Quarries	River and marine engineering	Railway engineering	PPP concessions	Property
Germany	■	■	■	■	■			■		
Austria					■					
Benelux	■	■			■		■			■
Spain		■	■	■	■	■				
Hungary					■					
Italy					■					
Poland	■	■		■	■			■		
Portugal			■			■			■	■
Czech Republic	■	■			■			■		
Romania		■								
United Kingdom	■			■	■					
Slovakia	■	■								
Senegal	■	■	■				■			



3

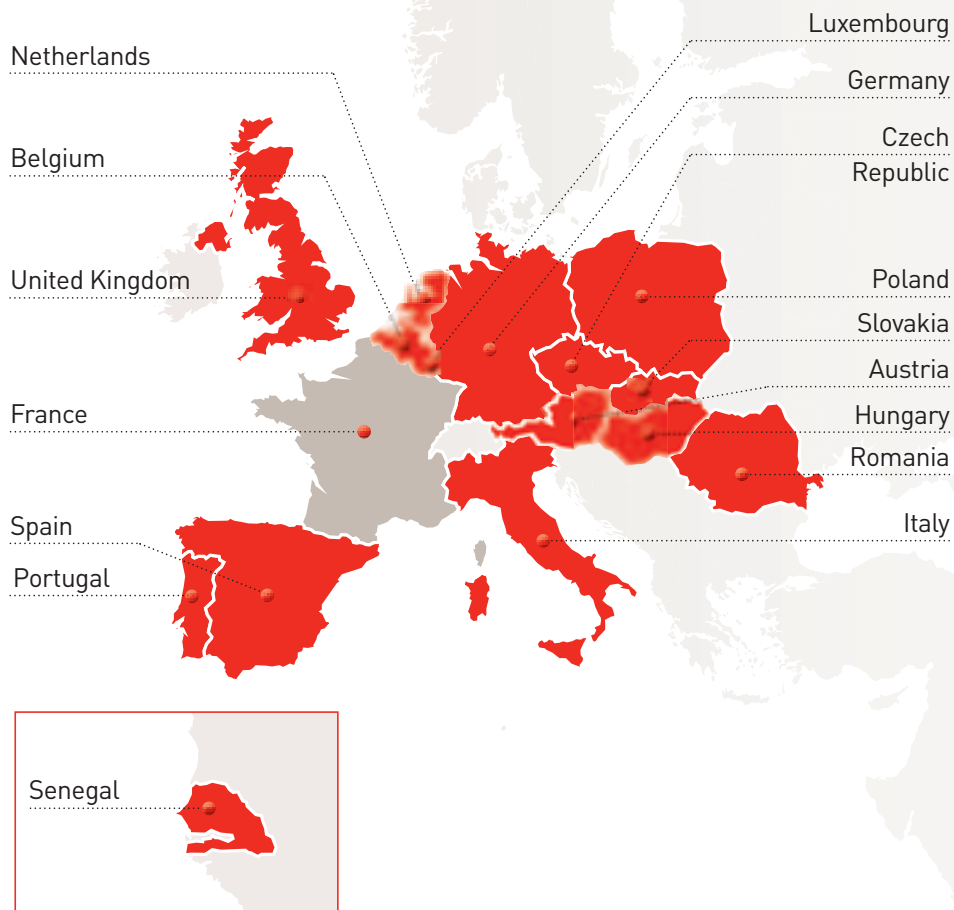


4

## → THE FOUR PILLARS OF GROWTH

- **Growth by acquisition:** following major expansion in Spain and Portugal, the focus is now shifting to countries in central and eastern Europe.
- **Corporate organisation,** giving due consideration to the Group's many languages and cultures.
- **Integration of subsidiaries** with regard to EIFFAGE's standards of behaviour and statutory requirements in each country.
- **Organic growth** driven by economic development and the allocation of EU structural funds to countries in which EIFFAGE operates.

### EIFFAGE locations



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## Social and environmental responsibility at the heart of EIFFAGE's strategy

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## Chairman's message

As a major player in the French and European construction industry, EIFFAGE is overhauling its core businesses in anticipation of a changing market.

Throughout the Group, sustainable development has become a wellspring of ideas and innovations that in equal measure contribute to and benefit from the synergies and fit between EIFFAGE's businesses.

Clearly, the sustainable development strategy pursued by EIFFAGE today is the result of an iterative process, reflecting the convergence of the innovative contributions and initiatives of the Group's operational staff with the goals set out in the sustainable development action plan produced by the Group and its constituent divisions.

This constructive dialogue, to which the Group's external partners also contribute, helps to shape our actions on a daily basis, as part of a fascinating process that will strengthen EIFFAGE's reputation as a responsible company with an ecosystemic approach.

Jean-Francois Roverato

# EIFFAGE values and commitments



The Grande Ravine viaduct on Reunion Island.

EIFFAGE's Charter of Values and Objectives (*la Charte des valeurs et finalités*) forms a single, common base for all EIFFAGE entities, and was first introduced throughout the Group in 1991.

This key document was updated in August 2008 to take into account changes to EIFFAGE's activities and markets, and was distributed to all employees, at every level, within each of the Group's divisions. Each new recruit who joins the Group also receives a copy.

The Charter lists the Group's objectives in terms of customer satisfaction, fair treatment of employees, a balanced relationship with shareholders and responsiveness to the expectations and demands of EIFFAGE's external partners (business partners, suppliers, sub-contractors, public authorities, associations, members of the local community, etc.). It also defines and promotes EIFFAGE's values which are both deeply rooted in its history and designed to preserve its future existence. These values include:

- **Responsibility**, of the Group towards its employees and managers, its customers and partners,
- **Mutual trust** among all employees, between Group business lines and between operational and functional staff,

- **Transparency**, which is essential and underpins the values of trust and responsibility. Transparency motivates employees to be more diligent, justifies tighter audit and control procedures and requires each employee to contribute to such procedures,

- **Integrity** of managers and officers. This includes the fair and respectful treatment of customers, employees, suppliers and partners, the avoidance of conflicts of interest, and a commitment to keep operating costs and business expenses within reasonable limits,

- **Lucidity** as regards the development and future prospects of EIFFAGE's markets,

- **Determination and courage** are necessary when business is slower.

The implementation by EIFFAGE of this Charter's principles and values has direct consequences on its sustainable development action plan and the in which information is presented in this 2008 report. These are:

- Increased transparency as regards the Group's social and environmental performance, and the audit of these aspects by PriceWaterhouse Coopers,
- Confirmation of the AAA rating obtained in March 2008 and validated in December 2008 after implementation of the Group's sustainable development action plan, monitored by the specialist corporate responsibility rating agency, BMJ Ratings,
- A commitment by the Group to increased consultation with its external partners under the aegis of Comité 21, the French Committee for the Environment and Sustainable Development, set up to implement the Agenda 21 action plan developed at the 1992 Rio World Summit.

Renovating the Collège de France.





# sustainable

## DEVELOPMENT

### Review report by one of the Statutory Auditors on the processes used to compile sustainable development information and on a selection of sustainable development indicators used by the EIFFAGE group.

Further to your request and in our capacity as Statutory Auditor of EIFFAGE, we have carried out a review for the purpose of enabling us to express moderate assurance on the processes used to compile sustainable development information and on a selection of sustainable development indicators related to 2008, and published in the Sustainable Development chapter of the Group's 2008 Annual Report. The sustainable development indicators selected are:

#### Employee data

- Frequency Rating for all employees (accidents in the workplace),
- Regulatory Severity Rating for all employees (accidents in the workplace),
- Number of disabled employees (section C of the mandatory annual DOETH form on disabled employees),
- Ratio of women to men – managers,
- Ratio of women to men – total workforce.

#### Environmental data

- Electricity consumption,
- Total fuel consumption,
- Gas consumption.

These processes, together with the indicators set forth in the Sustainable Development chapter of the Group's 2008 Annual Report, are the responsibility of the EIFFAGE Group's Sustainable Development Department, in accordance with the Group's internal reporting standards. These standards are available on request from the Group's head office. Our responsibility is to form a conclusion on the procedures for compiling such information as well as on these indicators, based on our work.

#### Nature and scope of our review

We performed the procedures described below to obtain moderate assurance that no material irregularities exist with regard to the processes used to compile sustainable development information as well as sustainable development indicators selected. We did not perform all of the procedures required to obtain reasonable assurance (a higher level of assurance).

- With regard to the process used to compile sustainable development information, we reviewed the existing organisation, assessed the existing procedures in light of the relevance, reliability, objectivity and understandability, and also reviewed the related reporting tools. We conducted interviews and consistency tests to assess in order to verify that the procedures had been properly understood and implemented:
- at the EIFFAGE Group's head office:

- with members of the Sustainable Development Department,
  - in Group entities, with employees responsible for sustainable development reporting within each of the Group divisions included in our review: EIFFAGE Construction, EIFFAGE Travaux Publics, EIFFEL, FORCLUM and APRR. EIFFAGE Construction, EIFFAGE Travaux Publics, Eiffel, Forclum et APRR.
  - With regard to the sustainable development indicators selected, we reviewed the consistency and veracity of the information published with respect to the system of organisation, existing procedures, available documents and dedicated reporting tools. This work consisted of interviews, consistency checks on a test basis in order to verify calculations and compare data with supporting documents, which were carried out:
  - with regard to data compilation, in the following Group establishments with the employees responsible for sustainable development reporting: EIFFAGE Construction Lille Métropole, EIFFAGE Construction Rhône, EIFFAGE Construction Clichy, EIFFAGE Travaux Publics Corbas – ETPR, EIFFAGE Travaux Publics Fretin – Nord, EIFFAGE Travaux Publics Coignières, EIFFEL CAMOM – Rognac, EIFFEL Goyer, FORCLUM Val de Loire Tours, FORCLUM Infra Nord – Lille, FORCLUM Lyon Métropole – Vaux en Velin, FORCLUM Cargocaire and APRR Direction Régionale Paris,
  - with regard to data validation, in the Operating Departments of the following Group establishments, with employees responsible for validating sustainable development information: EIFFAGE Construction Lille Métropole, EIFFAGE Construction Rhône, EIFFAGE Travaux Publics APPIA Rhône, EIFFAGE Travaux Publics APPIA Nord, EIFFAGE Travaux Publics APPIA Sud Ile de France, EIFFEL CAMOM – Colombes, FORCLUM Val de Loire Tours, FORCLUM Infra Nord – Lille, FORCLUM Lyon Métropole – Vaux en Velin and FORCLUM Cargocaire,
  - with regard to consolidation of the indicators, at the Group head office:
    - with members of the Sustainable Development Department.
- We were assisted in our work by experts from our Sustainable Development department.

#### Conclusion

Based on our review, no material irregularities came to light causing us to call into question:

- the processes used to compile the sustainable development information examined as regards the reporting standards defined by the Group,
- the selected sustainable development indicators as regards the reporting standards defined by the Group for 2008.

Neuilly-sur-Seine, 27 March 2009

One of the statutory auditors  
PricewaterhouseCoopers Audit  
Yan Ricaud  
Partner  
Statutory Auditor

Thierry Raes  
Partner  
Sustainable Development Department

## Increased transparency

### Transparency of data relating to the Group's social and environmental performance

During the first quarter of 2008 EIFFAGE's Internal Audit Department conducted a review of the sustainable development reporting indicators identified in the dedicated IT tool, Enablon. Its findings confirmed to the Sustainable Development Department the need to reduce the excessive number of source data and indicators (over 640) in order to make the application easier and simpler to use and, as a result, to improve the reliability of the data it produces. A work group consisting of application administrators and users was set up to identify what improvements users felt were necessary.

Between April and October 2008 the

group identified the most important indicators for use by all Group divisions, enabling it to cut data requirements by almost 70%.

The indicators are now organised according to the entities' operational organisation, making them closer to the primary data and thus avoiding the need for local adjustments, which give rise to varying interpretations and errors.

The 943 users of the application within EIFFAGE now have a tool that is better adapted to their organisation and activity. The work group set up to reform Enablon will continue to meet with a view to monitoring and improving the reporting tool, essentially in light of feedback from users. In December 2008 EIFFAGE appointed Pricewaterhouse Coopers to carry out an audit of the data compilation processes and the reliability of data used in the report relating to the Group's social and environmental performance. PwC issued a report following this audit, consultable on page 54.

### Transparency of results regarding calculation of greenhouse gas emissions

In 2008 EIFFAGE was the first French construction company to publish its 2007 Carbon Audit results, which covered all its French activities in all five of its divisions. The results were published in its 2007 sustainable development annual report, together with an assessment of exposure to future constraints related to the Group's carbon footprint.

In accordance with the principles of transparency and responsibility laid down in EIFFAGE's Charter of Values, in 2006 the Group joined the panel of companies that answer the Carbon

Disclosure Project's annual questionnaire. This independent non-governmental organisation assesses, once a year, the responsiveness of major groups to climate change via a detailed questionnaire covering their carbon emissions. EIFFAGE has thus been one of the SBF 120 responding companies since 2006. EIFFAGE's responses to the CDP questionnaire can be viewed on the organisation's website ([www.cdproject.net](http://www.cdproject.net)).

### Transparency and compliance with the Global Compact

In keeping with its social and environmental responsibility policy, EIFFAGE signed the United Nations Global Compact in 2005, and has since reiterated its commitment to the General Secretariat of the United Nations every year. Its latest commitment, given in April 2008, can be viewed on the UN website ([www.unglobalcompact.org](http://www.unglobalcompact.org)). Since joining the programme, the Group has committed itself to keep its employees, business partners and customers regularly informed and has redoubled its efforts to implement the Global Compact's ten principles, in particular by pursuing a sustainable development action plan. The results of this action plan in terms of employment and the environment are presented in this report.



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## DEVELOPMENT

### A policy of constant progress under the supervision of BMJ Ratings

Since 2003 EIFFAGE has been regularly audited by a specialist corporate responsibility rating agency, BMJ Ratings, which assesses the social and environmental performance of companies in key areas of sustainable development such as the environment, human resources, sales and marketing, the purchasing and sub-contracting function, and the company in the local community and society as a whole.

In March 2008, following its third rating application, EIFFAGE obtained the 'AAA stable' rating, one of the best ratings achieved in Europe for its sector. Although this rating is a significant achievement for all EIFFAGE employees, the Group is maintaining a sustained effort to improve its social and environmental performance even further. In application its Charter of Values and Objectives and its policy of constant progress, EIFFAGE asked BMJ Ratings to assess the value

of the actions planned as part of the Group's sustainable development plan in light of the in-depth assessment carried out early in 2008.

### Consultation under the aegis of Comité 21

In 2008 EIFFAGE was approved as a new member of Comité 21, the French Committee for the Environment and Sustainable Development, set up to implement the Agenda 21 action plan developed at the 1992 Rio World Summit. Under its aegis, EIFFAGE is committed to continuous and regular consultation with its external partners. The first two meetings were held in June and November 2008. At these meetings the 2007 Sustainable Development Report was discussed and several helpful suggestions were made by the external partners which have enabled EIFFAGE to produce this new, improved version of the report for 2008 (see page 64, "external partners"). More specifically, the partners expressed a wish for clearer information on EIFFAGE's global medium- and long-term sustainable

development strategy and for more transparent data.

EIFFAGE accordingly modified the design and presentation of its 2008 Sustainable Development Report, essentially by:

- Organising the report around specific actions instead of a theoretic separation of environmental, social and corporate areas,
- Including explanatory features on less well-known specialist jobs or areas of expertise,
- Arranging for audits and checks by independent agencies (PwC, BMJ Ratings).



### Attestation regarding monitoring

In December 2008 BMJ Ratings, a specialist corporate responsibility rating agency, conducted an intermediate audit of the EIFFAGE Group's sustainable development policy. BMJ Ratings had issued various recommendations when it granted the AAA stable rating in March 2008.

BMJ Ratings' monitoring over 2008 established that all the recommendations have been taken on board and that actions to improve 23 (twenty-three) specific areas have been implemented. The agency therefore hereby confirms its favourable opinion of the EIFFAGE Group and its medium- and long-term prospects.

BMJ Ratings, 12 January 2009





# Employees and partners can count on EIFFAGE's experience

The underlying question behind the issue of sustainable development is, how can we meet our current needs without jeopardising the quality of life of future generations? As a socially responsible group with a corporate culture based on shared values, this is a constant preoccupation for EIFFAGE.



## Employee safety: a priority at all times

Preserving the health and safety of our employees is more than a statutory obligation for EIFFAGE, it is also a sign of the respect we have for each of our employees as individuals. We seek to constantly improve our record in this area through three key initiatives:

- A dynamic safety policy, re-stated every year in a policy memorandum setting appropriate targets,
- Practical initiatives involving all staff,
- The inclusion in the annual bonus paid to senior managers of a variable payment based on the number of

accidents at work involving employees under their remit over the past year. Accident prevention and safety actions on worksites, the involvement of all levels of employee and the combination of information initiatives, training for site managers and the assessment of accident prevention and safety skills have all contributed to a significant reduction in the frequency and severity of accidents. In addition, the specific risks and hazards associated with certain business lines require special action plans.



### THE FIGURES – ACCIDENTS AT WORK 2008

	FR	ASR	RSR
APRR	10.61	0.26	0.39
EIFFAGE Construction	25.68	1.01	1.89
EIFFAGE Travaux Publics	23.68	0.73	1.32
Eiffel	12.42	0.46	0.93
Forclum	14.72	0.44	0.72

### ABSENTEEISM 2008

	Sickness	Accidents at work	Total
Concessions	4.11	0	7.14
APRR	4.84	0.29	7.33
EIFFAGE Construction	4.69	1.06	8.77
Holding	2.23	0	3.06
EIFFAGE Travaux Publics	4.97	0.84	10.89
Eiffel	4.57	0.75	12.15
Forclum	4.57	0.63	7.47

FR = frequency rating, accidents at work.  
ASR = annual severity rating.  
RSR = regulatory severity rating.

# sustainable

## DEVELOPMENT

### Changing everyday behaviour by involving staff at every level of the organisation

SAFETY TRAINING 2008	% Cost health & safety training
EIFFAGE Concessions	0.12
APRR	nc
EIFFAGE Construction	0.88
EIFFAGE Holding	0.07
EIFFAGE Travaux Publics	0.85
Eiffel	1.06
Forclum	1.55

Detailed analysis of the causes of accidents reveals a definite need for constant vigilance by worksite employees at every level, together with genuine, permanent changes in behaviour, in particular in situations that a worker may consider to be either "completely familiar" or "emergencies", as both these attitudes will adversely affect the level of safety that the worker naturally seeks to achieve. Specific action plans have been developed, involving information tools, training programmes and risk assessments. 'Fifteen-minute safety session' packs have been systematically distributed to worksites via health and safety officers. These sessions are organised in accordance with the H&S timetable. To encourage feedback on good practices on worksites, a local accident prevention action sheet was trialled in 2008. Feedback received and distributed throughout the division has shown that operational staffs are keen to learn and share good practices.

Health and safety management training for managers continued in 2008. In all, over 1,000 of Forclum's managers and senior executives received H&S training in 2006 and 2008.

### The site manager plays a central role in accident prevention

In 2008, EIFFAGE Travaux Publics launched an ambitious programme aimed at site managers, consisting of a series of interactive accident prevention seminars (*"Les Recontres Chefs de chantier"*). Almost 1,150 site managers (i.e. nearly all of the company's site managers) took part in the programme, which complemented EIFFAGE TP's other security initiatives: Minimum Safety Skills (*Savoirs Minimaux de Sécurité - SMS*), training for new recruits, the work of the health and safety committee (CHSCT), a questionnaire on workers' safety, etc. The resulting discussions, exchanges and suggestions have allowed us to identify 47 measures to improve health and safety. These were gradually introduced in 2008, and include:

- Proper understanding of safety instructions by all: focus has been placed on combating illiteracy, with an experimental scheme being tested in the Paris region with forty workers. If the results are satisfactory the scheme will be rolled out to other EIFFAGE Travaux Publics regional departments;
- The scope of the assessments carried out during the worksite

### SAFETY CERTIFICATION

The Group continues to apply for and obtain safety certifications, including OHSAS 18001, ILO-OHS 2001, UCI, MASE and GEHSE. The percentage of turnover subject to certification is: 44.10% for EIFFAGE Construction, 28.46% for Forclum, 10.14% for Eiffel and 8.38% for EIFFAGE Travaux Publics.

preparation phase has been extended to include the environmental impact of the project: existence of overhead or underground utility networks, proximity of road traffic or pedestrians, etc.

- Skills enhancement: once trained, employees can obtain a certificate authorising them to operate site machinery. Annual skills and behaviour assessments are also organised and the conclusions are recorded in each employee's individual 'career passport';
- Interactive, *in situ* and real-time training has been extended via weekly 'fifteen-minute safety sessions' and risk prevention videos for all employees, temporary staff and subcontractors;
- The Minimum Safety Skills programme has been rolled out to site managers and quarry workers. In 2009 the programme will be further extended to include special modules for laboratories, specific industries and departments responsible for equipment maintenance; On the other hand, a database of measures related to health and environmental impacts of chemical products manufactured and/or used on production sites was established in 2008. This approach avoids exposure to hazardous products and protects collaborators', residents' and public's health, as well as the environment.

### GOOD PRACTICE: FORCLUM'S "ELECTRICAL SAFETY AND QUALIFICATION" VAN

Forclum Nord and Forclum Industrie Nord's regional training department have been awarded the 'SERCE/OPPBTP' prize for innovation in training. SERCE and OPPBTP are associations representing the electrical engineering and construction industries, respectively. The prize was awarded in recognition of the Electrical Safety and Qualification van, designed by Forclum Industrie Nord and Forclum Infra Nord. This van is equipped to provide practical training in working on live electrical equipment (including procedures for condemning low and high voltage equipment, carrying out repairs on low voltage components, and performing checks and measurements) for employees training to become qualified electricians or who need retraining.

Current and former students from the EIFFAGE training institute at a get-together on 7 November 2008.



## Internal training

TRAINING 2008	% Overall cost of training
EIFFAGE Concessions	0.59
APRR	4.31
EIFFAGE Construction	2.41
EIFFAGE Holding	4.23
EIFFAGE Travaux Publics	1.75
Eiffel	2.22
Forclum	5.38

### Cutting-edge management training with the EIFFAGE Regional Training Centres

The first EIFFAGE regional training centres (*Centres Régionaux EIFFAGE de Formation – CREF*) were opened in 2004. They were created to complement existing specific training programmes run by the individual divisions and regional departments and to satisfy individual training needs, in light of:

- the need to hire between 800 and 1,000 managerial staff or equivalent each year, given the volume of business and the aging workforce, and
- The need to provide managerial staff with training in essential areas, to enable them to assume their responsibilities in an increasingly complex environment.

These key areas include:

- Management
- Human resources,
- Legal environment,
- Financial management,
- Sustainable development,
- Marketing and adaptability.

The training centres are an undisputed success. In 2008 over 2,050 employees from all EIFFAGE business units attended courses – 150 more than in 2007.

More than 130 employees have completed five or more CREF training modules over the past three years. This figure reflects the importance the Group places on initial and on-going skills enhancement for its managers as they progress in their careers within EIFFAGE.

The centres also provide a forum for intergenerational exchange, as:

- 37% of attendees are aged under 35,
- 37% are aged between 35 and 45,
- 26% are aged over 45.

The content of the 16 technical modules is constantly being added to and improved:

- A cash management module was offered for the first time in 2008.
- Most modules now include a section on diversity and non-discrimination in recruitment and management.
- A module on the Group's sustainable development strategy was introduced in 2006 and is proving increasingly popular. Some 255 managers have completed this module, and there was a sharp increase in applications in 2008, with three times more employees attending the course than in 2006. A second module covering the technical engineering aspects of sustainable development was developed in 2008 and will be available in 2009. This module will specifically look at energy-efficiency techniques, renewable energy and how to reduce the carbon footprint in the construction industry.
- A bilingual management training module, developed in conjunction with the Ideis training organisation, is now available for EIFFAGE Benelux.

On the first course, held in 2008, the 86 attendees were divided into four French-language and four Dutch-language groups.

- A delayed evaluation of the relevance of each completed course and its practical applicability is systematically carried out by the attendee and his/her line manager.

### The EIFFAGE Institute

The EIFFAGE Institute, in conjunction with the ESSEC business school, has already provided training for 180 Group executives covering a range of high-level management topics. For the first time in 2008 the Institute welcomed managers of seven different nationalities and all training was dispensed in English. This is creating a valuable skills pool upon which the Group has already drawn, as over half of the executives who have completed an EIFFAGE Institute course received a promotion in the year following the course.

### Personalised training

The construction industry continues to hire significant numbers of very young workers who are trained on the job, which means that employers may be faced with young people who have problems reading and/or writing. Illiterate employees often harbour a sense of shame and may not admit that they have a problem. This prevents them from properly understanding written site instructions and also acts as an obstacle to career development. The EIFFAGE Group has conducted several pilot schemes with the aim of providing employees with an opportunity to discuss their problems in confidentiality. Each situation is unique, however, and only a "personalised" training programme can meet the needs of these individuals.

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For example, Forclum Centre – Poitou-Charentes has introduced a basic skills training programme. The course, which is officially an introduction to computing in everyday life, also covers basic French language skills and fluency in oral expression. Ten volunteers, who had each already acquired practical and technical skills in their particular trade, attended the first course with the long-term objective of promotion to a position requiring the ability to work more independently.

### Employee share ownership

EIFFAGE has always been strongly committed to the idea that its employees, whether workers, journeymen or managers, should have the opportunity to own shares in their company.

This financial involvement by EIFFAGE employees has paid dividends since 2002, when EIFFAGE 2000 was transformed into an open-end employee investment trust, or SICAVAS.

This structure is unique in France and sets EIFFAGE apart from the other SBF 120 listed companies. In 2008 more

than 32,700 employees were members of the SICAV, representing 62% of the total workforce (56% in 2007). After 19 years of employee share ownership, employees now own 21.1% of the capital, via the SICAVAS (64,494 employees and former employees) and an employee investment fund ("FCPE" - 27,158 employees, in Europe and Senegal). In 2008 employees who had joined the Group less than two years previously were given the opportunity to apply for an attractive company loan, so that they too could become shareholders even though they have not yet accrued sufficient savings under the employee profit-sharing scheme.

### A firm commitment to integration, diversity and opportunities for the disabled

The EIFFAGE Group's social policy is reflected in the high level of employee share owners. Another natural manifestation of this corporate social conscience is the number of initiatives designed to promote integration and diversity.



EIFFAGE Shareholder's Meeting held on 25 June 2008 at the Mogador theatre, Paris.

### Hiring and training

NEW HIRING / DISMISSALS	New hiring fixed-term contracts	New hiring permanent contracts	Young recruits (under 30)	Dismissals/ redundancies	Temporary staff - monthly average	Overtime
Concessions	14	1	13	1	0	
APRR	145	122	133	35	232	1.4%
EIFFAGE Construction	513	1,201	1,105	347	2,374	2.3%
Holding	4	2	0	16	3	0.0%
EIFFAGE Travaux Publics	599	1,941	1,559	565	1,214	2.8%
Eiffel	228	398	415	63	968	2.6%
Forclum	614	1,306	1,178	221	2,238	0.2%
<b>TOTAL</b>	<b>2,117</b>	<b>4,971</b>	<b>4,403</b>	<b>1,248</b>	<b>7,028</b>	<b>1.9%</b>

AVERAGE SALARY 2008	Average monthly loaded salary - managers	Average monthly loaded salary - technical & supervisory	Average monthly loaded salary - workers & admin.	Average load rate
Concessions	10,372	2,478		1.40
APRR	6,986	3,774	3,230	1.45
EIFFAGE Construction	8,037	3,840	3,039	1.70
Holding	7,151	2,875		1.92
EIFFAGE Travaux Publics	7,540	3,929	2,872	1.68
Eiffel	6,823	3,836	2,913	1.54
Forclum	6,535	3,512	2,843	1.65
<b>TOTAL</b>	<b>7,058</b>	<b>3,319</b>	<b>2,733</b>	<b>1.65</b>

**SOCIAL, CULTURAL & SPORTING ACTIVITIES, CHARITABLE CONTRIBUTIONS 2008 (%)**

Concessions	1.33%
APRR	5.63%
EIFFAGE Construction	2.69%
EIFFAGE Travaux Publics	2.14%
Eiffel	3.43%
Forclum	3.70%
<b>TOTAL</b>	<b>3.04%</b>

In addition to the traditional methods of recruiting managers, technical and supervisory staff and workers with experience of the construction industry, EIFFAGE Travaux Publics put in place a recruitment policy a number of years ago which targets employees from very diverse backgrounds, with the objective of facilitating the integration of unqualified or socially precarious individuals who would otherwise be excluded from the world of work.

Four EIFFAGE Travaux Publics Academies have been set up to provide training, and over 800 tutors have been designated to facilitate the integration of this category of new recruits.



A mountain bike race at the EIFFAGE Challenge in June 2008.

Over and above these initiatives, the company has a corporate culture that fosters and builds on these values on a daily basis.

**EIFFAGE Travaux Publics: aptitude-based recruitment and initial training**

The St. Etienne branch of EIFFAGE TP Rhône-Alpes signed a cooperation agreement with the Rhône-Alpes Region in March 2008 with a view to offering training under the CARED scheme (*'contrat d'aide et de retour à l'emploi durable'*). The innovative aspect of this scheme is that the candidates were selected using a simulation program, and only their ability to perform the job was assessed. The 14 individuals were selected on the basis of their motivation to work on a construction site and their potential, despite their lack of experience and previous training. The aim of the CARED scheme is to provide training in basic skills to individuals with no previous work experience, the unqualified, the disabled, etc. The 350-hour form setter course is organised by the Loire CFA (public adult education centre) for the construction industry, and is followed by a period of work experience to ensure that candidates are capable of working in a team. The scheme has been very successful: of the 14 trainees, 10 have now signed an employment contract with EIFFAGE TP Rhône-Alpes.

The EIFFAGE TP Academies operate in partnership with the national association for adult vocational training (AFPA), job centres (*'Pôle-emplois'*) and local support centres for the young unemployed (*'Missions Locales'*) to offer young job-seekers vocational training and industrial placements in the Paris, Mediterranean, Rhône-Alpes and East regions.

**Forclum and EIFFAGE Construction: basic skills for the socially precarious**

The Group's active recruitment policy provides unqualified young people with an opportunity to obtain a qualification as an electrician (CAP or BEP school-leavers' certificate<sup>1</sup>), thanks to

**→ FOCUS ON THE EIFFAGE CHALLENGE**

The EIFFAGE Challenge was born from the Group's desire to use sport as a federating influence between EIFFAGE business units. In June 2008, 600 competitors took part in the 31st EIFFAGE Challenge in Boulouris on the Côte d'Azur. The event saw the introduction of new competitions, including ladies' football and rugby. The final of the men's football tournament was won by EIFFAGE Travaux Publics Méditerranée – Hérault branch, and the "Fair-Play Cup" was won by the German team from EDS Hanover. Some 230 competitors also took part in a range of more unusual sporting activities, including rock climbing, zip-lining, cross-country biking, orienteering and athletics, cheered on by a number of sporting personalities.

a partnership between Forclum and the AFORP, an association created by a local metalworking industry association to meet the employee training needs of industrial companies in the Paris region. EIFFAGE Construction also runs a similar scheme in partnership with Chambers of Commerce and major cities called the Second Chance School (*'École de la deuxième chance'*), which offers vocational training combined with industrial placements.

**Local integration**

**Clubs Régionaux d'Entreprises Pépinières pour l'Insertion (CREPI)**

In 1993 EIFFAGE founded the "Clubs Régionaux d'Entreprises Pépinières pour l'Insertion" (CREPI) to implement local integration programmes. These clubs are non-profit associations which bring together local companies from all industries and business sectors, to facilitate the professional integration of the long-term unemployed. The effectiveness of such a network of companies, capable of implementing resources and working with the public authorities on schemes to promote employment, has been clearly demonstrated. In 2008 the 12 clubs, 500 member companies and 30 permanent staff enabled over 1,000 individuals to find a job, including 234 with the EIFFAGE Group.

1. CAP = certificat d'aptitude professionnelle, BEP = brevet d'études professionnelles.



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Initiatives organised by the CREPI in 2008 included:

- the creation of a national federation of CREPI clubs, marked by a national convention held in Paris on 11 June 2008 under the patronage of Laurent Wauquiez, Secretary of State for Employment,
- working alongside the EIFFAGE Group to implement the charter promoting the professional integration of young people from disadvantaged urban areas, which was signed by EIFFAGE and Ms Fadela Amara, Secretary of State for Urban Areas, as part of the national "Espoir Banlieues" plan. The development of the CREPI network, with the creation of two new clubs in completely new areas in 2008:

- CREPI Loiret, based in Orleans,
  - CREPI Gironde, based in Bordeaux.
- There are plans to open clubs in Lorraine, Pyrénées-Atlantiques and the Loire region in 2009 (for further information please visit [www.crepi.org](http://www.crepi.org)).

### Local partners in every corner of France

Local integration and development actions also rely on the efficiency of the partnerships between Group subsidiaries and local integration, employment and training organisations. These include job centres and their career advisory services, PLIE schemes (*plan local d'insertion par l'économie*), which serve as an interface between the long-term unemployed and local

companies, local support centres for the young unemployed, the AREF association, which promotes vocational training within the construction industry, CARED schemes, CFA public-sector adult education centres, private companies, associations, temporary staff agencies, etc. Specific partnerships with employers' groups to promote integration and qualification within the construction industry (GEIQ BTP) have resulted in training workshops for the reintegration of prisoners, enabling them to work on a number of the Group's major projects.

### → ACCOMODATION SCHEME TO FACILITATE EMPLOYEE MOBILITY

After several successful pilot schemes conducted in connection with major projects, EIFFAGE Travaux Publics has developed partnerships with certain organisations that manage the mandatory employers' housing contributions ('PEEC' or '1% logement'), with a view to helping employees assigned to distant projects to find new accommodation quickly. The first such scheme was implemented for the construction of the Milau viaduct. This approach has since been successfully adopted in connection with a number of other projects (Perpignan-Figueras rail link, A65 motorway, etc.), and extended to employees of other companies working on these major projects. In 2008, EIFFAGE Travaux Publics decided to take things further and signed a new partnership agreement with two such organisations, with a view to setting up an accommodation search and advisory service for employees transferred to another area in order to work on a particular project, irrespective of its size, workforce or location. Under this new scheme, in addition to the accommodation search services, employees receive advice on signing tenancy agreements and preparing applications for financial aid.

### Promoting diversity

#### GENDER EQUALITY 2008

	Female employees (% of total)	
	Managers	Total workforce
Concessions	46.15	48.05
APRR	26.76	43.42
EIFFAGE Construction	14.3	9.79
Holding	15.64	16.48
EIFFAGE Travaux Publics	11.11	7.50
Eiffel	10.77	8.08
Forclum	10.3	9.99

### EIFFAGE's national commitment towards diversity

With over 100 nationalities represented within the Group, EIFFAGE practices diversity on a daily basis and signed the Diversity Charter in February 2006 to acknowledge this. EIFFAGE has also signed a number of other documents confirming its commitment to diversity, including the Charter for Equal Opportunities in Education and the Apprenticeship Charter. In May 2008, EIFFAGE signed the government's Espoir Banlieues plan, and in 2008 it offered over 1,500 career opportunities to young people aged under 26 from areas designated as deprived urban areas (*zones urbaines sensibles*) or as eligible areas under the national urban redevelopment plan (*contrat urbain de cohésion sociale*). This reaffirms the strong commitment of all EIFFAGE subsidiaries throughout

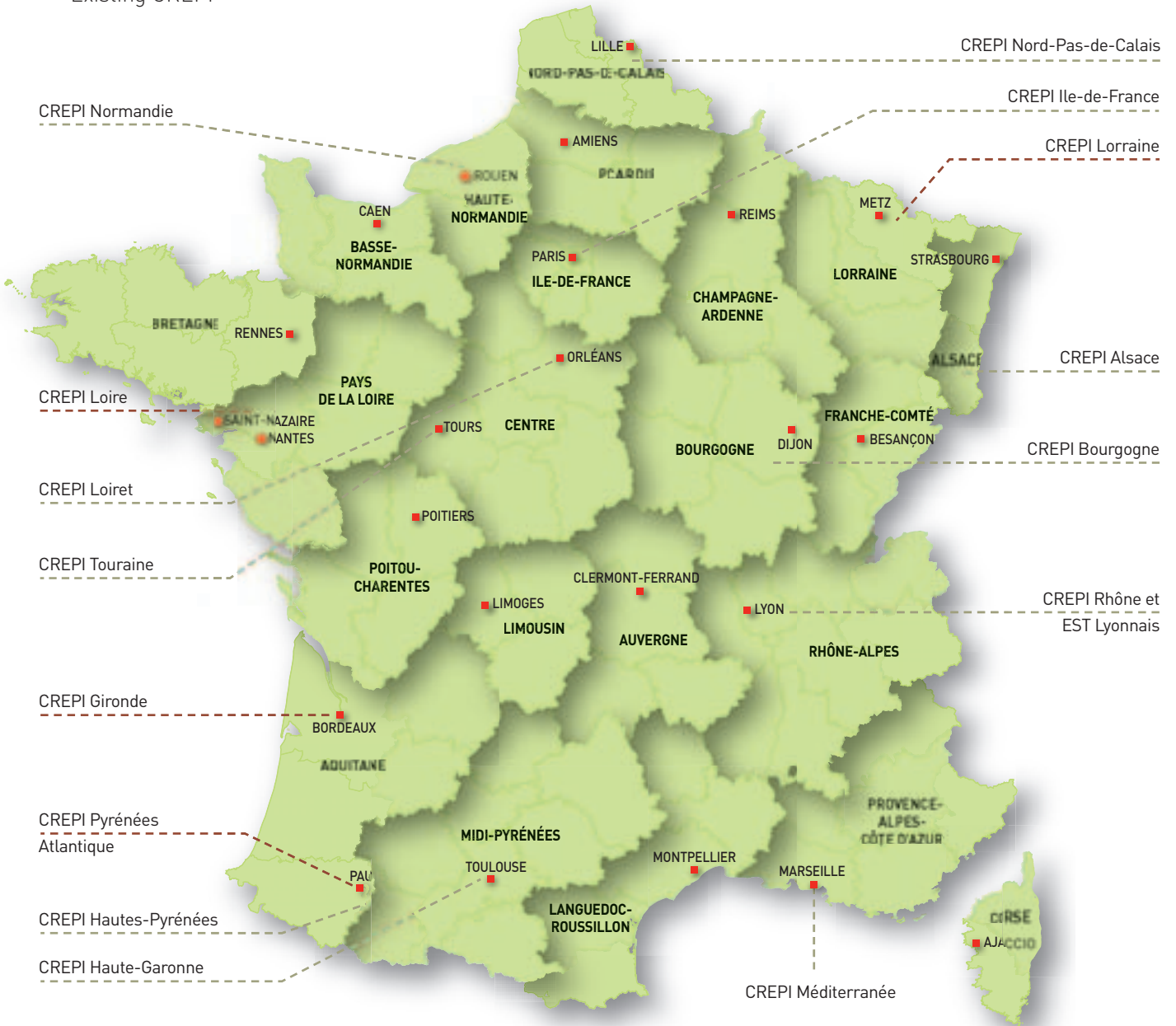
France. Over and above this initiative, EIFFAGE systematically uses local human resources on all its worksites, in particular for large projects lasting several years, and also undertakes to employ a guaranteed percentage of individuals in difficulty.

### Developing a Group-wide culture of diversity

The construction industry has been at the heart of the diversity issue for a number of decades. Traditionally a vector for immigration and integration, the industry is now also faced with an aging workforce and must address the need to attract and retain new recruits. Managers were made aware of these issues in 2008 through a number of CREF courses covering diversity. Over 800 managers attended courses last year.

## National network of CREPI employment integration clubs

- CREPI under creation
- Existing CREPI



### Innovative partnership with Lille university

Because issues relating to diversity need to be handled by specialists, EIFFAGE has decided to partner the first Masters degree in Diversity Management offered by the Institut d'Etudes Politiques (school of political science) in Lille. This Masters degree is designed to meet the needs of companies and organisations that

do not currently have internal resources capable of handling problems associated with equality and diversity. Under the partnership, seven course students were offered a placement with EIFFAGE and spent their time analysing strong points and areas for improvement in the Group's approach to diversity,

more specifically in Group subsidiaries in Lille and the surrounding area. They focused in particular on the policies of EIFFAGE Construction, EIFFAGE Travaux Publics and Forclum with regard to recruitment in deprived urban areas, particularly in northern France, in connection with the project to build Lille's new stadium.

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### Supporting the disabled

DISABLED EMPLOYEES 2008	Number of disabled employees (DOETH* form, section C)	Number of 'units' under contracts with specialist EA, CDTD or ESAT entities ** (DOETH form section D)	Allowances paid (DOETH form section N) (in €)
Concessions	1.22	0.55	4,285
APRR	68.34	3.13	299,749
EIFFAGE Construction Holding	307.68	18.72	287,355
EIFFAGE Travaux Publics	1	0.02	45,871
Eiffel	619.4	58.07	447,126
Forclum	141.56	3.19	140,883
	320.45	26.38	788,412
<b>TOTAL</b>	<b>1,459.65</b>	<b>110.06</b>	<b>2,013,681</b>

\* Déclaration obligatoire d'emploi des travailleurs handicapés - mandatory form for reporting on disabled employees.  
 \*\* A disabled employee counts as one or more 'units' depending on various criteria and the degree of disability.  
 "EA", "ESAT" and "CDTD" are organisations or schemes to promote and facilitate the employment of the disabled.

#### Disability audit

In 2008 Group Management confirmed that enabling any employee who suffers an accident at work to remain in employment within the Group is an absolute priority. Also in 2008, EIFFAGE's main divisions audited their situation regarding disabled employees, in partnership with AGEFIPH, an organisation commissioned by the State to develop employment of the disabled in the private sector. Action plans to remedy the weaknesses identified were then drawn up, all of which have a common denominator: the need to change attitudes towards the disabled and to increase employee awareness of the concept of 'differently-enabled'.

#### An ambitious disability programme for EIFFAGE Travaux Publics

Building on the findings of the AGEFIPH audit, EIFFAGE TP has asked AGEFIPH to help it implement its action plan and an agreement should be signed early in 2009. The plan focuses in particular on the following issues:

- recruitment of disabled employees,
  - continued employment of employees disabled due to an accident at work,
  - achieving a substantial and measured increase in Group purchases from service providers that essentially employ disabled persons.
- In the same context, an agreement was signed in December with a vocational training centre for the registered disabled in Belloy (Oise), which specialises in the construction

industry. The company has agreed to accept, assist and recruit several trainees.

EIFFAGE TP also ran a major internal information campaign on this issue:

- the Chairman of EIFFAGE TP issued a statement confirming the company's commitment to employment for the disabled, which was distributed to all employees in 2008;
- a poster designed to increase employee awareness was printed and displayed in all the division's establishments and on all worksites;
- a handbook was issued to all employees involved in recruitment and personnel management. It contains useful information, including the addresses of local organisations that help the disabled to find employment, and a description of the steps the company and the employee need to take to obtain financial aid from the Government.

#### Company-wide agreement on disability signed by AREA

In 2008 a company-wide agreement on disability was signed by all the relevant parties within AREA. The agreement covers the full range of disability issues, including how to provide employment for the disabled or maintain employment following a disability, as well as assistance and advice on recruitment, the integration of disabled employees and the career progress of employees who are or become disabled.

### External partners

#### EIFFAGE supports local development

##### Present in every corner of France

Via its many subsidiaries and establishments EIFFAGE is present throughout France and contributes to local economies, in close collaboration with the local authorities.

##### Showcase motorway services and rest areas

APRR has always played an important role in the economic development of the areas in which it operates. The Group listens carefully to the concerns and expectations of the local population, and works with its partners to offer a range of solutions in terms of road links, the smooth flow of traffic, road safety and the protection and enhancement of the local environment. This approach transforms the motorway from being merely a way of getting from A to B to becoming a showcase for the areas through which it passes. For example, users of the A40 motorway can visit a service area featuring a museum on the Bresse region, or stop at the 'Aire du Lac' and discover an exhibition on the architect Maurice Novarina, who designed this "motorway of the Titans". On the A31 the Dommartin services promote tourism in the Meurthe-et-Moselle area via innovative information points and «totem pole» signs. On the A6 motorway, known as the 'autoroute du soleil' or 'sunshine motorway', the Venoy-Gross Pierre service area near Auxerre is hosting an exhibition entitled "the sun: myths and reality", in partnership with a science museum and local companies committed to sustainable development. The same service area regularly presents exhibitions on renewable energy, featuring the latest developments such as vertical-axis wind turbines. Motorway users can also tune into the "Autoroute info" radio station, which mainly provides road traffic and safety information on the APRR and AREA networks. It attracts a large number

of listeners and also serves as a vector for promoting tourism and cultural events in the surrounding regions. Partnerships with local authorities and tourist organisations are constantly being developed to inform listeners about special products and services. The station also broadcasts interviews with craftsmen and businesses based near the motorway.

**Systematic consultation with partners**

*Eiffage is building on its policy of consultation with Comité 21*



In 2008 EIFFAGE was approved as a new member of Comité 21, the French Committee for the Environment and Sustainable Development, which was set up to implement the Agenda 21 action plan developed at the 1992 Rio World Summit. Under its aegis, EIFFAGE is committed to continuous and regular consultation of its external partners. The Committee began by drawing up a detailed map of EIFFAGE's external partners in April and May 2008.

These include conservation associations, consumer organisations, representatives of universities and business schools, representatives of suppliers and business partners, organisations and companies active in the renewable energy sector, representatives of local political bodies, etc. (EIFFAGE cannot publish the full list of partners who agreed to take part in this exercise, as its confidentiality was a fundamental requirement imposed by Comité 21). In accordance with Comité 21's usual methodology, EIFFAGE submitted a large number of documents to enable the participating external partners to obtain a clearer understanding of EIFFAGE's actions. These included its annual reports, sustainable development rating report, Bilan Carbone® carbon assessment and a presentation of its major projects such as the Perpignan-Figueras rail link and the A65 motorway]. The consultation process was organised in two stages:

- June 2008: a half-day meeting to listen to the views of the external partners was organised in the presence of Jean-François Roverato, EIFFAGE's Chairman and Managing Director, and representatives of the Group's operational divisions. Each partner in turn had the opportunity to comment on, criticise and/or ask questions about EIFFAGE's policy and actions. Minutes were sent out to all attendees one month after the meeting.
- The company responded in November 2008, after a thorough and exhaustive review of all the questions and criticisms. A half-day 'right-to-reply' meeting was held, at which Jean-François Roverato and the operational directors were able to discuss the issues raised. All attendees received minutes of the meeting.

The main conclusions drawn from this process are:

- EIFFAGE needs to present its sustainable development policy more clearly, with greater emphasis on its medium- and long-term strategies,
  - The sustainable development information intended for the general public needs to be improved, and the relevant pages on its website need to be reworked (this was done in January 2009),
  - A need for clearer visibility of EIFFAGE's commitments to cutting-edge sustainable development projects, such as the Phosphore project, as the partners felt media coverage had been insufficient (see page 86).
- The design and presentation of the sustainable development report have been modified to take into account the criticisms and suggestions made by the partners at these two meetings. This new experience was felt to be beneficial by all involved, and will be renewed in 2009.

**An essential part of all major projects**

The same spirit of consultation and partnership motivated EIFFAGE's decision concerning major projects for which it submits a tender within the framework of a public private partnership or concession. All tenders submitted by EIFFAGE systematically contain a chapter dedicated to consultation with local political bodies, businesses, associations and residents in the area concerned by the project. To ensure it is credible and effective, the Group always asks experienced, independent specialists to conduct this consultation phase, which requires careful planning and is on-going from the initial study phase until completion of the project. This initiative can be a valuable management tool, identifying adjustments that may be necessary.



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### The EIFFAGE Business Foundation

In 2008 the Group decided to create a foundation, with the motto "Construire ensemble un monde partagé" (building a shared world together). The Foundation's objective is to provide financial support - in a spirit of solidarity - for public-benefit projects and initiatives, in a number of different areas: professional integration, integration and social development in urban areas (cultural, sporting, social and other initiatives), solidarity, protection of the environment, etc.

The Foundation has been initially set up for five years, with overall funding of €1,500,000 (fully financed by EIFFAGE). Employees and former employees of EIFFAGE and its subsidiaries are directly invited to take part in this new initiative, by proposing and sponsoring projects, taking part in them and/or assessing their success. The Foundation may also develop its own projects. A selection committee comprising members of the Foundation's Board of Directors selects projects and allocates funding. The Foundation's Articles of Association were approved by the prefectural authority for the Hauts-de-Seine administrative area in May 2008. Following an initial request for proposals in September 2008, the Foundation received 44 applications, six of which were selected. The basic values underpinning each project are solidarity and integration. The selected projects are:

- A mountaineering course combined with the renovation of a mountain shelter, for teenagers and young adults living in Saint-Denis (on the outskirts of Paris).

- A language immersion trip to the USA for apprentices from Évreux (Normandy).
  - A sailing course in Argelès (French Riviera) for a mixed group of able-bodied and disabled individuals.
  - A car share scheme in and around Caen (Normandy) open to all, including students and job-seekers.
  - The creation of an all-female alcohol dependency support group in Troyes (Champagne-Ardenne).
  - Design, financing and construction of a joinery workshop in Cambodia as part of the École du Bois project which aims to provide underprivileged children and orphans with professional skills, in partnership with a French association based in Urrugne (Pyrénées-Atlantiques).
- All these projects are sponsored by Group employees. The Foundation thus acts as an additional lever for internal and social cohesion, complementing the Group's ten-year commitment embodied by the CREPI and their Federation.

### Two major projects for 2009

- The electrical work package for the renovation of Buren's columns in the courtyard of the Palais Royal, Paris, has been awarded to Forclum Ile-de-France. This project will provide a number of young people with an introduction to the profession at a highly prestigious site.
- The Foundation will be celebrating the 120th anniversary of the Eiffel Tower by paying for visits to the tower and the anniversary exhibition for children from 120 schools in Paris and its outskirts. Over 3,000 primary and secondary school pupils selected by the City of Paris in schools located in deprived areas will benefit from the generosity of the EIFFAGE Foundation.

### → ZOOM ON EIFFAGE AS A PATRON OF THE ARTS

Within the framework of the French Act of 4 January 2002 on patronage of the arts, EIFFAGE has joined forces with the Louvre to save a national treasure. The museum would like to purchase one of the most important paintings by Ingres, *Le Portrait du Comte Molé (1834)*, currently owned by a private collector. Its acquisition offers an opportunity for the Group to make a valuable contribution to the nation, and a unique opportunity for the Louvre's eight million visitors each year to discover this key work of art.



Brochure of the EIFFAGE enterprise foundation.

# Reducing our environmental footprint through measurements, innovation, cuts and offsets



Neuf Fontaines lake.



A pair of European mink (in Aquitaine).



Carex plants are rare in Aquitaine.

A Great Capricorn beetle.



EIFFAGE is the first construction company in France to have published its carbon assessment (Bilan Carbone®), in the 2007 edition of its sustainable development annual report.

This transparency represents a clean break with practices that were the norm only a few years ago. Making measurements and releasing the results are two aspects of the same approach, based on responsibility and efficiency. Clearly, we need to know – and prove – where we are starting from before we can claim to have moved forward.

This assessment, together with internally-developed measurement tools currently in the process of being certified, help the Group identify which items in its offering are responsible for the highest emissions, making it possible to prioritise carbon reduction efforts on the basis of verifiable quantitative data, thereby enhancing both transparency and efficiency.

It is also a sign of honesty with respect to the stated aim of participating in the carbon trading market in the future. Carbon is not the only area where the Group's activity affects the environment. Transparency and efficiency are the watchwords too, when it comes to determining new criteria for selecting environmentally-sound materials, chemicals and construction processes.

## Progress strategies and indicators

### Group-wide carbon assessment

Conducting a carbon assessment for a large industrial group is a complex, labour-intensive task, and a means to an end rather than an end in itself. Accordingly, a dedicated working group was established to process the carbon assessment results from each EIFFAGE division, refining them in order to obtain units of measurement that are consistent across the various divisions, in turn allowing results to be unambiguously compared.

Carbon assessments were also carried out at regional department and subsidiary level.

Within Forclum, for example, the process was rolled out in 2008 to include all regional departments and subsidiaries, thereby complying ahead of schedule with the requirements of Section IV, Clause 16 of the Grenelle environmental bill. A total of 63 carbon assessments were conducted, on a business-by-business basis, within this division alone.

These evaluations serve two purposes:

- Enable the volumes of greenhouse gas emissions generated by EIFFAGE activities to be accurately determined,
- Assess the carbon-dependence of these activities, with a view to targeting

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the “worst offender” sources first if large-scale corrective action is necessary.

Carbon assessments for each business unit provide a detailed indication of the impacts generated, which is a necessary prerequisite for mobilising staff at all levels to commit to greenhouse gas reduction initiatives.

EIFFAGE also intends to develop its internal carbon assessment expertise by training around forty employees to apply the Bilan Carbone® carbon assessment method developed by ADEME, the French environment and energy management agency. The aim is not only to regularly update the carbon assessments within the various divisions, but also to respond to growing demand from customers for systematic carbon assessment calculations for both planned and existing facilities.

### ISO 14001 certification

CERTIFICATION 2008	% revenues subject to certification	
	ISO 14001	ISO 9001
APRR	0.00%	100.00%
EIFFAGE Construction	66.32%	95.86%
EIFFAGE Travaux Publics	17.68%	85.07%
Eiffel (see § below)	0.00%	18.76%
Forclum	46.36%	82.01%

Since 2006, EIFFAGE has been a member of the panel of businesses participating in the “Carbon Disclosure Project”, which conducts annual evaluations of the responsiveness of large companies to climate change issues. This is achieved using a detailed questionnaire about emission-generating activities (<http://www.cdproject.net>).

As announced in the 2007 sustainable development report, work to roll out ISO 14001 environmental management

certification across the Group continued.

EIFFAGE Travaux Publics launched a proactive certification initiative with the aim of obtaining ISO 14001 certification covering all revenues in 2010.

It is hoped that the earthmoving and environment-related business units will achieve this by the end of 2009, with Road Construction and Public Works following in 2010. The current proportion of just 17.6% concerns industries that have already undertaken the appropriate certification efforts.

### New certification for Eiffel

At the Eiffel site in Lauterbourg, where a progressive environmental management policy has been in place for over a year, ISO 14001 certification was obtained in December 2008. This 370,000 sq. m facility (which includes 37,000 sq. m of covered premises subject to operating license requirements) carries out boilermaking activities and manufactures sluice-gates, bridges, walkways and other fabricated structures.

The new certification rewards the efforts made by the company, which was able to prove that careful consideration is given to assessing and then mitigating the environmental impact of its activities. The ISO 14001 certification rollout is set to continue in 2009, at Eiffel sites in Munch and Maizières-les-Metz. Camom also plans to have all of its activities certified.

### → IDENTIFYING AND ANTICIPATING APPLICATIONS OF THE KYOTO PROTOCOL

EIFFAGE's businesses are not currently subject to quotas under the terms of the European Union Emissions Trading Scheme (EU ETS), with the exception of the lime quarry in Bocahut<sup>(1)</sup> which is owned by EIFFAGE Travaux Publics. However, EIFFAGE considers that if climate-related tension was to worsen significantly, the possible policy responses include extending the application scope of EU ETS, and/or introducing a carbon tax on carbon emitting activities not subject to EU ETS. It is therefore prudent to understand and become familiar with the operation of the international carbon trading market.

In June, the Sustainable Development department hosted a “Carbon Finance” conference given by Ecosecurities, the leading international specialist in the field.

This two-day meeting provided an opportunity for 24 executives from all EIFFAGE divisions to gain an in-depth yet pragmatic insight into the various mechanisms established by the Kyoto protocol, and to identify – with the help of case studies – the EIFFAGE projects concerned by the Clean Development Mechanism (CDM) and the Joint Implementation (JI) mechanism. As a direct consequence of this conference, two Joint Implementation applications relating to projects for biomass-fired boilers at hospitals were subsequently submitted to Caisse des Dépôts in response to a call for projects in the area of “domestic projects” that use renewable energy instead of a fossil energy source in a new or existing heating installation (Ref.: MIES 005).

A design-build-run project for a wind farm in Saint-Louis in Senegal was also audited with a view to preparing an application under the Clean Development Mechanism, once the practicalities of the Kyoto Protocol post-2012 have been established (further to the United Nations conference on climate change that will be held in Copenhagen over the period 7-18 December 2009).

[1] The carbon dioxide emission quota allocated to Bocahut quarry for the period 2008-2012 is 653,695 tonnes, equivalent to 130,179 tonnes per year (government order of 31 May 2007).

## Reducing the environmental impact of our customer offering

### Decision-making support for customers – special “carbon calculators” for each business line

Nowadays, environmental precautions, especially limiting greenhouse gas emissions during the construction and operation of buildings and infrastructure, are given careful consideration when developing a customer offering.

However, it is also important for contractors and customers to “speak the same language” when it comes to environmental issues. To this end, EIFFAGE has developed several calculators that enable environmental criteria to be expressed in objective terms and offer a means to prove environmental merits to customers by accurately calculating the greenhouse gas emissions generated by the various construction businesses.

#### **The EIFFAGE Travaux Publics carbon calculator**

The carbon dioxide calculator devised by EIFFAGE Travaux Publics staff allows a client to compare, in advance, the respective “carbon costs” of several alternative solutions with that of the basic solution envisaged for their project. The calculator achieves this by systematically converting all of the physical operations entailed in the project into their carbon dioxide- and energy-equivalents. In practical terms, the calculation software includes a database with information relating to products and materials, together with the equipment required in order to manufacture, transport and use them. The application also features a calculation module that instantly evaluates a project in terms of carbon dioxide and energy, based on a cost estimate. The calculator provides a detailed and easy-to-read comparison of the various technical solutions offered by the Group. Although originally developed for road construction, external works and

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#### **REPORT ON THE REVIEW BY ONE OF THE STATUTORY AUDITORS OF THE PROCESS USED TO PREPARE DATA BASED ON THE CARBON CALCULATOR DEVELOPED BY EIFFAGE TRAVAUX PUBLICS**

In our capacity as the Statutory Auditor of EIFFAGE, we were commissioned to review the carbon calculator developed and used by EIFFAGE Travaux Publics. This tool was designed under the responsibility of EIFFAGE Travaux Publics Executive Management so as to comply with the standards ISO 14040 and ISO 14044.

#### **Nature and scope of our review**

Our review was conducted:

- at the EIFFAGE Group’s head office:
    - with members of the Sustainable Development department,
  - at the EIFFAGE Travaux Publics Group’s head office:
    - with members of the Engineering department,
    - with members of the Equipment department,
    - with members of the R&D department.
  - within EIFFAGE Group business units, with the correspondents responsible for using the carbon calculator:
    - APPIA Champagne,
    - APPIA Rhône.
- The work consisted in:
- verifying that the calculator’s methodology guide was produced in accordance with the provisions of the standards ISO 14040 and ISO 14044,

- analysing the methods and calculation formulas used in the light of the methodology guide, checking that the calculator’s data sheet architecture is correct and ensuring that the calculation formulas function correctly,
- verifying that the quantified data (relating to emission factors and energy efficiency) used by the calculator is consistent with that generally used in the corresponding fields. Our firm’s sustainable development specialists assisted with this review.

#### **Conclusion**

On the basis of our review, we wish to make the following observation: we identified a need for improvements concerning certain coefficients used in the calculations, and for improvements relating to data security and supervision of the use of the calculator by EIFFAGE Travaux Publics engineering offices. Other than the above, we have no comments regarding the process for preparing data based on the EIFFAGE Travaux Publics carbon calculator, in particular regarding the architecture of the calculator’s data sheets, the traceability of the data used or the operation of the calculation formulas.

Neuilly-sur-Seine, 27 March 2009

One of the statutory auditors  
PricewaterhouseCoopers Audit  
Yan Ricaud  
Partner  
Statutory Auditor

Thierry Raes  
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Sustainable Development department

earthmoving projects, carbon dioxide calculator results are now included with the cost estimates for all proposals with one or more variants. Accordingly, the carbon dioxide cost calculation complies with recently-introduced provisions of the Public Contracting Code for contracts awarded based on environmental as well as technical and financial scoring. In February 2009, this tool was reviewed by Pricewaterhouse Coopers. The auditors’ findings are shown above. An equivalent tool is to be developed for the civil engineering business in 2009.

#### **The construction materials life cycle analyser developed by EIFFAGE Construction**

The life cycle assessment (LCA) method uses qualitative and quantitative indicators to describe the main environmental characteristics of a product, from the extraction of its raw materials to its end-of-life disposal. EIFFAGE Construction has developed a “Product LCA Calculator” based on environmental and health data sheets. These data sheets can be used, in a study conducted in accordance with the standard NF P01-010, to produce an environmental



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assessment of the construction materials used in a project, with a view to minimising any impacts on the environment and health. The "Product LCA Calculator" includes a database containing information about the impacts of construction materials and products, which is collated in a series of ten indicators (CO2 emissions, energy, waste, water, etc.). It is simple to use, and intended for all involved in selecting construction products. This software is able to calculate carbon assessment (Bilan Carbone®) results for materials based directly on the choice of construction solution.

### **Forclum's heat and climate calculator**

The heat and climate calculator developed by Forclum has now been rolled out to the various businesses of Forclim Île-de-France via a solution named Forclim'eco 1.0. This tool is innovative inasmuch as it enables the user to easily compare both heating and cooling energy consumption, providing clients with a useful guide when it comes to selecting the most energy-efficient solution. Depending on the nature of the planned system (new-build, modification, etc.), the calculator combines a series of parameters –power ratings, losses and consumption, for example– to reveal the energy consumption profiles specific to the various proposed heating, ventilation, cooling and domestic water heating installation scenarios. Forclim'eco 1.0, which is particularly well-suited to new-build and renovation projects involving commercial buildings and apartment blocks, is also able to convert the energy consumption results in order to quantify the corresponding greenhouse gas emissions.

### **Reducing impacts and pollution**

In France, a national plan (officialised in a 2003 government order) calls for the decontamination or elimination of all electrical appliances containing polychlorobiphenyls (PCBs), which are highly toxic, essentially non-biodegradable substances. All PCB-containing transformers are required to have been replaced or converted by the end of 2010. In this context, Forclum offers to assist customers in their regulatory compliance efforts, by providing transportation for the affected transformers, the corresponding PCB dosages, and safe storage facilities (including retention barriers, shelters, tarpaulins, etc.), and by forwarding the equipment either for repairs or to have the PCB reprocessed, depending on the customer's decision.

### **Selective waste sorting on motorways**

APRR and Eco-Emballages have joined forces, setting up a voluntary scheme to roll out selective waste collection to all publicly-accessible sites on the motorway network. Introducing recycling points at rest areas, service areas and toll barriers (in the first operation of its type in the motorway sector) helps to promote waste sorting, with the aim of turning this responsible gesture into a natural, everyday reflex. By investing in the necessary equipment on the motorway network, APRR is helping to relay the efforts being made by councils in this area. This initiative will encourage the emergence of local recycling industries so that waste is managed in a manner consistent with the selective sorting scheme. This in turn will help preserve local employment and minimise transport-related greenhouse gas emissions. To date, 471 voluntary disposal points have been provided for customers on motorways operated by APRR.

### **Fostering exemplary practice within the Group**

EIFFAGE is well aware that efforts to protect the environment must be replicated on all levels, in all divisions and at all worksites, however large or small. To this end, the Group has stepped up the number of initiatives involving employees in their day-to-day working lives.

### **Sustainably clean project sites – Setting an example in the area of waste management and soil pollution**

#### **Soil treatment – Surveys, analyses and restoration**

In 2008, EIFFAGE strengthened its commitment to environmental protection by carrying out a practical initiative in the area of soil treatment. EIFFAGE Construction conducted an audit of its activities at all of its plant depots in France, identifying any environmental damage arising out of past and present activities. Where justified by the sensitivity of the local environment and the potential impacts, soil and water sampling campaigns were conducted at geographical intervals determined with the help of Antea engineering consultants.

This study has led to practical moves to mitigate environmental impacts: activities at plant depots (crane maintenance, formwork cleaning, equipment sandblasting and painting, refuelling, etc.) are carried out via an environmentally-friendly approach, and the ground is protected –for example by removing any leaking

tanks- before treating the soil, if necessary.

**Managing and recovering project waste**

The act (passed on 1 August 2008) on environmental responsibility and the requirements of the Grenelle

environmental summit have significantly tightened the regulatory framework governing the management and recovery of waste from project sites. These changes have prompted EIFFAGE to rethink its approach to selecting waste management service providers. Throughout France,

the Group's Quality, Environment and Purchasing correspondents have selected companies whose waste collection, disposal and recovery activities comply with the Environmental Code. This action is totally in keeping with the Group's ongoing ISO 14001 certification efforts.

**Practical steps for reducing greenhouse gas emissions... intended for everybody, every day**

2008 CONSUMPTION	Consumption of diesel, petrol and kerosene (in L)	Total fuel consumption (in L)	Total aggregate consumption (in tonnes)
Concessions	29,000	45,000	
APRR	5,807,167	7,059,295	
EIFFAGE Construction	8,346,225	9,166,637	
Holding	38,000	38,000	
EIFFAGE Travaux Publics	46,747,123	108,533,930	35,411,163
Eiffel	2,097,122	2,543,044	
Forclum	21,704,686	22,976,866	
<b>TOTAL</b>	<b>84,769,323</b>	<b>150,362,772</b>	<b>35,411,163</b>

Any action that sets out to cut greenhouse gas emissions is treated positively. Although reducing greenhouse gas emissions in the customer offering is a major strategic issue, resulting in significant reductions in absolute terms, initiatives relating to the Group's internal environmental management are also strongly encouraged. Forclum has already introduced a number of pilot measures, which will be analysed at the end of 2009 with a view to rolling them out throughout the division. Although some of these reforms are relatively modest, the underlying aim is clearly to replicate them across all EIFFAGE divisions and in so doing help to cut greenhouse gas emissions

from our project sites on a day-to-day basis.

The long list of such initiatives includes:

- Introducing (on a trial basis) all-electric vehicles, notably at oil industry facilities where Forclum carries out electrical maintenance,
- Replacing conventional roof-racks with lightweight, removable bars on 60 vans operated by Forclum Aquitaine Limousin. This pilot scheme resulted in a 10-15% reduction in fuel consumption in 2008,
- Trialling the use of an electrically-powered access platform mounted on a conventional internal-combustion engine driven base vehicle, thereby eliminating greenhouse gas emissions while the access platform is being used in a static position. This innovative configuration, devised by Forclum Rhône-Alpes, also significantly reduces the noise generated by the engine's operation. This access platform is also equipped with a container-based waste sorting system incorporated into the base vehicle's chassis,
- Encouraging car pooling at project sites. For example, Chenal Électricité, a Forclum subsidiary with 16 employees, has incorporated an employee travel

plan into the site management strategy for the Refuge du Golf project in Flaine. These travel arrangements saved 150 unnecessary round trips in private cars and saved 600 litres of diesel at the site. Following the success of this initial project, Chenal Électricité is rolling out the approach to other projects,

- Forclum Méditerranée and a third-party supplier are working together to develop a system to enrich air with hydrogen, based on the continuous electrolysis of water. Early results point to a 20% fuel saving in light commercial vehicles,
- TPAM, a Forclum subsidiary that specialises in pipe production and pipe-laying in trenches, is pioneering the use of geotextiles as a means of protecting sheaths against crushing, rather than the conventional layer of sand laid along the floor of the trench. The main benefit of this solution is that everything can be supplied in a single delivery, eliminating the truck rotations that were previously necessary in order to bring in the sand.

At the first site where this new method was used (the RN150 road in Charente-Maritime), nearly 2,000 litres of fuel were saved.



# sustainable

## DEVELOPMENT

■ APRR has chosen to limit personnel movements by rolling out the use of video-conferencing; to date, the necessary equipment has been installed in 12 rooms, which are used for internal and external meetings.

### EIFFAGE's new environmental business lines

All of EIFFAGE's business lines, and public works and motorway concessions in particular, are directly concerned by the challenge of protecting the environment and preserving biodiversity. Although largely unfamiliar to the general public, EIFFAGE's activities in this area are significant. For example, agro-environmental agreements concerning more than 2,000 hectares of woods and farmland along the A39, A49, A406, A432 and A65 motorways (the last of which is currently under construction) have been reached with their respective owners. These agreements are part of a series of environmental offset measures intended to benefit plants and wildlife. The strength of EIFFAGE's determination to protect biodiversity prompted the Group to enter into a partnership with the geography institute of the Sorbonne university in Paris, in June 2008. Students in the final year of their Environmental Studies master's degree spent a semester producing a biodiversity charter that would be adopted by all EIFFAGE divisions. This charter, which is currently going through the approval process, is to be

presented to EIFFAGE General Management by the summer of 2009. A number of major linear infrastructure projects were designed and partly or fully built in 2008, including the Perpignan-Figueras high-speed rail link and two motorway projects: the A65 motorway between Pau and Langon (150 km), for which the concession contract was awarded to A'Liéonor, a subsidiary of EIFFAGE (65%) and Sanef (35%); and the A406 southern bypass around Mâcon (10 km), for which Autoroutes Paris-Rhin-Rhône (APRR) won the concession.

The complexity of the impact mitigation and environmental offset processes involved with linear infrastructure projects prompted EIFFAGE to develop advanced environmental engineering expertise relating to various issues in both the construction and operating phases, including:

- Preventing and managing pollution during the construction phase,
- Safeguarding archaeological heritage,
- Protecting against noise nuisance,
- Blending structures and infrastructure into their surroundings,
- Maintaining and restoring the unobstructed passage of water and wildlife,
- Preserving biodiversity,
- Establishing long-term environmental offsets where areas of particular interest are impacted.

### Environmental considerations at every stage of the Perpignan-Figueras rail link project, from route selection to waste management

The environmental dimension of the Perpignan-Figueras high-speed rail link project was incorporated at the design stage. In order to define a route that would have the least impact on its environment, the original state of the ecosystems through which the line would pass was audited before work began. This audit took the form of impact studies included in the French contractual documents ("*Étude d'impact préalable à la Déclaration d'utilité publique*" and government undertakings) and their Spanish counterparts ("*Estudio de Impacto Ambiental*" and "*Declaracion de Impacto Ambiental*"). Archaeological excavations were also carried out before the concession came into effect, in order to safeguard heritage that might otherwise be overlooked (see page 73). In addition to these environmental commitments made by the French and Spanish governments, the concession-holder, TP Ferro (a jointly-owned subsidiary of EIFFAGE and ACS) has proposed a route that reconciles the technical constraints inherent to the construction of a high-speed rail line with the environmental considerations, which include siting the line away from inhabited areas, avoiding sensitive natural habitats, preserving cultural heritage and successfully integrating the line into the environment.

OFFSET (in hectares)	A49	A39	A406	A432	Total
Ponds, lakes and aquatic ecosystems		19.5			19.5
Wetlands		101	274		375
Aquatic ecosystems and/or wetlands	51				51
Wooded areas		110		3	113
<b>TOTAL</b>	<b>51</b>	<b>230.5</b>	<b>274</b>	<b>3</b>	<b>558.5</b>



Dummy tunnel mouths at the exit of the Perpignan-Figueras high-speed line.

Archeological excavation in Trouillas – Photo: INRAP.



EIFFAGE teamed up with Végétude, a specialist consulting firm, to have the line blend effectively into the landscape; particular emphasis was placed on landscaping the line in keeping with its natural surroundings. To give an example, as it approaches the northern end of the Perthus tunnel, the line runs through a cutting almost 40 m deep at its lowest point. The sides of the cutting were made to form shallow slopes (using spoil from Esplanes), thereby creating a substrate that would be easily colonised by spontaneous and planted vegetation and minimising the risk of landslides. EIFFAGE's construction subsidiaries went to great lengths to protect the soil, rivers, streams and groundwater systems, and to preserve the biodiversity of the ecosystems impacted by the line, prevent and mitigate dust and noise nuisances and manage the waste produced during the work (via mitigation, identification, sorting and recovery solutions, for example). For this project, EIFFAGE's civil engineering and earthmoving subsidiaries launched an ISO 14001 environmental certification process. This certification was obtained in 2006, for the French operations, in recognition of EIFFAGE's strong commitment to environmental protection.

→ COMPANY CARS AND MILEAGE ALLOWANCES

EIFFAGE's carbon assessment revealed the scale of the carbon emissions generated by travel to and from work in all divisions. In June 2008, General Management therefore decided to revise the list of company cars assigned to EIFFAGE executives to include only models emitting less than 158 g of CO<sub>2</sub>/km. Furthermore, the mileage allowances of employees who use their own means of transport are also weighted according to their vehicle's carbon dioxide emissions. These measures apply to employees in all divisions, reflecting the concern for environmental issues in employees' everyday lives.

**Motorway infrastructure that blends into its surroundings**

*The A65 - A motorway in the spirit of the Grenelle environmental summit*

As the first French motorway built after the Grenelle environmental summit, the A65 had a duty to set a good example in terms of protecting the environment and preserving biodiversity, in keeping with the consultation process inherent to projects with fundamental consequences for a region's future.

→ SAFEGUARDING ARCHEOLOGICAL HERITAGE: EXCAVATIONS ALONG THE PERPIGNAN-FIGUERAS HIGH-SPEED RAIL LINK

Town/village	Site name	Period	Remains found	Area involved
Montesquieu-des-Albères	Trompettes basses	Early stone age Middle stone age 4200-4300 B.C.	Earthenware (pottery & vases) and stoneware items (polished axes and flints), food stores, fire pits and post-holes	16,500 m <sup>2</sup>
Trouillas	Canterrane	Medieval 10th century	Earthenware vases, food stores	3,600 m <sup>2</sup>
Trouillas	Mas Domenech	Early stone age 4200-4300 B.C.	Food stores	1,500-2,000 m <sup>2</sup>
Banyuls-dels-Aspres	Vignes de l'espérance	Protohistoric Iron age 5-6th century B.C.	Food stores and post holes (remains of broken vases and refuse heaps)	320 m <sup>2</sup>
Toulouges	Balthaza	Early medieval 6-7th century A.D.	Signs of agricultural crops, organisation of farming plots, plot boundary trenches	22,400 m <sup>2</sup>
Ponteilla	Manresses	Early medieval 6-7th century A.D.	Food stores and post holes	Area to be defined
Ponteilla	Dépôt 3.6	Stone age or bronze age 800-1000 B.C.	Small stone-lined pits	4,200 m <sup>2</sup>

# sustainable

## DEVELOPMENT

### Begin by mitigating the impact

Right from the project's earliest design studies, A'liénor and Eiffage Travaux Publics strove constantly to integrate the structure seamlessly with its natural, economic and social environment.

To this end, they organised in-depth consultations with local residents and elected officials from the 52 towns and villages concerned. At the end of this process of constant dialogue the precise route of the motorway was defined, and adjusted within the 300 m wide strip of land deemed to be of public interest so as to avoid disruption to the ecosystems through which it passes. The choices made were guided by the desire to preserve quality of life and protect the environment, as well as by the issues of territorial

contiguity, the economic benefits and the consequences in terms of safety and convenience.

For example, particular attention was paid to minimising noise-related nuisances and to landscaping the motorway, through measures such as sculpting the terrain to conceal the road and erecting noise-abating acoustic screens. Plantations of trees and shrubs were planned, to complete the task of blending the structure into the site. Special care was taken in areas containing historical monuments, such as Château Boscage in Gironde, Bostens mill in the Landes and Château Viven in Pyrénées-Atlantiques. Regarding the environment, the project designers sought to preserve water resources

and protected species. The motorway crosses around sixty significant rivers and as many outstanding wetland areas as it runs through Gascony, and it was essential to prevent the structure from obstructing natural water flows, which would risk creating flood plains. Accordingly, no fewer than 15 viaducts and 51 special-purpose structures were planned, to maintain this "transparency" in terms of water movements without disrupting traditional uses of water resources such as fishing, crop irrigation and domestic water supplies. The same precautionary principles guided the action to protect plants and wildlife. In addition to the preliminary studies and investigations conducted by the government, A'liénor carried out its own research. An exhaustive catalogue of the species found along the route was then drawn up, to obtain a more thorough understanding of the ecosystems crossed by the motorway. This data was used to accurately fit the route having the least impact within the 300 m corridor, adjusting it to avoid outstanding areas such as those adjacent to the stream in Luy de France (bat roosts) and in Pouydesseaux (rare species of orchid), Toupiey (batrachian breeding grounds) and Ludon (Carex, a rare plant). In addition to the routing considerations, the infrastructure was designed to avoid compromising ecosystem functionality. Almost 300 structures were built to provide safe passage for small semi-aquatic animals. Design features were also included to facilitate movements by fish and amphibians. All in all, some 500 animal crossings will be built, to ensure that the project is also transparent from an ecological perspective. To keep both animals and motorists safe, a network of fences suited to the species living in the area will funnel animals towards these crossings.

### Offset any residual impacts

Despite taking extensive precautions, it was not always possible to completely avoid areas of natural interest. Of the 1,500 hectares required for the construction of the A65

## → IMPACT MITIGATION AND ENVIRONMENTAL OFFSET IN LINEAR INFRASTRUCTURE CONSTRUCTION PROJECTS

### 1. Impact mitigation

- Adapt the route to minimise the environmental impact within the 300 m corridor defined in the public interest declaration,
- Address landscape integration issues: crossings; work near historical monuments; landscaping and special-purpose planting,
- Address the need for unobstructed water flow by sizing river crossings to mitigate their environmental impact,
- Ensure that the structure is "ecologically transparent" by building appropriate animal crossings, depending on the species concerned: maintaining a minimal flow of water in streams prone to drying-up (for fish and crayfish); building toad tunnels and frog-friendly pools (for batrachians); establishing dry conduits and banks (for otters and mink); making wide overhead crossings (for medium-sized and large animals), and pollarding trees (for bats and butterflies).

### 2. Environmental offset

- Achieve a thorough understanding of the impacted habitats and biotopes: additional studies commissioned from independent experts; monitoring and counting activities for protected species,
- Cooperate and consult with partners in the field (including local authorities, nature conservation societies, hunting associations and government and research communities), implementing a joined-up approach to environmental offset measures,
- Justify the choice of offset sites and the type of restoration work,
- Set out the principles by which the land selected for offset sites will be managed: agreements with owners, "integrated operation" specifications compatible with biodiversity preservation goals, monitoring and maintenance by appropriate parties,
- Introduce a species monitoring system with the aid of recognised independent experts,
- Set up a scientific committee to assess the offset measures and adjust them as necessary,
- Produce species restoration plans and devise sponsorship activities at the concession-holder's initiative: additional studies (surveys, behaviour studies, etc.); safeguard protected species over the long term; create monitoring and maintenance units; and organise rearing programmes and operations to reintroduce species into the designated conservation areas.

→ **APRR PUBLISHES “MOTORWAY STORIES”  
PROMOTING SUSTAINABLE DEVELOPMENT**

APRR has launched a new collection of booklets aimed at employees and the general public, under the heading “Motorway Stories – On the road to sustainable development” (*Les carnets d’autoroutes sur le chemin du développement durable*). These booklets describe projects carried out by APRR, whether alone or alongside other participants, that aim to safeguard the environment, preserve biodiversity and allow infrastructure to blend into the landscape more effectively, as well as reporting on APRR initiatives in often unfamiliar technical areas. The first volume in the series, featuring But lake in Bresse, explains how a motorway construction project led to a wetland being saved, preserving the royal fern and a rare species of dragonfly. The aim of these booklets is to share the experience and knowledge acquired while implementing offset measures to compensate for the consequences of new infrastructure. The second in the series explores how best to manage rainwater on a motorway, turning runoff from a nuisance that must be cleared from the road into a precious resource that must be kept pure at all costs. A third “*Carnet d’Autoroutes*” is to be published in 2009, looking at animal crossings designed for the various wildlife species encountered along motorways.

Gascony motorway, 590 hectares deemed to be “of interest” in terms of plants and wildlife were affected by the project. To compensate for this impact, A’liénor agreed to restore 1,472 hectares of damaged natural habitat and then play a conservation role during the 55-year life of the concession.

These compensatory measures are being implemented in selected areas in the vicinity of the main ecological corridors, to complement the existing nature areas and form coherent spaces well-suited to accommodating displaced species. To promote farming practices that help to preserve biodiversity, A’liénor teamed up with local arable and livestock farmers and foresters, signing purchase protocols and management agreements concerning a number of offset sites. A total of €120 million will be spent on environmental protection and sustainable development for the A65 project, a figure equivalent to 15% of the cost of building the motorway.

***The A406 Mâcon southern bypass motorway – Preserving biotopes is a key project priority***

APRR began by conducting no fewer than five impact assessment studies in its efforts to develop a motorway project that would blend into the natural environment and avoid disruption to plants, wildlife and natural habitats. This invaluable research, which was carried out in conjunction with the national nature conservation association (*Conseil national de la protection de la nature - CNPN*) and the regional departments of the environment, provided a basis for responding to environmental offset requests by accurately identifying the most appropriate compensatory measures for preserving or even creating wetland areas, which are

particularly attractive but threatened natural habitats offering exceptional biodiversity. The purpose of most of the offset areas is to preserve the habitat of the corncrake, a rare and protected bird covered by a national restoration plan. To support this effort, EIFFAGE and APRR agreed to form partnerships with farmers and foresters working the land on each bank of the river Saône. The chamber of agriculture in the Ain department is involved in prospecting potential sites and implementing the environmental offset scheme. Agreements were also signed with farmers to encourage farming practices that help to achieve the goals of maintaining the corncrake population. These include harvesting only once a year, in late July, thereby avoiding the corncrake mating and nesting seasons, and harvesting from the centre of each field outwards, to avoid trapping any juvenile birds unable to fly away. Furthermore, in order to maintain the contiguity of the ecological corridors, special structures will be built on the Saône plain to ensure the unobstructed flow of water, and another to allow large animals to cross the race in Communion. Certain reptiles and batrachians will be relocated to existing ponds or to alternative, reconstituted habitats. Offset areas are also being prepared for plants, and in particular for the narrow-leaved water-dropwort, which is a protected species. Building the 9.5 km long A406 motorway will require environmental offsets covering a total area of 275 hectares and lasting until 2032 (220 hectares for notable animal species, especially the corncrake, and 55 hectares to help preserve outstanding plants, in particular the narrow-leaved water-dropwort).



The first issue in the “*Carnets d’Autoroutes*” collection featuring But lake in Bresse.

Corncrake on the Val-de-Saône flood plain.



# sustainable DEVELOPMENT

## Activities committed to sustainable construction

As an OEM, EIFFAGE is able to handle all stages of the design, construction and operation of a large range of construction projects and engineering structures. This expertise regarding all the issues that in any way relate to its core business gives the Group the necessary skills and perspective to pursue a consistent, long-term approach to sustainable construction.

### Encouraging green construction

#### Choosing green products and materials

Each year, EIFFAGE purchases products and materials representing 70% of its annual revenues. In its 2007 Sustainable Development report, the section on the Group's carbon assessment lists the proportions of input materials, by division, which vary from 56% (EIFFAGE Travaux publics) to 66% (EIFFAGE Construction), 72% (Forclum) and as much as 85% (Eiffel).

Clearly, the strategic importance of controlling the supply chain, cooperation with suppliers and careful product selection cannot be stressed enough, both to reduce the Group's environmental footprint and to facilitate access to innovations involving products and materials that offer sustainable development benefits.

#### An environmentally-friendly purchasing catalogue

The purchasing e-catalogue, populated with life cycle analysis data generated by EIFFAGE Construction's "LCA calculator", is produced jointly by EIFFAGE Construction's Environment & Quality department and by Purchasing. This tool makes it possible to compare products directly by displaying the environmental benefits and drawbacks of each, to help decision-makers choose between them. To date, the e-catalogue contains evaluations of more than

2,200 products and materials, based on analyses using data from the corresponding environmental and health data sheets, carbon assessments and life cycle analyses. It automatically performs an overall calculation of the environmental impacts of the materials required for a project, and is a *sine qua non* for achieving Target 2 under the terms of reference for the NF HQE® high environmental quality process specific to service sector buildings. All buyers and any other EIFFAGE Construction employees who purchase goods now have an outstanding decision-making tool at their disposal, and new products are added to the system every month.

#### A purchasing policy that reflects the Group's social and environmental commitments, at each stage from supplier selection to routine evaluation

First and foremost, EIFFAGE expects its suppliers and subcontractors to abide by a set of principles intended to help them reach the same standard of excellence in terms of environmental, social and corporate responsibility that the Group sets for itself. In addition to conventional action in the area of responsible purchasing, entailing selecting suppliers and service providers based on their commitments (in particular, to the ten principles of the Global Compact), and their environmental certifications and strategies for progress, EIFFAGE has focused on implementing a system to assess suppliers in terms of their social responsibility, as well as



The Volta building in Saint-Denis. This HQE® building designed by the architects BDV Associés is to be Forclum's new headquarters.

Environmental and health  
data sheet.



introducing guidelines for sustainable purchasing, with the assistance of Achat Concept Eco, a specialist provider of auditing services in this area.

<b>SUBCONTRACTING 2008</b>	<b>Share of work subcontracted outside the Group (in %)</b>
Concessions	0
APRR	0.59
EIFFAGE Construction	40.98
EIFFAGE Travaux Publics	7.69
Eiffel	14.19
Forclum	10.92
<b>TOTAL</b>	<b>17.6</b>

In 2008, EIFFAGE also formalised the ways in which it helps the various divisions comply with the Group's requirements relating to disabled workers, via a positive-discrimination purchasing policy in favour of organisations and services supporting disabled workers (*Établissements et services d'aide par le travail - ESAT*), as well as incentives negotiated with temporary employment agencies. Lastly, in December 2008, EIFFAGE introduced a code of conduct for all

buyers and any other employees making purchases on behalf of Group companies, setting out rules of behaviour and ethical standards specific to the field of activity and practices of the Purchasing function.

In particular, these rules relate to:

- Compliance with regulations relating to safety, employee well-being and child protection,
- An undertaking to refrain from discrimination, both within the company and in relation to any subcontractors thereof, and to avoid becoming involved in any form of corruption,
- Compliance with environmental criteria relating to product design, manufacture, use, disposal and recycling.

***Beware of conventional wisdom regarding the environmental virtues of products***

Clearly, it is not possible to accurately ascertain a material's environmental value without analysing its full life cycle. For example, a material that at first sight appears to be a poor performer due to high emissions during manufacture may, when subjected to a life cycle assessment, prove to be easily recycled and therefore a more attractive proposition, particularly if it has specific properties that are hard to find in alternative materials.

Steel is the classic example. This material –irreplaceable in many structures– is readily recyclable, which greatly improves its performance in a carbon assessment covering the complete life cycle.

Eiffel and Matière, a company that specialises in the design and construction of steel engineering structures, decided in 2008 to form a company to develop and sell modular and temporary bridges.

This new joint venture, Unibridge Trading®, can count on Eiffel's expertise in industrial facilities and temporary bridges as well as Matière's patented modular bridge concept, Unibridge®. Unibridge® bridges make good use of modern metallic construction knowledge and techniques, including high-quality, easily-weldable steels, robotised manufacturing facilities,

and state-of-the art handling and connecting systems.

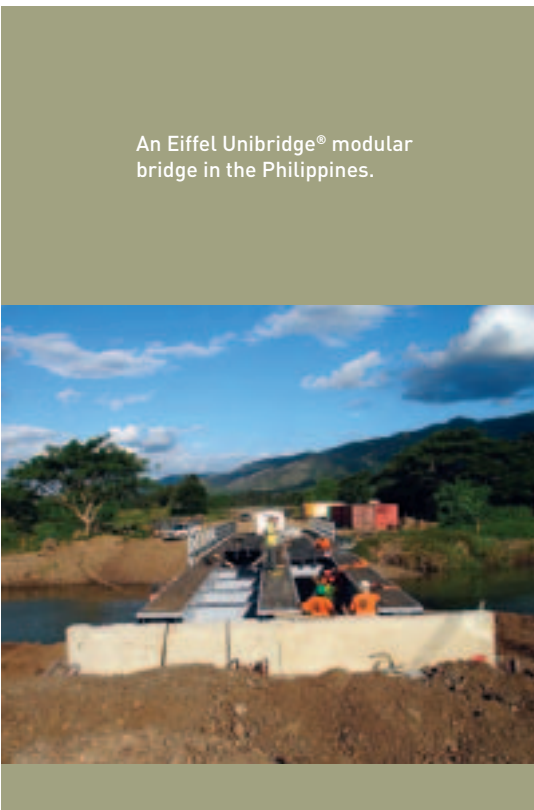
The major benefit of these structures is that they are easily transported by seagoing barges, and their modular design allows them to be assembled in less than 24 hours with no welding. They are strong and practical, enabling traffic to be restored within a few days in the aftermath of conflicts or natural disasters such as cyclones and floods. World-wide, there is an annual demand for several thousand such steel bridges, emanating in particular from emerging economies and countries undergoing reconstruction. In 2008, Unibridge Trading® achieved orders for more than 730 Unibridge®, bound for many different countries, including Haiti, Iraq and the Philippines.

**Industrialisation as a sustainable development factor**

EIFFAGE is stepping up efforts to industrialise certain construction processes, moving one step closer to manufacturing all construction components. As well as having a measurable effect on the quality of the finished product, this strategy provides greater control over personnel and material flows, whether in terms of procurement or the management of waste flows.

In particular, "purchasing" strategy is being optimised by involving suppliers closely in implementing procedures to systematically provide essential feedback. Furthermore, employees' working conditions have been considerably improved, with the effectiveness of accident prevention and workstation-related initiatives being maximised by integrating the various activities.

An Eiffel Unibridge® modular bridge in the Philippines.





# sustainable DEVELOPMENT

## **EIFFAGE Construction Industries: pre-industrialisation and re-industrialisation**

In its capacity as a general contractor to the building industry, EIFFAGE Construction has a duty to explore all technical avenues for optimising its construction techniques. As an installer, EIFFAGE Construction wants to be able to forge strong relationships all along its two main supply chains, i.e. those relating to structural work and to finishings. To achieve this, EIFFAGE Construction set up an operating company, EIFFAGE Construction Industries, and in July 2008, bought a factory in Fresnay-sur-Sarthe. This 15,000 m plant will play host to a number of new activities, including manufacturing high value-added modules under a registered brand, HVA Concept. These modules, designed to be incorporated in structures as subassemblies, will be fully compatible with finishing work requirements, while also satisfying structural shell-related constraints. In this respect, the plant will serve as a centre for experimentation and pre-industrialisation for all of the division's operational departments, and will enable the R&D departments at companies supplying finishings to submit and test technical solutions

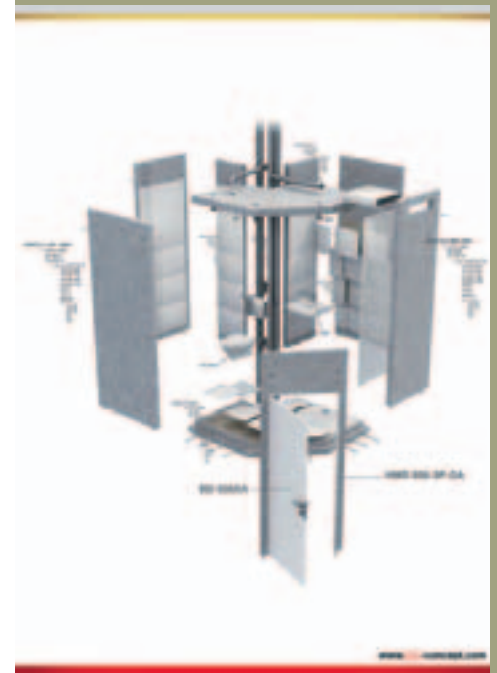
that can be optimised jointly with EIFFAGE's own teams. In establishing this new facility, EIFFAGE Construction is pursuing its longstanding social integration policy, contributing to re-industrialisation and regeneration in an area that has been badly hit by the closure of several long-established local businesses. EIFFAGE's proposal to purchase the site was selected from around forty offers following a request for proposals launched by a multidisciplinary team including government agencies, the manufacturer that formerly occupied the site (which gave its backing to the re-industrialisation plan), the regional council of Pays de Loire, the general council of Sarthe and the local authorities. Ultimately, EIFFAGE Construction Industries intends to employ 200 people from the local area, to include staff from all professional backgrounds. A major recruitment-related selection and training programme is now being planned (featuring a simulation-based recruitment method, training centre etc.) in close cooperation with local organisations that provide return-to-work support, as well as Sarthe Expansion, the Sarthe department's economic development agency.

## **Focus on residents' concerns – Minimising site-related nuisances**

Most EIFFAGE project sites are organised to limit noisy equipment, vibrations and lorry and heavy plant movements near homes and access roads. Local residents are informed about the conduct of the work and notified of any particularly noisy operations. In some cases, a special noise file is produced.

Any residual nuisances are minimised by setting up soundproofing barriers including earth levees and acoustic screens. Site specifications also require the approaches to the site to be kept clean. For example, vehicles are washed in a closed circuit, with dirty water being recovered before it leaves the site. Similarly, roads leading to and from the site are systematically cleaned.

Diagram of the high added-value module (*Module à Haute Valeur Ajoutée - MHVA*) developed by EIFFAGE Construction Industries.



## → ENERGY WORKSHOPS

EIFFAGE's Sustainable Development department organises energy workshops. These conferences, intended for operational managers, address promising subjects in the sustainable development field. They are a forum for employees who are already knowledgeable in the subjects addressed; the technical standard is intentionally high, with papers being given by specialists, typically high-level experts and scientists. Theoretical lectures are illustrated with case studies relating to projects involving EIFFAGE or other operators.

For example, 90 senior operational managers gathered at the EIFFAGE headquarters for workshops on the theme of energy issues in new-built and renovated residential and commercial property. These workshops addressed the following subjects:

- Designing energy-efficient structures and using cutting-edge solutions to achieve the standard required for the "basse consommation" energy efficiency label,
- Energy renovation in commercial and residential buildings,
- Energy renovation in social housing,
- Comparison of various energy renovation techniques applied to apartment blocks in Europe,
- Diagnostic and simulation tools for improving energy efficiency.

## The quest for energy efficiency has environmental, economic and social dimensions, making it a central issue for sustainable development

### Developing relevant expertise applicable to new-build construction in preparation for the entry into effect of the Grenelle environmental laws

In its capacity as an OEM covering the various building trades, EIFFAGE considers that the advances relating to the building industry that have arisen out of the Grenelle environmental summit represent major opportunities in terms of enhancing the profession's standard of expertise, offering incentives to innovate in the building sector, and ushering in new markets for both renovation and new-build activities.

EIFFAGE decided in July 2008 to take action two years in advance of the entry into force of the Loi Grenelle regulations relating to energy efficiency in commercial buildings. In accordance with "low-energy building" guidelines, an energy performance target of <math>< 50 \text{ kWh/sq. m}</math> per year for water and space heating has been set for all commercial property built by the Group for its own purposes or for concessions. This decision was applied with immediate effect for all EIFFAGE construction projects with planning applications submitted after 31 July 2008.

#### *Hélianthe is a pilot development showcasing the Group's multidisciplinary expertise - Constructéo 2008 award winner*

When completed, the Confluence district between the Rhône and Saône rivers will offer its users a unique environment including 5 km of riverside just a few minutes from central Lyon. The EIFFAGE Group chose this brownfield site for its new regional headquarters in the Hélianthe building, which has a gross internal area of 9,118 sq. m.

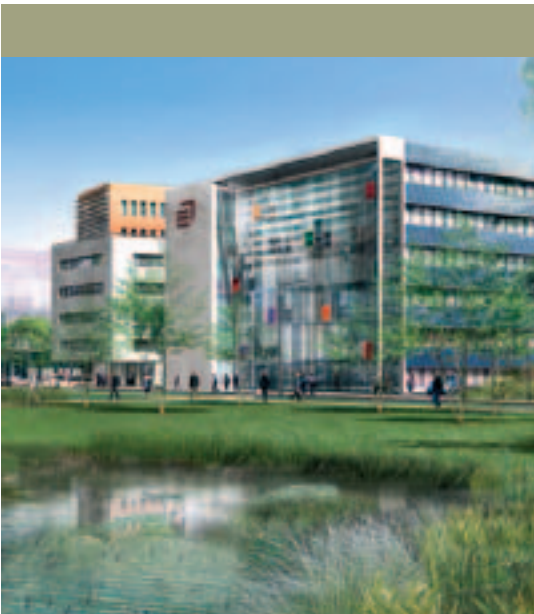
The new building, which is being built essentially by EIFFAGE Group companies (EIFFAGE Construction, EIFFAGE Travaux Publics, Forclum, Forclim, Gauthey and Goyer), makes extensive use of innovative techniques and technology.

For example, the various façades are treated differently according to their orientation, for optimum user comfort in terms of humidity, temperature and lighting. This management of the natural light, combined with highly efficient thermal insulation on the extensively glazed façades ( $U_{ba} = 0.973 \text{ W.m/K}$ ) will keep a firm lid on heating and air conditioning costs.

Lighting costs are minimised by a lighting system that consumes a mere 6 W/sq. m to provide an average lighting level of 200 lux, rising to 400 lux at workstations. Not content with being certified under the NF HQE® Commercial Buildings standard for the high environmental quality of its design and development, the new headquarters will also be the commercial building in France that generates the most photovoltaic electricity (approx. 200 MWh per year), making it eligible for the THPE-EnR renewable energy efficiency label, and for the *Bâtiment Basse Consommation* label for low energy consumption commercial buildings, when it is introduced in 2010.

#### *Forclum moves its head office to the extra-high energy efficiency Volta building*

Forclum is to relocate its head office from Blanc-Mesnil to Saint-Denis in 2009. The company will move into a high environmental quality (HQE®) building designed by the architects BDV Associés. The new building complies with the criteria for the THPE extra-high energy efficiency label. The planning application for this building, known as the Volta building, had already been submitted when the decision was made to conform to the BBC (*bâtiment à basse consommation*) energy performance criteria for EIFFAGE's commercial buildings.



The Hélianthe low energy-consumption building that is to become the new EIFFAGE headquarters in Lyon.

Hervé Duchamp receiving the Constructéo 2008 award from Alain Maugard, chairman of CSTB.

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Nevertheless, the EIFFAGE Construction and Forclum teams in charge of the construction project were able to optimise the building's performance and achieve the BBC standard, in particular by making the following improvements:

- Use of the heat network was expanded to heat the rooms in the building as well as pre-heating the air,
- The electric batteries are now only used to heat the premises in mid-season periods when the system has switched to air conditioning mode,
- The electric radiant floor in the main hall was replaced with a circulating water-based underfloor heating and cooling system,
- The lighting was revised, using T5 fluorescent tubes in conjunction with presence detectors and light regulators,
- The ventilation system was adapted to include low auxiliary-consumption unit ventilators,
- Lastly, the constant-flow air handling unit in the cafeteria was replaced with a hygienic dual flow ventilation system and low auxiliary-consumption unit ventilators.

## Energy renovation in existing buildings – All-round expertise in a huge market

### *The importance of energy efficiency training*

In 2008, EIFFAGE Construction continued to train employees in the area of energy efficiency and the HQE® high environmental quality programme. This course, which was taken by 110 EIFFAGE Construction employees, had several aims:

- Familiarise trainees with the concepts and vocabulary specific to heat engineering regulations,
  - Update employees regarding the latest technologies in areas such as building heating and cooling, air change, etc.
  - Explain the potential applications of renewable energy,
  - Inform about the principles of the Grenelle environmental summit,
  - Facilitate experience feedback concerning internal projects involving special environmental or energy performance considerations.
- This training course, which is being provided throughout France in a campaign run jointly with Elithis engineering consultants, is being supplemented with updates to the HQE® reference systems, applications

arising out of the Grenelle summit and information about EIFFAGE Group projects.

### *Renovating private homes emerges as a new market*

In France, an estimated 30 million homes are in need of energy renovation, 66% of which were built before 1975, when the first thermal regulations were introduced.

SOCAMIP, a subsidiary of EIFFAGE Construction, is moving into the market for energy renovation in private homes. SOCAMIP is a member of ACLAEE (*Association des constructeurs pour l'amélioration de l'étiquette énergie* - an industry association promoting energy performance labels), which is developing the "heat technician" concept as a technical occupation based on an all-round diagnosis of a property's energy renovation requirements, taking into consideration the insulation of the structure's various components as well as the equipment installed in the property.

Renovating a home's energy systems serves three purposes:

- Improve the "energy consumption" score obtained in energy performance audits of renovated homes, by boosting their thermal efficiency performance. A legal obligation to provide an energy efficiency audit report when a property is sold came into effect on 1 November 2006. As of 1 July 2007, the same requirement applies whenever a new lease is signed,
  - Cut greenhouse gas emissions from renovated properties, with the same goal of improving the energy performance audit result by improving the score obtained in the section on greenhouse gas emissions,
  - Enhance the environmental quality of renovated homes, while making them healthier and more comfortable for occupants.
- Three SOCAMIP employees took part in training courses provided by PROMODUL, an association promoting comfort through effective heating, insulation and energy management. SOCAMIP is launching

## → PLANNING FOR SOCIAL HOUSING RENOVATION

In March 2008, a working group of engineers from different business lines and several EIFFAGE divisions conducted a study focusing on the renovation of energy systems in France's social housing stock. The preliminary report demonstrated the technical and economic feasibility of renovating the existing housing stock to comply with the planned energy efficiency standards, with a consumption target of 80 kWh/sq m<sup>2</sup>/year covering space heating and water heating. In the opinion of the working group, the success of such a project would be determined by factors of several types:

- Technical factors, requiring the adoption of an integrated approach that simultaneously addresses shell insulation, ventilation, choice of energy sources and utility management issues. From this perspective, the all-round vision of a general building contractor like EIFFAGE is a major asset, both at the diagnostic stage and when the work is carried out,
- Economic factors, with possible scenarios combining financing via public private partnerships and an experimental financial instrument for long-term funding developed by CDC and EIFFAGE,
- Political factors, with priority being given to solutions that protect or improve purchasing power, by indexing rental costs on the statutory minimum wage, with an annual ceiling of 60% of the full-time monthly minimum wage.

This study report was submitted to the relevant authorities in June 2008.

this new activity by targeting houses built between 1948 and 1980, many of which are currently very poor performers in terms of energy efficiency, and therefore very expensive to run.

### Leveraging energy auditing expertise

All Forclum subsidiaries have arranged the necessary training in order to obtain the "Energy Efficiency" industry qualification awarded by the French association of electrical and climate engineering contractors (*Syndicat des entreprises de génie électrique et climatique - SERCE*). Consequently, the division is now able to provide its customers with the expertise of nearly 90 energy efficiency practitioners, who have the necessary skills to address the economic, environmental and technical aspects involved with the use of renewable energy sources, for example. Furthermore, Forclum is applying this expertise to its own operations, conducting energy audits of its own buildings. This work, already underway at the Northern France regional department, will be rolled out to the other regional departments in 2009.

The "Enterprise & Environment" award presented to APPIA Champagne by the French environment ministry (MEEDDAT).



## Exclusive practices and processes that cut emissions and consumption of natural resources

### Next-generation coated aggregate

Low-temperature coated aggregate (Enrobé Basse Température - EBT®) was developed in the R&D labs of Eiffage Travaux Publics. This innovative material, which is manufactured at a temperature of under 100°C and laid at around 90°C (rather than the typical 160°C), offers the same durability and performance as conventional hot-coated aggregate but is less harmful to the environment. This "green" aggregate generates a significant (30-50%) saving in terms of heating energy, and a corresponding reduction in greenhouse gas emissions. Surfacing teams enjoy more pleasant, safer working conditions, while chemical usage is restricted, resulting in lower emissions of volatile organic compounds during surfacing work and less need for solvents to clean equipment afterwards. EBT® won the World Road Association Sustainable Development award in 2007, and continues to impress as its use is rolled out. For example, at the Pollutec fair in December 2008, Nathalie Kosciusko-Morizet, France's Secretary of State for the Environment presented the "Enterprise and Environment" award to APPIA Champagne, a subsidiary of Eiffage, in recognition of its work on a pilot project involving the south-eastern bypass around Troyes, for which the client was the general council of Aube. Eiffage Travaux Publics laboratories are also investing in green chemistry, replacing oil-based products with plant-based equivalents:

- OLEOFLUX®, a plant-based flux that does not release solvents into the atmosphere, is used in sprayed binders,
- Biophalt®, a pale-coloured bitumen-free binder produced from pine derivatives,
- Emulgreen®, a biodegradable emulsifier made from sugar beet

### → ACHIEVEMENTS

- Energy and carbon assessments: 50% cut in energy consumption and carbon dioxide emissions achieved with EBT® applied at 90°C, compared with a conventional solution laid at 160°C.
- Use of recycled materials:
  - 12,000 tonnes of new materials were saved by using materials from demolition work at local sites as part of an industrial environmental strategy,
  - Recycled sand was included from a beet washing facility at a local sugar refinery.
- Fuel savings were made by limiting lorry movements. Using locally-sourced recycled materials rendered unnecessary journeys totalling 102,000 km, thereby saving 40,850 litres of diesel fuel.
- Financial savings for the client: €420,000, equivalent to 12% of the cost of the work.

and a fatty alcohol. This product is the fruit of close cooperation between Eiffage Travaux Publics and research chemists at *École Nationale Supérieure de Chimie* in Rennes. Eiffage is also innovating in the area of industrial by-product recovery. For example, SIDMIX - a road surfacing binder that uses steelmaking slag - offers a solution to the problem of hydraulic binder shortages, which is currently an issue.

### Recycling is desirable for economic as well as environmental reasons

#### EIFFAGE Travaux Publics makes a point of recovering demolition waste

A year after winning the global Sustainable Development prize awarded by the World Road Association, Eiffage Travaux Publics received a new accolade from the association's French committee. The company won the sustainable development award for an aggregate coating plant designed to maximise the use of recycled materials, which was developed jointly by Appia Grands Travaux and the Eiffage Group's Equipment and Engineering departments. This ground-breaking plant is able to recycle very high

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proportions of coated aggregate (in excess of 55%) in a hot or warm process. The award is a fitting tribute to the Group's considerable commitment to material recycling initiatives:

- Setting up demolition concrete reprocessing facilities at the demolition site reduces resource consumption, minimises haulage distances and decreases accident risks, while also generating substantial savings for the customer.
- When responding to requests for proposals, EIFFAGE Travaux Publics now systematically proposes the use of recovered aggregate. The company works with various formulas in order to optimise recovered aggregate use; this task has been facilitated by the introduction in 2007 of a "high recycling-capacity" mobile coating station, which is able to produce recycled coated aggregate using formulas with more than 70% recovered aggregate.
- APPIA Eure-et-Loir developed a Flexocim® solution, using an Arc 700® machine to reprocess most of the existing carriageway *in situ*, before covering it with a 10 cm layer of high-modulus coated aggregate and a very thin surface course of bituminous concrete. With this process, only the surface materials were removed for recycling at the Chartres Enrobés coating plant. Using the Arc 700® for *in situ*

reprocessing eliminated the need to transport more than 20,000 tonnes of materials. The Group developed many synergies in relation to this project:

- AER was entrusted with the restraining systems, the regional engineering department designed the new carriageway for a 50-year service life, and the central laboratories in Corbas and Ciry-Salsogne respectively developed the Flexocim® emulsion and formulation.
- EIFFAGE processes steel recovered during safety barrier dismantling operations and reinforced concrete demolition work, reselling the recycled materials. Rising raw material prices have made steel recovery particularly attractive by decreasing the relative operating cost.
- The Group's laboratories also developed several techniques for reprocessing materials obtained from road demolition works, generating major savings in terms of new materials:
  - Hot process: The RAFT® (*RecyclAge à Fort Taux*) process can be used to recycle as much as 50% of bitumen-stabilized gravel and bituminous concrete,
  - Cold processes: on-site solution BIOCHAPE® recycles all the existing coated aggregate with a fluxed bitumen emulsion, while ERTALH® features fully-recycled coated aggregate with a hydraulic binder. With this process, aggregate is recycled either on-site or at a dedicated plant, before being used to rebuild roads that carry heavy traffic.

### **Forclum is a major recycler of lamps and fluorescent tubes**

Recyclum is an environmental organisation responsible for the collection and recycling of used light bulbs in France. When it was set up in 2005, Forclum signed a corporate agreement relating to the reprocessing of used bulbs, some 48 tonnes of which were recycled in 2007. In 2008, the quantity of bulbs and tubes reprocessed increased by 40%, to 67 tonnes.

### **More bright ideas from Forclum – New solutions featuring light-emitting diodes (LEDs)**

LEDs are being used in a growing number of applications, now that performance levels of 90 lm/watt and more have been achieved. The many benefits offered by this electronic component include lower energy consumption, robustness, a service life in excess of 50,000 hours, no ultraviolet emissions, high quality lighting, remote management capabilities and good recyclability. Based on a patent filed in November 2007, Forclum Électronique and Forclum Ingénierie began working on an LED-based interior lighting solution for use in commercial buildings, and in particular for recessed ceiling lights. Wide-ranging expertise in electronics, heat engineering, plastic processing and mechanical and optical engineering was required in order to develop the prototypes, which incorporate either 25 or 36 LEDs.

Forclum won the contract for the electrical contracting services for the project to build the Grand Stade de Lille Métropole. Work on this new stadium is scheduled to begin in 2010. Floor-level markings consisting of LEDs set into a layer of coated aggregate are one of the project's more eye-catching design innovations. LED-based innovations such as these are just a taste of things to come, however. For example, in 2008, Forclum Île-de-France designed and produced a bollard light containing 7 LEDs, which costs 50 times less to run than a metal iodide lamp.

## → INNOVATIVE ROAD MAINTENANCE PROCESSES

EIFFAGE Travaux Publics has developed mechanised road maintenance processes that conserve natural resources, cut transport-related pollution (in terms of energy and materials), improve employees' working conditions and yield savings for the customer.

- The ARC 700® machine reprocesses road construction materials *in situ*, recovering aggregate from the existing road carriageway and processing it by adding a hydraulic and/or bituminous binder.
- The EMF 200 is a cold-process mobile aggregate coating station. It manufactures and spreads emulsion-coated aggregate *in situ*. The machine is able to utilise recovered aggregate from the same site or another nearby site.
- Granuchape® is a high-speed laying process for ultra-thin coated aggregate courses. It requires less than half the raw material consumed by conventional techniques and is ideal for use on low-noise, low- nuisance "stealth sites".
- Road surfaces can be sandblasted to restore their grip. This solution avoids the need to lay an additional surface course.
- The ECF cold-laid coated aggregate process features very thin courses that reduce raw material consumption. This process, midway between gravel spreading and a conventional very thin bituminous concrete (béton bitumineux très mince - BBTM) surface, is economically very attractive.



Erecting a wind turbine.



## An all-round operator in renewable energy

Producing renewable energy is an inherent issue for sustainable building. Whether generated centrally or by local means incorporated into the building, renewable energy partially alleviates our dependence on fossil energy. To encourage this approach, EIFFAGE has extended its “sustainable development” offering to include engineering and installation services for renewable energy sources, as a full-spectrum operator in three key sectors: wind power, photovoltaic power and heat engineering.

The Group’s expertise in all construction-related processes enables EIFFAGE to provide innovative, efficient and cost-effective solutions for integrating these energy sources into buildings.

### Wind power - Developing a comprehensive commercial offering

Wind power is a source of “clean” energy with considerable potential for achieving greater energy independence. This is reflected in feedback obtained in France, which is a large country crossed by varied winds that offer an excellent fit with storable hydroelectric energy and provide well-distributed national coverage.

Wind power can also be leveraged to encourage economic regeneration, as it generates new tax revenue that can be channelled into enhancing the local environment and funding job-creating business ventures. Such projects offer many other related benefits, including generating business for local contractors at the construction site; rent and compensatory payments for property owners and farmers with turbines on their land; work to strengthen and maintain the roads around the wind farm; and burial of power lines running near the site.

Hosting wind turbines also raises a community’s profile among surrounding towns and villages. Consultation and transparency are crucial elements in EIFFAGE’s wind power development process. In particular, the Group works hard to ensure that each project is accepted locally, doing everything it can to minimise noise and visual nuisances, while maximising the financial and other benefits. From an environmental perspective, careful consideration is given to the landscape from the very start of the project. Working in partnership with local design offices, EIFFAGE produces an exhaustive inventory of the plants and wildlife at the site, over a complete biological cycle. This study provides a basis on which to accurately determine the local environmental issues. As a result of these efforts, the wind farm can be made to blend into its surroundings with minimal impact on biological activity during both construction and operation. In 2008, Forclum installed 20 wind turbines with a combined output of 60 megawatts.

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## Solar renewables shine out

### A wider range of photovoltaic solar power services

EIFFAGE possesses the full range of expertise required in order to handle turnkey projects involving photovoltaic energy. The ability to integrate such solutions into the fabric of a building is an added benefit when this issue is considered at the design stage. The Group works with a comprehensive range of photovoltaic solar cell technologies, including panels, flexible sealing membranes and steel decks, and masters the various installation techniques, including built-in and retrofitted solutions, conventional roofs, flat roofs, green roofs, brise-soleil shades, canopies, opaque and semi-transparent façades, integral steel decks and isolated sites. This range of expertise means that solutions can be found for any type of structure. The Group is extending its range of services to include ground-based solar electricity farms with either static

or tracking collectors, which enable customers to generate electricity, whether for sale via the grid or for use as a standalone power source. This technology can also be applied to photovoltaic microgeneration facilities that serve the needs of a single building. Forclum is also addressing growing demand from private individuals; to enable contract managers

to demonstrate a project's feasibility directly at the customer's home; Forclum Val-de-Loire has developed a software application that estimates the facility's cost and performance, taking the number of hours of sunshine in the region into consideration. A five-day training course for users ensures that local constraints are factored in correctly.

### → FOCUS – BIOMASS-FIRED BOILER AT THE SOUTHERN PARIS REGION HOSPITAL CENTRE (CHSF)

The Southern Paris Region hospital centre (*Centre Hospitalier Sud-Francilien – CHSF*), which is due to open its doors to patients in 2011, will use biomass and mains gas energy sources, with heating oil as an emergency alternative. This multi-fuel capability not only ensures the energy-independence that is crucial to the hospital's operation, but also provides the flexibility to adapt energy consumption based on the price and availability of fossil fuels in the future.

Stored biomass (primarily straw and wood) will be turned into electricity by burning it in a dedicated 4.5 MW boiler that supplies a turbo generator. Heat energy from the boiler will be transferred to an organic fluid that is vaporised and then passed through a turbo-alternator to generate electricity, before being introduced into a heat exchanger in order to supply energy to heating and absorption systems.

In normal operation, this triple-energy cogeneration system is designed to satisfy all of the new hospital's static heating requirements, as well as 56% of its refrigeration requirements and 13% of its electricity needs. An agreement is being negotiated with the French forestry service (ONF) relating to the supply of wood within a 30 km radius.



The early results from these training sessions and the proposals submitted to customers are indicative of a sharp rise in the number of such systems being installed. In 2008, three companies based in the Iberian Peninsula – EIFFAGE Energía, JJTomé and TGA – successfully installed Europe’s largest solar electricity farm for Acciona Energía, the world leader in renewable energy sources. Over an eight-month period, some 2,800 panels with a total generating capacity of 46 megawatts were installed at a topographically very complex 220 hectare site in Amareleja (near Moura), to the east of Lisbon.

### Solar heating – an economical solution

Solar heating systems use a heat transfer fluid to recover the sun’s thermal energy. After being allowed to heat up in solar panels, this fluid is sent to a heat exchanger where the corresponding energy is transferred to the domestic water heating system. EIFFAGE supplies systems that are able to cover up to 70% of the customer’s

annual domestic hot water requirements and 35% of heating needs. These solutions operate efficiently even in hazy sunshine, and remain cost-effective for heating even in areas receiving relatively little sunshine.

### An extensive offering in biomass heating

Wood (often in the form of pellets, chips or boards) is currently the main source of biomass for heating. EIFFAGE makes every effort to ensure that its customers’ wood-fired boiler systems are sustainably cost-effective and environmentally sound, by working to improve the quality and proximity of fuel supplies. This increases operating efficiency and reduces transport-related environmental impacts. The Group also provides vegetable oil-fired heating solutions (including new boilers and modifications to heating oil-fired boilers) and biogas recovery-based heating systems (including gasometers, condensation traps and flares).

### Multi-energy facilities

#### *Forclum: A quad-energy water heating system able to use three renewable sources*

Forclum Val-de-Loire, which has been investing in renewable energy expertise for the past fifteen years, surpassed itself in 2008 by installing a particularly innovative domestic water heating system capable of operating with four different energy sources: electricity, solar energy, a heat pump and heat recovery from its compressors.

The new system, which is the result of in-depth efficiency and availability estimation research and analysis, cuts the cost of a cubic metre of hot water from €5 to only €1.

#### *APRR: standalone cameras powered by renewable energy*

Operating a motorway network requires extensive traffic monitoring equipment. In order to install a video surveillance system on the approaches

to the A5 motorway in an area where the cost of connecting to the power grid would be prohibitive, APRR opted to install a self-powered mast that combines solar power (four 100 W panels) and wind power (600 W). In late 2008, the backup generator was replaced with a 250 W fuel cell – one of the first of this type of installation to receive CE certification. Maintenance safety issues were also given due consideration and the video surveillance equipment can now be lowered to ground level by means of a manually-operated winch. APRR also renewed its green power contract with the power utility EDF for part of its network. This contract guarantees that the equivalent of the customer’s electricity consumption is generated by renewable sources. In 2008, EDF injected some 6 million kWh into the grid for APRR under this arrangement. The green power certificates relating to this commitment are produced by Observ’er, which is the issuing agency in France for the Renewable Energy Certificate System (RECS), an independent European certification organisation.

The Southern Paris Region hospital centre (CHSF) seen from the north-east (Boulevard de-Lattre-de-Tassigny).



## Climate change – Forward planning and innovation

Sustainable development only makes sense as part of a forward-looking approach. Over the past few years, EIFFAGE has been working on ways to break with current practices. The Group must show itself to be adaptable in order to reach its ever more ambitious corporate and environmental goals. In this respect, EIFFAGE's vision of the evolution of its business lines has been catalysed since 2007 by a sustainable city research and development laboratory known as Phosphore, which has published its first results in the sustainable development section of the EIFFAGE website (<http://www.eiffage.com>). This research is backed up by a large volume of forecasting data compiled by sociologists, climate experts and economists, as well as the network of partners that the Group has built up around the project, which notably includes the Communities and Climate Change club (Villes, Territoires et Changement Climatique - VITECC).



### The Communities and Climate Change club - VITECC

In early 2008, the climate unit at Caisse des Dépôts, in partnership with the French meteorological agency Météo France and the national observatory on global warming effects (*Observatoire national sur les effets du réchauffement climatique - ONERC*), set up the Communities and Climate Change club (*Villes, Territoires et Changement Climatique - VITECC*).

VITECC is part of an international research programme looking at the impacts of climate change and its implications for infrastructure management.

This novel initiative coordinates input from public research institutions, local and regional authorities and businesses looking to play their part in fighting climate change while at the same time preparing credible adaptation strategies.

VITECC helps to share essential data on the economics of climate change by making it more easily understandable to corporate and community decision-makers. The club also promotes an active network of committed members willing to discuss issues such as the carbon economy and innovative solutions for reducing the impact of climate change.

EIFFAGE is a founder member of VITECC, and contributes to the club's work, for example by sharing the early

results from the Group's "Phosphore" research and development project in the field of sustainable city living between 2020 and 2050.

### Project Phosphore – Planning for radical changes to the Group's businesses

#### Phosphore I: The multimodal station and service tower

In view of the increasing prominence of environmental and territorial issues directly related to the Group's activities, EIFFAGE decided, in 2006, to use the R&D resources of the Group's various divisions to generate synergies by working together on a virtual public private partnership (PPP) project based on the hypothetical construction in 2020 of a multimodal station in Marseille, followed by a period of operation lasting until 2050. The main aim is to come up with totally new technical and technological solutions that make a clean break with conventional practice.

The contextual scenario for this virtual project was developed in association with climate experts, city planners, sociologists, economists and technical experts from the construction industry. This scenario depicts the city of tomorrow as being not only a place to live, work and socialise, but also

the setting for a series of inevitable challenges relating to:

- Strong pressure on energy prices and the introduction of carbon taxation,
  - Ultra-densification of urban environments,
  - An explosion in demand for real and virtual mobility, and the necessary predominance of public transport,
  - Proliferation of service offerings based on new information and communication technologies,
  - Mandatory and draconian global management of all resources, and energy, water and air in particular.
- This project continued throughout 2008, according to a two-stage schedule:
- Phosphore I: September 2007 – June 2008: design and construction of a multimodal station in Marseille and a linked service tower;
  - Phosphore II: September 2008 – June 2009: design, construction and operation in 2020 of a "green neighbourhood" around the station.
- This virtual future district covers an area of 1.7 sq. km and is organised around a multimodal station. It is home to 32,000 people (compared with only 4,000 today) and hosts a similar number of jobs. The station is located at the intersection of underground railway, tramway and suburban rail lines. It handles both passenger and goods traffic on both land and sea. The multimodal station system must create nuclei



Phosphore prospective urban development project:

- The quayside multimodal station and service tower.
- The interior of the multimodal station, as seen from the Gridshell structure.



Photos: © Buffi associés/EIFFAGE/3<sup>e</sup> œil.

of densification and a new central focus, making for more efficient networks and utilities, as well as reducing urban sprawl, which is a source of, inter alia, pollution; work-home disconnects, increased transport requirements, and eroded community links. The station system must promote communication, exchanges and interconnections, foster the identities of the new neighbourhoods and uphold the vitality of city living.

The architecture of the multimodal station and tower is being designed by the architects Buffi et Associés.

From September 2007 to June 2008, working groups drawn from all EIFFAGE divisions explored four areas of research of fundamental importance from a sustainable development perspective:

- Building shell and energy efficiency,
- Technical research into the station structure and future materials,
- Corporate, social, economic and environmental issues relating to management of a project site in 2020,
- Requirements in terms of sustainable mobility, whether virtual or physical.

### Phosphor II: The “High Quality of Life” (*Haute Qualité de Vie*®) neighbourhood

Phase two of the project, which was launched in September 2008, seeks to trial and then roll out the innovative solutions devised for Phosphore to all EIFFAGE projects. Naturally, the purpose of project Phosphore also includes developing practical, wholly sustainable solutions that can be applied to EIFFAGE’s development, construction and PPP contracts as well as the Group’s own developments. The ongoing research and development effort in phase II incorporates two additional strategic, cross-cutting themes:

#### Green neighbourhood

The research carried out for project Phosphore has confirmed the need for an all-round approach to urban planning, as it would not be possible to design the multimodal station, tower and

surrounding area effectively without considering how they are to be integrated into a larger “green neighbourhood” inspired by the project’s core values:

- Holistic development of the area, covering multiple aspects including the construction of sustainable new residential and commercial property, renovation work to meet low energy consumption targets, shared energy resources (in particular geothermal heating and converting organic waste to energy at a biogas plant), services and low-impact transport;
- Systematic efforts to meet a high “quality of life” (*Haute Qualité de Vie*®) standard, in terms of residents’ health, the practicality of buildings and infrastructure, and the role in maintaining social and environmental harmony;
- Management of mobility and related services (interface with surrounding areas and geolocation).

#### Energitecture®

This working group was active during the second half of 2008, researching the design and construction of a “model building” that combines outstanding architecture with excellent energy performance and achieves the following objectives:

- Bioclimatic architecture,
- Further research into the energy efficiency of an “intelligent shell” and innovative materials such as phase-change and composite materials,
- Innovative energy systems (e.g. geothermal heating and urban wind power),
- Research into innovative prefabricated and sustainable modules.

#### Smaller workgroups focused on the following topics

- Designing a new contracting mode centred on the “responsible design and construction contractor”;
- Developing a software application to create a digital mock-up of a project with a view to anticipating, at the design stage, all the potential issues relating to the structure’s life cycle, including its maintenance and ultimate dismantling/demolition.

# sustainable

## DEVELOPMENT

### Employee Data, as required by the 'NRE' Act introducing new business regulations (Nouvelles Régulations Economiques)

	Concessions	APRR	Eiffage Construction	Holding	Eiffage Travaux Publics	Eiffel	Forclum	Total
<b>1. 1. HUMAN RESOURCES</b>								
New hirings – fixed-term contracts								
2007	0	87	564	45	925	35	610	2,266
<b>2008</b>	<b>14</b>	<b>145</b>	<b>513</b>	<b>4</b>	<b>599</b>	<b>228</b>	<b>614</b>	<b>2,117</b>
New hirings – permanent contracts								
2007	0	126	1,577	76	2,155	109	1,337	5,380
<b>2008</b>	<b>1</b>	<b>122</b>	<b>1,201</b>	<b>2</b>	<b>1,941</b>	<b>398</b>	<b>1,306</b>	<b>4,971</b>
Young recruits (under 30)								
2007	91		1,334	22	1,583	129	1,092	4,251
<b>2008</b>	<b>13</b>	<b>133</b>	<b>1,105</b>	<b>0</b>	<b>1,559</b>	<b>415</b>	<b>1,178</b>	<b>4,403</b>
Dismissals / redundancies								
2007	0	44	304	10	534	9	220	1,121
<b>2008</b>	<b>1</b>	<b>35</b>	<b>347</b>	<b>16</b>	<b>565</b>	<b>63</b>	<b>221</b>	<b>1,248</b>
Temporary staff – monthly average								
2007	nc	272	2,428	5	2,102	302	2,501	7,642
<b>2008</b>	<b>0</b>	<b>232</b>	<b>2,374</b>	<b>3</b>	<b>1,214</b>	<b>968</b>	<b>2,238</b>	<b>7,028</b>
Overtime								
2007		1.30%	2.10%	0.00%	2.20%	4.20%	3.00%	2.00%
<b>2008</b>		<b>1.40%</b>	<b>2.30%</b>	<b>0.00%</b>	<b>2.80%</b>	<b>2.60%</b>	<b>0.20%</b>	<b>1.90%</b>
<b>2. ABSENTEEISM</b>								
Sickness								
2006	1.9		4.7	2.2	5	3	4.3	
2007		4.9	3	0	4.8	3.8	3.9	
<b>2008</b>	<b>4.11</b>	<b>4.84</b>	<b>4.69</b>	<b>2.23</b>	<b>4.97</b>	<b>4.57</b>	<b>4.57</b>	
Accidents at work								
2006	0		1.2	0	0.9	0.7	0.7	
2007		0.4	1.5	0	1	0.8	1.4	
<b>2008</b>	<b>0</b>	<b>0.29</b>	<b>1.06</b>	<b>0</b>	<b>0.84</b>	<b>0.75</b>	<b>0.63</b>	
Total								
2006	2		9.3	2.8	10	5	7.1	
2007		7.6	8.7	0	10.1	6	7.1	
<b>2008</b>	<b>7.14</b>	<b>7.33</b>	<b>8.77</b>	<b>3.06</b>	<b>10.89</b>	<b>12.15</b>	<b>7.47</b>	
<b>3. REMUNERATION</b>								
Average monthly loaded salary – managers								
	10,372	6,986	8,037	7,151	7,540	6,823	6,535	7,058
Average monthly loaded salary – technical & supervisory								
	2,478	3,774	3,840	2,875	3,929	3,836	3,512	3,319
Average monthly loaded salary – workers								
		3,230	3,039		2,872	2,913	2,843	2,733
Average load rate								
	1.4	1.45	1.7	1.92	1.68	1.54	1.65	1.65
<b>4. EQUALITY</b>								
Ratio of women to men – managers								
2007	27	nc	13.89	28.18	10.31	9.05	9.87	
<b>2008</b>	<b>46.15</b>	<b>26.76</b>	<b>14.3</b>	<b>15.64</b>	<b>11.11</b>	<b>10.77</b>	<b>10.3</b>	
Ratio of women to men – total workforce								
2007	41.6	nc	14	28.24	10.13	7.67	10.15	
<b>2008</b>	<b>48.05</b>	<b>43.42</b>	<b>9.79</b>	<b>16.48</b>	<b>7.5</b>	<b>8.08</b>	<b>9.99</b>	
<b>5. HEALTH &amp; SAFETY</b>								
Accident frequency rating								
2006		13.24	34.2		29.2	40.4	17.7	
2007		9.63	27.74		28.46	25.26	17.58	
<b>2008</b>		<b>10.61</b>	<b>25.68</b>		<b>23.68</b>	<b>12.42</b>	<b>14.72</b>	
Annual severity rating								
2006		0.53	1.36		1.63	1.32	0.89	
2007		0.26	1.04		0.97	1.14	0.47	
<b>2008</b>		<b>0.26</b>	<b>1.01</b>		<b>0.73</b>	<b>0.46</b>	<b>0.44</b>	
Regulatory severity rating								
2007		0.48	1.96		1.54	1.47	0.93	
<b>2008</b>		<b>0.39</b>	<b>1.89</b>		<b>1.32</b>	<b>0.93</b>	<b>0.72</b>	
<b>6. TRAINING</b>								
Costs of health & safety training (%)								
2007	nc	nc	0.73	0.04	1.2	0.54	0.6	
<b>2008</b>	<b>0.12</b>	<b>NC</b>	<b>0.88</b>	<b>0.07</b>	<b>0.85</b>	<b>1.06</b>	<b>1.55</b>	
Total cost of training (%)								
2007	3.8	nc	2.43	1.54	2.59	2.1	2.75	
<b>2008</b>	<b>0.59</b>	<b>4.31</b>	<b>2.41</b>	<b>4.23</b>	<b>1.75</b>	<b>2.22</b>	<b>5.38</b>	

	Concessions	APRR	Eiffage Construction	Holding	Eiffage Travaux Publics	Eiffel	Forclum	Total
<b>7. DISABLED EMPLOYEES</b>								
No. of disabled employees (DOETH form section C*)	1.22	68.34	307.68	1	619.4	141.56	320.45	1,459.65
No. of units employed under contracts with specialist EA, CDTD or ESAT entities** (DOETH form section D)	0.55	3.13	18.72	0.02	58.07	3.19	26.38	110.06
Allowances paid (DOETH form section N) (in €)	4,285	299,749	287,355	45,871	447,126	140,883	788,412	2,013,681
<b>8. SOCIAL, CULTURAL &amp; SPORTING ACTIVITIES, CHARITABLE CONTRIBUTIONS</b>								
8. Social, cultural & sporting activities, charitable contributions (As a %)	1.33%	5.63%	2.69%		2.14%	3.43%	3.70%	3.04%
<b>9. SUBCONTRACTING</b>								
Subcontracting excl. Group (%)	0	0.59	40.98		7.69	14.19	10.92	17.6

\* Déclaration obligatoire d'emploi des travailleurs handicapés - mandatory form for reporting on disabled employees

\*\* A disabled employee counts as one or more 'units' depending on various criteria and the degree of disability.

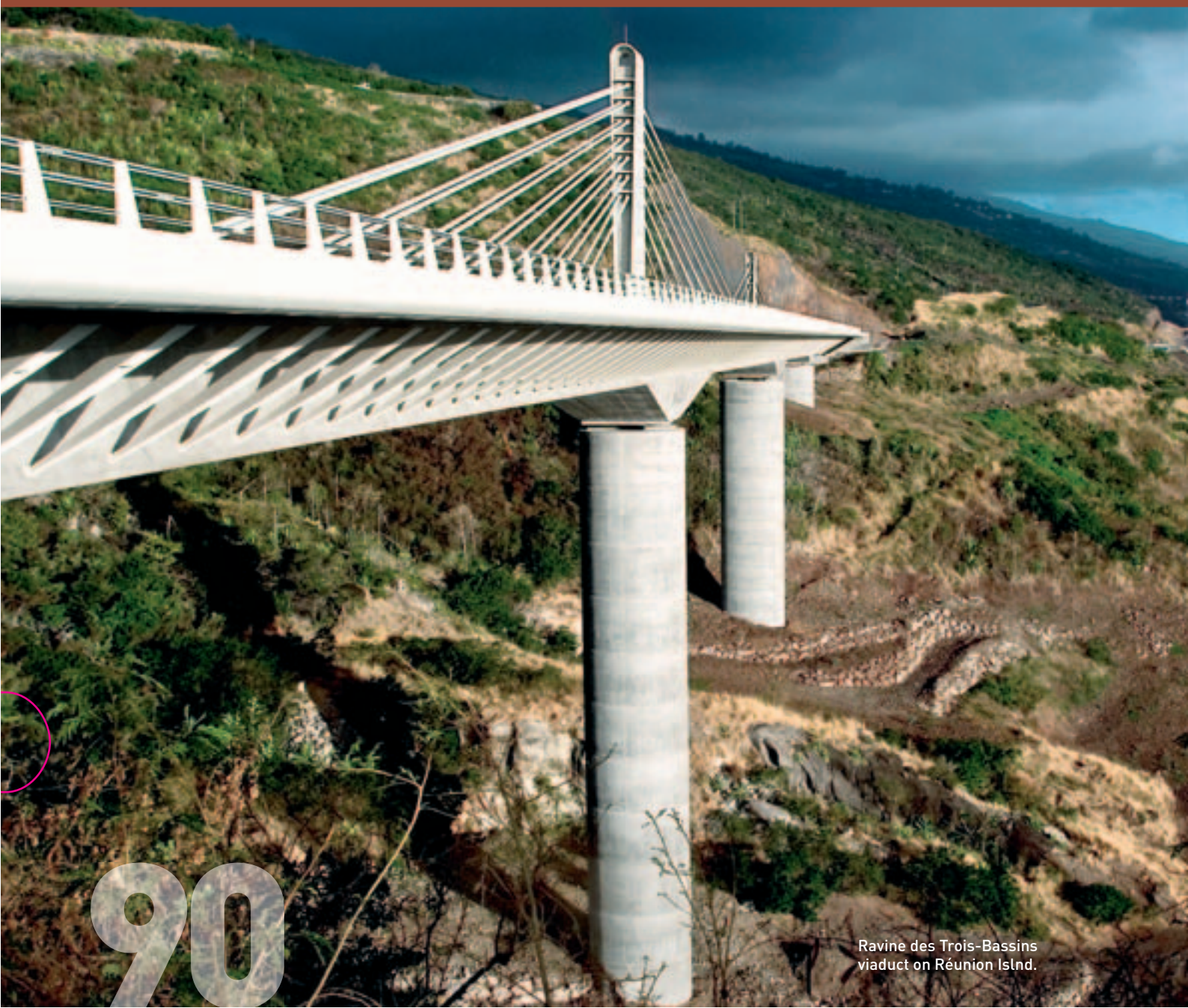
"EA", "ESAT" and "CDTD" are organisations or schemes to promote and facilitate the employment of the disabled.

## Environmental Data, as required by the 'NRE' Act introducing new business regulations (Nouvelles Régulations Economiques)

	Concession	APRR	Eiffage Construction	Holding	Eiffage Travaux Publics	Eiffel	Forclum	Total
<b>1° RESOURCE CONSUMPTION</b>								
Water (in m <sup>3</sup> )								
2007		481,966	446,316	7,800	1,620,027	17,403	57,103	2,630,615
<b>2008</b>	<b>7,250</b>	<b>479,240</b>	<b>532,955</b>	<b>4,075</b>	<b>1,306,384</b>	<b>30,450</b>	<b>46,516</b>	<b>2,406,870</b>
Electricity (in gigawatts)								
2007		62.9	60.9	2.9	90	8.8	22.2	247.7
<b>2008</b>	<b>1.5</b>	<b>69.6</b>	<b>61.9</b>	<b>2.8</b>	<b>85.8</b>	<b>16.4</b>	<b>19.7</b>	<b>256.5</b>
Domestic fuel oil (in litres)								
<b>2008</b>	<b>16,000</b>	<b>1,252,128</b>	<b>780,613</b>	<b>0</b>	<b>46,961,718</b>	<b>386,030</b>	<b>1,260,071</b>	<b>50,656,560</b>
Heavy fuel oil (in litres)								
<b>2008</b>	<b>0</b>	<b>0</b>	<b>39,799</b>	<b>0</b>	<b>14,825,089</b>	<b>59,892</b>	<b>12,109</b>	<b>14,936,889</b>
Gas (kWh)								
<b>2008</b>	<b>0</b>	<b>7,070,279</b>	<b>1,485,594</b>	<b>0</b>	<b>391,655,119</b>	<b>16,242,457</b>	<b>7,933,786</b>	<b>424,387,235</b>
Gas oil, petrol and kerosene (in litres)								
<b>2008</b>	<b>29,000</b>	<b>5,807,167</b>	<b>8,346,225</b>	<b>38,000</b>	<b>46,747,123</b>	<b>2,097,122</b>	<b>21,704,686</b>	<b>84,769,323</b>
Total fuel consumption (in litres)								
<b>2008</b>	<b>45,000</b>	<b>7,059,295</b>	<b>9,166,637</b>	<b>38,000</b>	<b>108,533,930</b>	<b>2,543,044</b>	<b>22,976,866</b>	<b>150,362,772</b>
Total consumption of aggregates (in tonnes)								
<b>2008</b>					<b>35,411,163</b>			<b>35,411,163</b>
<b>2° PREVENTIVE MEASURES</b>								
Preventive investments - environment (in €)	0	15,459,798	955,048	0	3,407,018	530,886	543,891	20,896,641
Preventive operating expenses - environment (in €)	0	18,709,427	1,002,679	0	1,654,695	163,743	1,113,767	22,644,311
Preventive operating expenses (%)	0	1.02	0.04		0.08	0.03	0.07	0.25
<b>3° ENVIRONMENTAL, QUALITY AND SECURITY CERTIFICATIONS</b>								
ISO 14001 certified revenues (%)								
2007			15.80%		15.00%		17.51%	
<b>2008</b>		<b>0.00%</b>	<b>66.32%</b>		<b>17.68%</b>	<b>0.00%</b>	<b>46.36%</b>	
ISO 9001 certified revenues (%)								
2007		76.00%	90.00%		95.00%	51.54%	70.55%	
<b>2008</b>		<b>100.00%</b>	<b>95.86%</b>		<b>85.07%</b>	<b>18.76%</b>	<b>82.01%</b>	
Security certified revenues (%)								
2007		nc	nc		nc	nc	nc	
<b>2008</b>		<b>0.00%</b>	<b>44.10%</b>		<b>8.38%</b>	<b>10.14%</b>	<b>28.46%</b>	
<b>4° MISCELLANEOUS</b>								
Offset (in hectares)	A49		A39	A406	A432		A65*	Total
Ponds and aquatic ecosystems			19.5					19.5
Wetlands			101	274				375
Aquatic ecosystems and/or wetlands	51							51
Wooded areas			110		3			113
<b>TOTAL (in hectares)</b>	<b>51</b>		<b>230.5</b>	<b>274</b>	<b>3</b>		<b>1,371.5*</b>	
<b>Until</b>			<b>2011</b>	<b>2032</b>			<b>2061</b>	

\* Contracts in process of being signed.

# financial report



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Ravine des Trois-Bassins  
viaduct on Réunion Island.



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# financial

## DIRECTORS' REPORT

(The Directors' Report to the General Meeting consists of all the information contained in the Reference Document).

2008 was a watershed year for EIFFAGE:

■ On the one hand, it was marked by the closure of the Sacry affair that lasted all of 27 months, with the sale on 17 April 2008 of all the shares held in EIFFAGE to French investors, including Caisse des Dépôts which now owns 19.5% of the capital; and

■ On the other hand, the conditions in the road construction and property sectors started to deteriorate in the spring, bringing a decade of growth to an end. There is normally a downturn in communal works projects immediately after local elections, but the surge in crude oil prices amplified this phenomenon, as it caused the price of bitumen to soar from \$200 to \$500 per tonne. While we had anticipated the downturn experienced by property, which had become necessary in order for housing to generally be affordable, the market's correction was accentuated by globalisation and the magnitude of the financial crisis.

EIFFAGE saw its order book rise to a record high of €10.4 billion. Reasoning at constant consolidation scope, the order book declined by 1.4% to €9.6 billion, a level guaranteeing a degree of stability as regards the Group's activities, with revenues having increased to €13.23bn in 2008 (of which 81% was generated in France), up 5% overall, with organic growth of 1.4%.

At the end of 2008, the 51% shareholding in TGA, acquired in 2007, was sold to the family shareholders, while the Group acquired Clemessy and Crystal. Both companies will continue to operate as distinct entities, while strengthening the Group's positions in climate control and electrical engineering.

Investments totalled €1,779 million in 2008, of which €538 million went into acquisitions and €980 million into concessions.

Total net debt increased to €11.76 billion at 31 December 2008, up from €10.73 billion the year before. This total consists of €12.39 billion of debts related to concessions, which are without recourse against EIFFAGE, and a net cash position of €629 million compared with €931 million the year before. Note that working capital requirement in respect of operating activities improved by €244 million in 2008 after deteriorating by €164 million the year before.

At €301 million, the profit for the year attributable to the equity holders of the parent is comparable to the €333 million profit recorded in 2007 after adjusting for the profits on the sale of the shares held in Cofiroute and Compagnie EIFFAGE du Viaduc de Millau.

Operating profit on ordinary activities came to €1,104 million in 2008, compared with €1,141 million the year before. Cash flow from operations reached €1,032 million compared with €1,043 million. The operating margin on contracting activities peaked at 5% in 2006.



APRR and its subsidiary AREA immediately suffered the consequences of the oil shock, with motorway traffic impacted strongly from June, with much greater volatility and a downward trend in heavy goods vehicle traffic.

Overall, traffic decreased by 1.2% in 2008 (compared with an increase of 2.8% in 2007) but revenue increased by 1.7% (compared with an increase of 8%). Thanks to tight cost control, and in particular the gradual implementation of automated toll collection and a streamlining of the organisation, the EBITDA margin continued to improve, rising to 67.8% in 2008 (from 67.0% in 2007, compared with 62% in 2005), and the operating profit on ordinary activities came to €864 million (compared with €887 million).

Because of a significant increase in finance costs to €378 million (from €345 million), the net profit declined to €333 million (from €341 million).

The automated toll payment rate rose by around ten percentage points to 67.8%, and remote toll collection increased by a similar amount to 40.3%, thanks to the development of remote toll payment systems for heavy goods vehicles and another increase in the number of Liber-t badges for light vehicles (607,000 active badges at end-2008).

Occupational and traffic-related accidents were stable at satisfactory levels, but the number of deaths was halved, falling to 31 (compared with 61 in 2007 and 53 in 2006). This marked improvement was linked undoubtedly to the sudden surge in crude oil prices in the spring of 2008.

As expected, the Maurice Lemaire tunnel linking the French regions of Alsace and Lorraine was reopened to traffic on 1 October following work to bring it up to safety standards. The A41 Nord motorway between Annecy (France) and Geneva (Switzerland) was inaugurated on 5 December by French Prime Minister François Fillon. On this occasion, Bernard Accoyer, the President of the French National Assembly, pointed out that the concession granted to a private operator (Adelac, a 49.9% owned subsidiary of AREA that is responsible for the operations) had saved taxpayers around €300 million and had resulted in the construction of this motorway, which includes a tunnel and several other engineering structures, being completed in a record time of three years, without the need for any subsidies.

At the same time, further to the contracting contract for the period 2004 to 2008, road-widening work continues on several motorways, notably the Belfort-Montbéliard section of the A36 and the Beaune-Langres section of the A31. Also under the contract entered into with the public authorities, the construction of a number of new motorway sections got under way, including the A406 south of Macon, the A432 east of Lyon, and the A714 towards Montluçon.

Tolls were increased by 2.5% for light vehicles and by 3.5% for heavy goods vehicles with effect from 1 October 2008. They will be reviewed next on 1 April 2009.

The downtrend in heavy good vehicle traffic continued in the early months of 2009 as a result of the uncertain economic environment.



Some 18 million vehicles have crossed the Millau viaduct in the four years since its opening. Traffic increased by 3% in 2008 and revenue by 9% despite frequent interruption of the traffic on the A75 during the winter. The reason for this progress is the 8.1% increase in heavy good vehicles taking this route. No occupational accidents and no traffic accidents involving bodily injury were recorded in 2008. Routine inspections did not reveal any technical anomalies.

An agreement was reached with the Portuguese government in July 2008, bringing to a close the arbitration procedure concerning the financial consequences of the changes to the route of the A24 motorway from Chaves to Viseu that were made for environmental reasons. In accordance with the initial agreements, EIFFAGE's shareholding in the concession operator Norscut was scaled back from 50% to 36%. Traffic remains below forecast levels, but this has not had a significant impact given that the Portuguese State guarantees that toll revenues will not be less than a defined amount.

Thanks to the exceptional efforts and resources deployed by EIFFAGE's 50%-owned subsidiary TP Ferro the concession

operator for the Perpignan-Figueras high-speed rail link – the work was completed to schedule on 17 February 2009. This was five years to the day after the signing of the concession agreement, notwithstanding the unpredictable nature of the geological fault lines across the Pyrenees. Discussions will now get under way to determine how these contingencies will be taken into account, following the agreement in principle that delays in connecting the rail link at Figueras to the international rail network from Barcelona opened the right to indemnification.

Bearing in mind that the French environmental summit held in 2008 introduced more stringent requirements for protected species, work on the A65 motorway was able to start along the entire route in July 2008, six months late. Progress has been swift whenever permitted by weather conditions – following exceptionally heavy rainfall in 2008, the region was swept by a major storm on 24 January 2009.

Very high capacity fibre optic networks are being rolled out under public service delegation agreements in several French departments (Hauts-de-Seine, Yvelines, Jura, Côtes-d'Armor, Drôme, Ardèche and Meurthe-et-Moselle, in the latter case under a public-private partnership) and urban agglomerations (Belfort-Montbéliard and Pays d'Aix in Provence). In all, some 4,400 kilometres of fibre optic cabling are being installed under these projects.

EIFFAGE completed the handover of the Roanne and Lyon-Corbas prisons in 2008 to schedule. The Nancy prison will follow in February 2009 and the Béziers prison in July 2009, both ahead of schedule. Under a public-private partnership, EIFFAGE Construction Multiservice will be responsible for the maintenance and operation of these detention facilities until 2036.

The Rennes teaching hospital, which is being built under a public-private partnership, will be handed over in 2009. The Corbeil-Évry hospital complex in the Ile-de-France, also being built under a public-private partnership, should be delivered in 2011. The main structure has been completed, but work had to be partially suspended at end-2008 following the decision to add beds for prison inmates requiring inpatient treatment. Work on hospitals in Annemasse and Saint-Nazaire, also the object of public-private partnerships, is getting under way, in the second case in conjunction with Icade, a subsidiary of Caisse des Dépôts.

Work is under way on the police quarters in Châteaoux (Indre) and Evrecy, Mézidon-Canon and Pont-l'Évêque (Calvados), which are also being built under public-private partnerships, as is the national police headquarters in Issy-les-Moulineaux, following the signing of a public-private partnership on 19 December 2008, with delivery scheduled for 2012.

Revenue by Société Marseillaise du Tunnel Prado Carénage (SMTPC) remained stable in 2008 despite a 3% decline in traffic attributable to the difficult general economic environment as well as circumstances specific to Marseilles (labour movements and local roadworks). The concession agreement for the Prado Sud tunnel was signed in March with the concession company set up by EIFFAGE and Vinci. The project's financing was wrapped up in October. Work will start in 2009, with delivery scheduled for 2013.

The public-private partnership agreement to design, build, operate and maintain the Grand Stade de Lille was signed on 15 October 2008. The investment is put at €324 million. By 2012, the project will have taken on a spectacular dimension. The facilities will be highly versatile, able to host a wide range of sports and artistic events, thereby contributing to the development and reputation of the capital city of the Flanders region.

EIFFAGE has submitted proposals to Réseau Ferré de France (RFF) for the concession for the high-speed Sud Europe Atlantique rail link between Tours and Bordeaux. It is also in the running for the

public-private partnership for the Nîmes-Montpellier rail bypass. Finally, EIFFAGE and its partner Orange have filed their final offer with RFF concerning the rollout and operation of the Global System for Mobile Communication-Railway (GSM-R) network.

The Group pins much hope on the stimulus plan outlined by French Prime Minister François Fillon on 2 February in Lyon, and will endeavour to bid for as many contracts as possible in connection with this plan.



Revenue generated by the Electrical Contracting division (Forclum) increased to €2,912 million, up 15.1 % on a reported basis and 6.7% at constant consolidation scope. The operating profit on ordinary activities came to €104 million, equivalent to an operating margin of 3.6% compared with 5.1% in 2007.

In France and in the rest of Europe, Forclum's accomplishments in 2008 bear testimony to its expertise in many different areas.

In infrastructure, Forclum worked to install power cables and signalling systems for the Perpignan-Figueras high-speed rail link. It installed ventilation and smoke removal systems as well as heating and cooling systems at the departure areas of the new Toulouse-Blagnac airport terminal.

In Douai, the tramway project required the rerouting and burial of utility networks, as well as the renovation of the street-lighting system and the re-installation of the traffic signs. Work continues on the project to extend extra-high voltage lines and electrical stations in France and Algeria.

In the industrial sector, Forclum built a power plant in Mauritania. In France, it installed the heating, ventilation, air conditioning and fire protection systems as well as the high- and low-voltage electrical systems for a production and logistics building at a plant in Normandy operated by GlaxoSmithKline, the world's second largest pharmaceutical group.

In the services sector, it completed the handover of the Roanne and Lyon-Corbas prisons. In healthcare, Forclum was entrusted with restructuring some of the largest establishments in Lyon and its immediate suburbs, working on the Rockefeller clinic, the Croix Rousse hospital and the Portes du Sud clinic in Vénissieux. As regards the Arts, Forclum worked notably on the Grande Bibliothèque in Strasbourg and on the Zénith in Saint-Saint-Etienne. It also installed the system to illuminate Saint-Savin abbey, a masterpiece of 12th century Romanesque art located in the Vienne department, which has just undergone restoration work lasting two years. In Paris, Forclum is responsible for the technical overhaul of the Berthier décor workshop at the Bastille opera house. Finally, Forclum has worked on prestigious projects throughout France, being involved in electrical and technical contracting for upscale offices and high environmental quality buildings (HQE®).

Maintenance activities account for an increasing proportion of Forclum's business. Institut Supérieur de l'Aéronautique et de l'Espace (ISEA) in Toulouse has been using the services of Forclum for more than fifteen years and has now delegated to it the multi-technical maintenance at its Toulouse and Bonascre sites. Multi-service maintenance is provided to the entire police force stationed in Lille.

The Italian subsidiaries Galli and Grossi & Speier were awarded numerous contracts. To name but the most important, there were the mechanical and electrical systems for the head office of Nexity at the Edison Business Park in Sesto San Giovanni. In Milan, Forclum is renovating Cisco's offices, and providing technological maintenance for the new television studios and head office of Sky.



In Rome, the structures of the refrigeration and heating units at the Rimini hospital were strengthened, while Vodafone's offices were renovated. Finally, Forclum won the electrical installation contract at the Sant'Anna hospital in Como.

More than 150 employees of the Spanish subsidiary EIFFAGE Energia and Portuguese subsidiary JJ Tomé worked hard to enable the delivery in May of a solar photovoltaic plant at Amareleja in Portugal. This plant, which extends over a 250-hectare site, features 2,500 panels each covering an area of 140 square metres.

In 2008, JJ Tomé started work on the electrification of Angola's Cabinda province, a region rich in mining and oil resources located in the north of the country. Over a period of 36 months the company will renovate the existing power lines, install hundreds of kilometres of new lines, of which 150 kilometres are to be buried, and build five sub-stations to bring electricity to 300 local supply points.

The German subsidiary Nat AG worked on an exhibition hall for car manufacturer Audi, fitting the electrical installations as well as communication and fire detection systems. In Munich, work was carried out at a BMW plant to install fire detection and gas detection systems. Another subsidiary, Elomech, installed the electrical systems at Düsseldorf airport and at a shopping mall in Hattingen, and renovated the primary and secondary schools in Wackersdorf.

Work began in 2008 on the southern Paris region hospital centre (Centre Hospitalier Sud-Francilien - CHSF), which stands to be a technological showcase for Forclum. In addition, it was awarded the high voltage, low voltage, heating-ventilation-air conditioning and smoke removal work packages for the Saint-Nazaire hospital complex, and the electrical work package for the surgical and intensive care platform at the new Toulouse-Rangueil teaching hospital. It was also awarded the high voltage, low voltage, heating-ventilation-air conditioning, smoke removal, plumbing, compressed air and fire safety packages for the operations centre at the Flamanville EPR.

As part of the public-private partnership for the construction of the Grand Stade de Lille awarded to EIFFAGE, Forclum is in charge of the electrical, heating and air conditioning work packages.

The orders booked by Forclum subsidiaries reflect the breadth of their expertise:

- Deployment of broadband networks in Aix-en-Provence in the Côtes-d'Armor department, and in the Belfort-Montbéliard territory;
- Electricity stations and lines, with work underway on four 225-kVA stations in Algeria for Sonelgaz, three 330-kVA stations in Ghana, and on stations and lines in France for ERDF and RTE;
- Power generation, with the installation of the electricity distribution system for France's first biomass-fired power plants in Fature in the Gironde;
- Heating and air conditioning, with the installation of the HVAC systems for the La Roche-sur-Yon and Angoulême hospital complexes;
- Street-lighting and illumination, with the renovation of the street-lighting system in Fort-de-France being awarded to Forclum Antilles Guyane, while a four-year contract was won to maintain the street-lighting, illumination and signalling for the Seine-Essonne agglomeration in Ile-de-France;
- Lighting and signalling systems for the T2 tramway line between La Défense and Bezons in Hauts-de-Seine; and
- Airport infrastructure and rail signalling, including the beacon and runway lighting systems for Madagascar's Mahajanga airport and work on the rail signalling system at Bordeaux.

Forclum underwent major changes in its composition as a result of transferring its subsidiaries in the Benelux to EIFFAGE Construc-

tion in the first half of 2008 and then transferring its mechanical engineering and industrial maintenance subsidiaries to Eiffel in the second half. At the same time, Forclum continued to grow through acquisitions in France, taking over Chemery Aquaviva (Ile-de-France), Chenal Electricité (Rhône-Alpes), Cassagne (Aquitaine) and Brocard (Aube).

On 16 December 2008, EIFFAGE acquired Clemessy and Crystal, two companies with heating, ventilating, and air conditioning businesses. Together with Forclum, these companies will constitute the Energy division, which will start 2009 with a €2,380 m order book (compared with €1,465 million for the Electrical and Multi-technical Installations division one year before).

The strong order book will ensure a satisfactory level of activity in 2009.



EIFFAGE Travaux Publics contributed revenue of €3,932 million for 2008, down 4.4% year-on-year, and an operating profit on ordinary activities of €168 million, up from €156 million the year before. The division has had to contend with a slowdown in work given by French municipalities in the wake of the local elections as well as the spike, however short-lived, in the price of bitumen.

In 2008, EIFFAGE Travaux Publics, which is specialised in road construction, earthmoving and civil engineering, was involved in numerous infrastructure projects throughout France as well as in Germany, Spain and Senegal.

Road renovation and improvements, paving work, utility network rollouts, river and maritime works were undertaken alongside large - and in some cases very large - civil engineering projects for facilities and engineering structures, reflecting the breadth of the division's expertise.

As regards large rail projects, work was completed on the Perpignan-Figueras high-speed rail link with the laying of the tracks, raft foundation and extruded concrete platforms in the Perthus tunnel, using an innovative travelling technique. This was one of the year's highlights. Also in the rail sector, work continued on the Rhine-Rhône high-speed rail link, notably on earthmoving and civil engineering structures. Having already worked on the Ognon, Épenottes and Lizaine viaducts, EIFFAGE Travaux Publics and Eiffel are erecting the Savoureuse viaduct, the line's longest viaduct and most emblematic engineering structure. A major phase was completed in 2008 with the first section of the metal deck being moved into place.

Work on the new Bordeaux rail bridge, carried out under a design-and-build contract in collaboration with Eiffel, was completed in January 2008, enabling RFF to transfer rail traffic onto the new bridge over the 8 May bank holiday weekend.

The German subsidiary Wittfeld won a first tender held at regional level by RFF for the renovation of tracks in the Midi-Pyrénées region. In Germany, the company started work on the renovation of the rapid transit rail system at Ottensoos near Nuremberg, and also worked on the extension of the Augsburg-Olching line near Munich.

As regards large road infrastructure, work started in the middle of the year on the Pau-Langon A65 motorway, which required considerable efforts at organisational level to enable a staggered opening of the different sections from April 2010 to April 2011. One third of the standard engineering structures and half the non-standard engineering structures are either finished or

under construction. One million cubic metres of earth have been moved, out of the fourteen million required to complete the project.

On Reunion Island, several work packages were handed over for the Tamarins road, notably the Trois-Bassins viaduct, one of four exceptional engineering structures along the route. Surfacing work, including laying 170,000 tonnes of coated aggregate, continued. This 33-kilometre highway is scheduled to be opened to traffic in the summer of 2009.

The energy sector was particularly upbeat in 2008. EDF took delivery of a thermal power plant at Vaires-sur-Marne, while work started on a second thermal power plant in Blénod-les-Pont-à-Mousson. At the end of 2008, a major contract to design and build three diesel-fired power plants on the islands of the Reunion, Martinique and Guadeloupe was awarded to a consortium formed with Man Diesel and Clemessy. For its part, EIFFAGE Sénégal completed two similar facilities in Kahone and Zouerate in Northern Mauritania, the latter in collaboration with Forclum. In Spain, EIFFAGE Infraestructuras worked on a wind farm in Tarragona in Catalonia. In Germany, Wittfeld carried out works on the Weser river near Bremen in connection with the construction of a power plant. Finally, in Nigeria, several liquefied natural gas storage tanks were delivered to an international consortium on Bonny Island, marking the conclusion of a four-year construction project.

In tunnelling, the Maurice-Lemaire tunnel was reopened to traffic in September 2008, while the first section of the A86 Duplex tunnel is due to enter service in 2009.

Work widening, strengthening and restructuring roads was undertaken in Northern France on the A26 motorway, in Eastern France on the A31 motorway, in the Alps on the A40 and A43 motorways, in Ile-de-France on the A4 and A140 motorways, and in South-western France on the A63 motorway. EIFFAGE Travaux Publics worked on numerous ring roads and diversions, including projects in Albertville, Montauban, Quimper, Saint-Omer and Troyes. In Spain, EIFFAGE Infraestructuras completed work doubling the N433 in Cadiz and the A383 in La Linea de la Concepcion near Gibraltar, a project that had lasted several years. The company, which is a major force in Andalusia, started work on the Jédula crossing and on the renovation of several of Seville's districts. In Germany, several projects awarded to Heinrich Walter Bau and Lanwehr deserve mentioning. These notably include the construction of a dual carriageway road and extensive earthmoving and road construction activities in connection with the ThyssenKrupp's new headquarters in Essen, as well as other road construction and renovation projects in Postdam and Beelitz, south-west of Berlin, and in Dunsteyfurt, to the north-east of Dortmund.

New road surfaces were laid and associated facilities installed in Senegal, notably in the vicinity of Léopold Sédar Senghor airport.

As regards road projects with a strong environmental aspect, work moving the sand barrier between Sète and Marseillan, recalibrating a road surface in Pont-l'Évêque, building the south-east section of the Troyes ring road and the Cambrai southern bypass were the year's highlights, offering opportunities to use EBT® a low-temperature coated aggregate developed by EIFFAGE – and plant-based binders, and to re-use recycled materials

EIFFAGE Travaux Publics made noteworthy contributions to a series of public transport projects. In the case of the Paris underground, it is working on the automation of line 1 and the extension of line 12. It also worked on tramway lines in Lyon,

Angers and Caen and has just started work on network diversions in connection with the extension of the Maréchaux tramway line to the north-east of Paris.

Its expertise in technical coatings was called upon for projects at several airports, notably Roissy-Charles de Gaulle and Lyon Saint-Exupéry, carrying out work on runways, strips and pads.

As regards sports and cultural facilities EIFFAGE Travaux Publics carried out renovation work at the Nantes and Saint Malo racetracks, built a bowling alley in Vire, a white-water course in Châteauneuf-sur-Cher, a synthetic grass training pitch in Auxerre, and an ice skating rink in Valenciennes. It also worked on the access routes to the Charles de Gaulle memorial in Colombey-les-Deux-Églises and on the Zénith in Saint-Étienne, two locations opened to the public in the autumn of 2008.

In the water sector, in addition to work of a multitude of drainage systems, delivery of the Marseille, Blagnac and Saint-Étienne wastewater treatment plants was completed. Work started on the Étaples and Achères wastewater treatment plants. The latter is a 28-month design-and-build project to bring the facility into compliance with European standards. This project is expected to mobilise a staff of up to 350. In Spain, work is under way on a wastewater treatment plant in Cordoba and on a drinking water supply system for the Seville area.

As regards river and maritime projects, highlights included work at Fos 2XL that will enable Marseille's container port to handle some eight million tonnes of goods containers a year. There was also the construction of gabion-lined channels and application of a mineral coating to the Hegel dock in Lille, the renovation of the Couteaux bridge in Roubaix (in collaboration with Eiffel), and the erection of a sand transfer installation in Capbreton.

In Senegal, the main projects were the consolidation of the causeway of the northern jetty at Dakar's port and the protection of the piers of the Faidherbe bridge in Saint-Louis, a structure conceived by Gustave Eiffel at the end of the 19th century and soon to be rebuilt by the company that bears his name.

In specialised engineering, key projects included the laying of a 34-kilometre long, large-bore drinking water pipe in Luxembourg and 36-kilometre long gas pipeline in the Moselle, the erection of a water tower in Guéméné-Penfao, and dismantling and asbestos removal work at buildings in Le Havre and Caen. Other projects included concreting roads in Papaïchton in Guyana (which entailed transporting the necessary equipment and materials by canoes). Finally, emergency work was carried out at Eurotunnel at the year-end to repair the damage caused by the fire in September.

To end on a high note, the signing of the public-private partnership agreement for the Grand Stade de Lille deserves a special mention.

In an effort to build on the ongoing success of EBT® a low-temperature coated aggregate developed a few years ago by the company's own research team, and which remains a resounding success – research continued in 2008 into new products and processes. Luciole®, a modular lighting product featuring light-emitting diodes embedded in a building material (asphalt, coating or concrete), was developed in partnership with Forclum to cater to the needs of architects and developers. These products are attractive, cost-effective and more environmentally-friendly.

Trials in partnership with Comité d'Innovation Routière (CIR), an offshoot of the Technical Department for Transport, Roads and Bridges Engineering and Road Safety (Service d'Etude sur les Transports, les Routes et leur Aménagements – SETRA) – have

been undertaken to test Efème®, an energy- and material-saving coated aggregate, and STGV®, a high-speed, semi-warm coated aggregate, in Ile-France, Central and South-western France and in the Mediterranean region.

New applications have been found for BSI®, the ultra-high performance concrete developed by the company. This material is now being used in the fields of structural engineering and architectonics, notably work to improve the earthquake-resistance of a car park in Perpignan, the supply of coloured façade panels for a DIY store in Serris, the creation of floating water lilies for an urban environmental initiative in Blanc-Mesnil, and the supply of huge cubes for the César exhibition staged in the autumn by the Cartier foundation. The façade of Enfants du Paradis, an EIFFAGE Immobilier development in Chartres, combining housing units with a cinema complex, was dressed with a prefabricated lattice made from this innovative material.

The ITE® beam was used in a new engineering structure erected in Sarcelles in the Val-d'Oise in place of conventional cased girders.

This innovative process was rewarded by the International Federation for Structural Concrete on the occasion of the Amsterdam Symposium held in May 2008. Similarly, the aggregate coating station acquired in 2007, which stands out for its high recycling capacity, enabled the company to earn the first prize for Sustainable Development awarded by the World Road Association (AIPCR). Work on biodegradable components was recompensed by first prize at the Seventh National Congress of Emulsifiers.

Four companies were acquired in 2008:

- Prestini Travaux Publics in Eastern France, which is specialised in wet networks;
- EGTP in Southern Brittany, an earthmoving and road construction specialist;
- Hydrotech in the Reunion Island, an expert in hydraulic engineering; and
- Los Serranos in the Spanish region of Murcia, which operates quarries and is specialised in road construction and civil engineering (51% of the capital acquired).

The fact that the order book declined by 1.1% to €3,035 million this suggests that EIFFAGE Travaux Publics will experience a further contraction in its activity in 2009, with a particularly sharp downturn expected in Spain.



EIFFAGE Construction contributed revenue of €4,118 million for 2008, up 8.3% year-on-year, with an operating profit on ordinary activities of €186 million, down 11.8% year-on-year.

After a very high level of activity in the first half of the year, a slowdown was experienced in the latter part of 2008, as a result of which the order book declined to €4,320 million at 31 December 2008, down 7.5% from the year before.

The year saw a single acquisition, involving Delvigne, a company in Northern France generating revenue of €25 million a year.

An avalanche of national awards has greeted the most recent projects by EIFFAGE Construction:

- CSTB and Le Moniteur awarded the Constructeo trophy to Hélianthe, the Lyon regional headquarters of EIFFAGE at Lyon Confluences, an ultra-low energy building;
- Le Moniteur awarded the Equerre d'Argent to the Nice tramway maintenance centre, for which the architect was Atelier Marc

Barani, while the jury's special award went to the Biology Department at Paris XIII university, designed by the architects Jean Guervilly and Françoise Mauffret;

- Federation des Promoteurs Constructeurs de France presented Pyramides d'Argent awards for several EIFFAGE Immobilier projects: Rubis in Orvault, Phidias in Montpellier and Parc de la Jarre in Marseille; and
- The southern Paris region hospital centre (Centre Hospitalier Sud-Francilien - CHSF) received the first high environmental quality (HEQ) certification.

The partnership with the Abbé Pierre foundation, which has helped financed 1,700 decent housing units from 2005 to 2007, continued in 2008.

Sustainable development and complex design-and-build projects calling upon the breadth of expertise and knowledge possessed by EIFFAGE Construction are the two areas given priority at strategic level. To address the constraints arising from France's Environmental Summit, EIFFAGE Construction has set up "IRD2", an ad hoc department devoted exclusively to innovation, research and sustainable development department and formed a new entity, Luxsolis, specialised in solar heating and solar photovoltaic energy.

Several office projects were delivered, notably the global headquarters of Dassault Systèmes in Vélizy for Foncière des Régions, the Parc Iroise in Rennes for EIFFAGE Immobilier, and the Cap Sud office building in Montrouge (in partnership with Icade).

Work was also completed on the Ilot Bonnac in Bordeaux, Enfants du Paradis in Chartres, Cœur Méditerranée in Marseille, the Saint-Herblain cyclotron, the Lille Caisse d'Epargne, the Moulins police station in Nice, the Epinal library, the Arras hospital complex, and two shopping centres in Strasbourg (for Unibail) and Mulhouse (for Altarea).

New projects included:

- In France, the Centre Régional d'Enseignement Adapté in Vaucresson, the renovation of the Masséna barracks and Boule school in Paris, the Gallieni tower in Bagnolet, shopping centres in Nevers, Grenoble and Lyon, a building at the Flamanville EPR, a casino in Lille (for Groupe Barrière), the Hôtel du Département in Limoges, the mother-and-child hospital in Niort, a logistics hub in Marseille (for Sogaris), and offices in Villejuif and Lyon for Icade;
- In Belgium, offices for European Union institutions, the extension of the Palais de Justice in Liège, a car park in Ghent and river works in Courtrai;
- In the Czech Republic, a shopping centre (for Ikea), industrial buildings (including a plant for Hyundai Motor Manufacturing), retirement homes, and the renovation of several rail lines;
- In Slovakia, housing units, rail lines, and a wastewater treatment plant;
- In Poland, offices and housing units in Warsaw, including the structural work for a 608-apartment tower block, and biotechnology laboratories in Krakow.

EIFFAGE Immobilier sold only around 1,500 housing units in France in 2008, compared with around 3,000 in each of the three previous years. Because the property market's sharp downturn had been anticipated back in the spring of 2008, there were just 90 completed housing units unsold at 31 December 2008.

No commercial property is at risk. Because of the extent of the slowdown, there will be a very sharp decline in activity in 2009, but property development is expected to remain profitable.

In addition to ongoing property development projects for housing in Wissous and for both offices and housing units in Asnières-sur-Seine, several large city-centre projects in Nanterre, Joinville-le-Pont and Nogent-sur-Marne are under consideration as part of the

post-crisis forward planning. The intention is for EIFFAGE Immobilier to find outlets for the expertise it has nurtured over three decades in France and Belgium.



Reasoning at constant scope, Eiffel generated revenue of €396 million in 2008, up 24.5% year-on-year, and it recorded an operating profit on ordinary activities of €7 million compared with a loss of €6 million in 2007.

Taking into account the mechanical engineering and industrial maintenance subsidiaries transferred from Forclum with effect from 1 January 2008, Eiffel's revenue of reached €717 million and operating profit on ordinary activities €14 million.

In the nuclear sector, work continued on the polar crane and equipment hatch at the Okiluoto EPR in Finland (for Areva). Work also continued on the overhead travelling crane for the fuel building, the equipment hatch leading to the reactor, and the complex boiler work for the water and condenser station at the Flamanville EPR in France.

Work was undertaken to upgrade the existing facilities. In mechanical engineering, there was the renovation of the Bugey steam generator and Chooz overhead crane. In boiler making, the six water boxes of the Saint-Alban condenser were re-tubed by a team of 120 persons in a single shutdown, as part of the 10-year inspection programme.

Areva ordered ten TN24BH casks and the mock-up of the new TGC36 cask. China Nuclear Power Engineering Company (CNPEC) ordered two polar cranes for the Taishan nuclear power plant in China.

The Rouen lifting bridge equipped with two spans lifted to 55 metres, which constitutes a European record – was completed in time for the passing of the sailing ships taking part in the Armada festival. At the Isle Longue, an island in the roadstead off Brest, Eiffel completed the delivery of a highly secure overhead crane for handling M51 missiles for the new generation of nuclear submarines. This delivery (for DCN-EADS) will be followed by a second in 2009.

The four-year renovation program at the Mons boat lift in Belgium, which has been designated a UNESCO World Heritage site, is now nearing completion, with delivery scheduled for the spring of 2009.

There was intense activity on the Rhin-Rhône high-speed rail link, which includes nine engineering structures requiring 25,000 tonnes of steel. The first sections of the Savoureuse viaduct's deck were moved into place. This is the most spectacular engineering structure on the line: 9,300 tonnes of steel, 800 metres long, resting on elaborately fashioned, tetrapod piers. In 2008, seven engineering structures were delivered in respect of this rail link, a further two for the A41 motorway, one for the A19 motorway and the Bordeaux rail bridge (for RFF). There was also intense activity on the Grande Ravine viaduct on Reunion Island. The keystone of this structure nicknamed the "Little Millau Viaduct" – was laid at the start of October.

As regards order intake, Eiffel was selected to erect five engineering structures on the A65 motorway (first deck section moved into place on the Gabas viaduct in December), for three major motorway engineering structures near Lyon (for APRR), and a further three in Ile-de-France, Massy, and in the Austerlitz district of Paris. The company finalised the contracts for the reconstruction of the Faidherbe bridge in Saint Louis in Senegal and for the

renovation of several bridges in Tunisia (for Société Nationale des Chemins de Fer). Unibridge Trading, a company formed with Groupe Matière, is marketing rapid installation modular bridges, developed mainly for emerging countries. Significant contracts are being finalised in the Philippines, Iraq, Haiti and Black Africa for these bridges, which are designed for shipment by container.

Goyer completed the delivery of fourteen facades for prestigious projects that included the Tour Granite in La Défense (for Société Générale), the global headquarters of Dassault Systèmes in Vélizy, a building in Boulogne (for Hines), and Ilot Q in Asnières-sur-Seine (for EIFFAGE Immobilier). There was a high level of activity fabricating and then installing facades, spurred by major projects such as the renovation of the Jussieu university campus.

New orders included a dealing room (for Société Générale), the new casino in Lille, and two office buildings in Issy-les-Moulineaux (for Ecquateur and Farman). Such has been the activity in Issy-les-Moulineaux that Goyer has been responsible for erecting two-thirds of the office facades in this Paris suburb.

Despite the downbeat economic environment, Goyer starts 2009 with a strong order book.

In Poland, Defor (which is 48% owned by Goyer) has continued to enjoy a high level of activity, with Goyer contributing its expertise for the design of several office building projects in Warsaw, notably Platinum Tower and Block Part Postpu. The Polish company has adjusted its structure to the slowdown in activity being experienced by this country.

As regards structural facades, Goyer handed over the Docks en Seine programme, which will be home to the Institut Français de la Mode. It completed the façade for the S4 terminal at Roissy-Charles de Gaulle, the Houphouët-Boigny mausoleum on the Côte d'Ivoire, and the roof at a leisure and shopping centre in Lyon (for Unibail).

In the spring of 2009, it is scheduled to deliver an important gas compression station in Sauveterre in Guyana (for Total Gaz).

In Spain, activity has focused primarily on wind turbine masts, together with mechanical parts for solar power plants and traffic signs.

In Germany, work is being completed on the Neurath thermal power plant (for Hitachi-Alstom).

Deliveries in 2008 included the superb greenhouses in Bremerhaven in Germany and the frame for the Durban stadium in South Africa. Projects won included the Kennedy bridge in Bonn, two bridges in Hamburg, two high-capacity canal locks in Meiderich and on the Rhine, the roof at Leipzig zoo and, at the end of the year, the roof at the future Berlin-Brandenburg airport, a three-dimensional structure with a surface area of 50,000 square metres that must be installed in 18 months.

Following the September 2008 transfer of nine mechanical engineering and industrial maintenance companies, previously subsidiaries of Forclum, Eiffel now employs over 4,000 people.

With an order book of €665 million, the outlook is good for 2009.



In a very eventful year, marked notably by the downturn of most markets it serves, the Group remained steadfast when it came to its recruitment and training policy and efforts to improve both its social and natural environment. Ongoing and new initiatives implemented or coordinated by the Sustainable Development and

Human Resources department are detailed on pages 50 to 89 of the Reference Document, which forms an integral part of the Directors' Report. The EIFFAGE Foundation was created in order to increase the effectiveness of the Group's initiatives in the social, artistic and environmental spheres, improve visibility on these initiatives, and involve members of staff who have projects of their own.

The basis of preparation of the consolidated financial statements was the same as in the previous year.

The date of application of IFRIC 12, Service Concession Arrangements, was delayed. EIFFAGE did not elect for the early application of this interpretation. Therefore, as before, EIFFAGE continued to apply accounting principles generally accepted in France to the extent they are not in contradiction with International Financial Reporting Standards.

No significant events occurred between the balance sheet date and 26 February 2009.

Because of the economic downturn in France since the second quarter of 2008 and the aggravation of the difficulties experienced in the Iberian Peninsula and Czech Republic, the operating profit on ordinary activities contributed by the contracting activities pulled back to €465 million, after eleven years of growth. The operating margin for these activities declined to 4.1% in 2008 from 4.6% in 2007 and 5% in 2006.

The total operating margin on ordinary activities came to 8.3% compared with 9.1% in 2007, thanks to an improvement in the contribution made by the concession activity, which is playing in full its role as a stabilising force in the deteriorating economic environment.

After taking into account income tax of €186 million in 2008 against €227 million in 2007, group share of consolidated net profit came to €301m, down from €1 billion the year before, bearing in mind this included €682 million of profits on disposals.

These results are stated after significant deductions in respect of the various employee profit-sharing schemes, details of which are given in the table below:

In millions of euro	2007	2008
Discretionary employee benefit sharing	80.4	79.3
Mandatory employee profit sharing	62.7	55.4
Employer's contribution	36.7	49.7
<b>TOTAL</b>	<b>179.8</b>	<b>184.4</b>

Excluding Eiffarie/APRR Group, VP1 and VP2 (which are the structures controlling Compagnie EIFFAGE du Viaduc de Millau) and A'Lienor (which is the operator of the A65 motorway), whose debt is without recourse on EIFFAGE, the Group had net cash of €629 million at 31 December 2008 compared with €931 million the year before. This is despite further sizeable investments made in terms of acquisitions (€538 million, mainly in respect of Clemessy and Crystal) and to develop public-private partnerships and concessions (€980 million). The Group's sound financial situation is due to the solidity of the cash flows generated by the contracting activities, notably construction but also civil engineering.

In addition to the cash position, the Group has credit lines totalling €700 million, which run until 2012, and other confirmed credit facilities available to fund new concession and public-private partnership projects and overcome the strained conditions in the credit market.

Without-recourse debt carried by Eiffarie/APRR, VP1/VP2/Compagnie EIFFAGE du Viaduc de Millau and A'Lienor amounted to €12,390 million at 31 December 2008. It consists in long-term debt

at interest rates that are fixed or indexed to inflation, to be repaid in instalments out to 2051 in the case of the Millau Viaduct and 2018 in the case of APRR.

Because of the exceptional difficulties experienced by the bond market over the past 18 months, APRR has been unable to make use of the €6 billion emission programme arranged in 2007. As a result, since its acquisition at the start of 2006, the company's refinancing requirements have been covered by medium-term bank loans and bond issues placed with Caisse Nationale des Autoroutes (CNA) or private institutions, always at particularly favourable conditions. A €1.8 billion liquidity agreement, which runs until 2013, has been arranged by APRR to cover financing requirements between market operations or the renewal of bank facilities.

On 17 April 2008, Sacyr sold its shares in EIFFAGE to various investors, including Caisse des Dépôts; this modified the breakdown of the capital and voting rights:

	% of the capital	% of voting rights*
Caisse des Dépôts	19.8%	20.4%
Groupama	6.0%	6.2%
Group employees	21.1%	21.6%
- Owned collectively**	20.3%	20.8%
- Owned directly	0.8%	0.8%
Eiffaime	8.1%	8.4%

\* Voting rights were calculated by deducting from the theoretical voting rights those rights attached to the shares held in treasury.

\*\* Sicavas EIFFAGE 2000, FCPE 2011, FCPE Secur+.

The EIFFAGE share ended the year at €37.37, down 44.5% from €67.36 at end-2007, a performance in line with the market, the CAC 40 having fallen by 42.7% and the SBF 120 by 43.1% over the same period. As with the market, the EIFFAGE share experienced significant volatility in thin trading, with the volumes exchanged in 2008 representing only 55.3% of the capital compared with 56.4% in 2007 and 135% in 2006, the year in which Sacyr first launched its aborted bid for the Company.

In 2008, EIFFAGE exercised options in respect of 1,614,000 of its own shares, and, pursuant to the authorisation granted by the Shareholders' General Meeting of 25 June 2008, purchased 3,384,098 shares on the market. Of these shares, 1,384,783 were transferred to employees in connection with the exercise of stock options and bonus shares granted in 2006. Pursuant to the authorisation granted by the Shareholders' General Meeting of 25 June 2008, the Board of Directors proceeded to cancel 1,600,000 shares held in treasury on 1 October 2008. As a result, at 31 December 2008, EIFFAGE held 2,544,473 of its own shares (2.78% of the capital). The table below summarises trading in the company's own shares:

Number of shares purchased in 2008	4,998,098 shares
Number of shares transferred in 2008	1,384,783 shares
Number of shares sold in 2008	-
Number of shares cancelled in 2008	1,600,000 shares
Average purchase price	67.41 shares
Transaction fees excluding taxes	123,282 shares
Number of shares held in treasury at 31 December 2008	2,544,473 shares
Cost of the shares held in treasury	157,552,242 shares
Nominal value of the shares held in treasury	10,177,892 shares

All 1,614,000 shares added to treasury as a result of the options exercised in 2008 have been earmarked for stock option plans and for bonus share issues in favour of the Group's employees. Of the 3,384,098 shares purchased on the market, 1,000,000 have been earmarked for the same used. The remaining 2,384,098 shares are to be cancelled (1,600,000 shares were in fact cancelled in October 2008). There was no reallocation of shares in 2008.



In its company financial statements, EIFFAGE SA reported a net profit of €388 million for the year ended 31 December 2008, compared with €1,295 million for 2007 and €398 million for 2006.

Given the Group's sound financial position and the prospects for the coming year, the General Meeting is invited to maintain the annual dividend at €1.20 per share. This dividend will be distributed in respect of the 90,000,000 shares in issue after the cancellation of 1,583,342 shares decided by the Board of Directors on 26 February 2009. The dividend corresponding to the shares held in treasury will be carried forward for subsequent appropriation.

Details of dividends paid in respect of the three previous financial years are provided in the tables below:

	Number of shares	Revenues eligible to tax allowance	Revenues not eligible to tax allowance
2005	44,894,788	€67,342,182	-
2006	93,172,338*	€93,172,338	-
2007	93,183,342	€111,820,010.40	-

\* The nominal value of the shares was halved and therefore the number of shares in issue doubled pursuant to the decision taken by the Extraordinary General Meeting of 19 April 2006.

The Board of Directors held seven meetings in 2008. These meetings were prepared by the Audit Committee, the Appointments and Compensation Committee and the Strategy Committee. In 2008, the Audit Committee consisted of one independent director - Mr Bruno Flichy, who was designated as Chairman and two other directors in Messrs Jean-Louis Charles and Jean-Claude Kerboeuf. The Appointments and Compensation Committee is chaired by Mr Serge Michel, the other member being Mr Alain Quinet. The members of the Strategy Committee are Messrs Bruno Flichy, Jean-François Roverato and Dominique Marcel, who was designated as Chairman.

At its last meeting in 2008, the Board of Directors conducted a critical review of its own work and that of the committees during the year.

Information relating to the compensation of the Company's Directors and Officers is provided on pages 174 to 176 of the Reference Document, which forms an integral part of the Directors' Report to the General Meeting.

No share purchase or subscription options have been granted to any Director or Officer. No bonus is paid to them on joining or leaving the Company, nor has the company any obligation towards them in respect of supplementary pension benefits.

Pursuant to the provisions of the French Monetary and Financial Code and the General Regulations of the French Financial Markets supervisor (*Autorité des Marchés Financiers - AMF*), the Board is under the obligation to inform you of trading in the company's

shares by directors or corporate officers and associated persons. Mr Jean-François Roverato, Chairman and Managing Director, came into possession of 120,000 bonus EIFFAGE shares (share price on date of transfer: €60.31) and he contributed 147,287 EIFFAGE shares to Eiffaime (share price on date of transfer: €53).



The terms of office of Mr Bruno Flichy and Mrs Béatrice Brénéol, who represent share-owning employees, end at the close of this General Meeting. The Board of Directors of Sicavas EIFFAGE 2000, which is the main vehicle through which employees collectively own shares in the Company, has proposed to re-appoint its Chairwoman, Mrs Béatrice Brénéol, to represent employees on the EIFFAGE Board. Accordingly, the Board invites the General Meeting to renew the appointment of Mr Bruno Flichy and Mrs Béatrice Brénéol for a further three years.

In the spirit of the Code of Corporate Governance proposed by the French Association of Private Companies (*Association Française des Entreprises Privées - AFEP*) and the French Confederation of Business Enterprises (*Mouvement des Entreprises de France - MEDEF*), the General Meeting is invited to enlarge the Board's composition by appointing Mrs Anne Duthilleul and Mr Demetrio Ullastres as independent directors for a three-year term.

If the General Meeting agrees to the aforementioned four re-appointments and appointments, the Board of Directors would have ten members, including three independent directors and three directors representing the Company's main financial shareholders.

Several resolutions dealing with financial matters have been tabled. The General Meeting is invited to renew the authorisation given to the Board to purchase on the market shares representing up to 10% of the capital and to cancel, when it deems appropriate, shares held in connection with the share buyback programme by reducing the capital.

The General Meeting is also invited to authorise the Board to allot to the employees, directors and officer of the Group options entitling the holders to purchase up to one million EIFFAGE shares.

In accordance with existing plans, which concern 794 beneficiaries, the intention of this new plan would be to allow the operational staff, and younger employees in particular, to share in the Group's performances. No discount would be applied and the Board of Directors, assisted in this by the Appointments and Compensation Committee, would ensure that when share options are allocated, such allocations follow the principle of rewarding performance, the proportion of the total compensation received by each beneficiary and frequency, as recommended by AFEP-MEDEF.

The Statutory Auditors having submitted their reports on these various matters presented to you, the Board therefore invites you to approve the resolutions put to you.

## The Board of Directors

# financial

## FINANCIAL HIGHLIGHTS

### CHANGE IN CONSOLIDATED REVENUE

<i>In millions of euros</i>	2006	2007	2008
<b>Revenue by activity</b>			
Construction	3,370	3,801	4,118
Public Works	3,635	4,114	3,932
Electrical and Multi-Technical Installations	2,006	2,529	2,912
Metallic Construction	244	318	396
Concessions	1,490	1,834	1,868
<b>TOTAL</b>	<b>10,745</b>	<b>12,596</b>	<b>13,226</b>
<b>Revenue by geographical area</b>			
France	9,199	10,192	10,733
Rest of Europe	1,421	2,229	2,357
Rest of the world	125	175	136
<b>TOTAL</b>	<b>10,745</b>	<b>12,596</b>	<b>13,226</b>

Revenue referred to in this reference document and in the reports and publications relating to the Group's activity corresponds to production for the year calculated at its sale value and comprises:

- the works and services carried out directly by consolidated companies; and
- works carried out in partnership with other companies for the part accruing to the consolidated company.

### EMPLOYEES

The tables below indicate the average number of employees under contract during the year.

	2006	2007	2008
<b>Analysis by category</b>			
Managers	6,883	7,710	7,954
Technical and supervisory staff	15,432	17,435	18,219
Workers and administrative staff	33,885	38,195	38,816
<b>TOTAL</b>	<b>56,200</b>	<b>63,340</b>	<b>64,989</b>

	2006	2007	2008
<b>Analysed by division</b>			
Construction	14,029	15,682	16,382
Public Works	19,365	20,765	21,538
Electrical and Multi-Technical Installations	17,485	21,452	21,619
Metallic Construction	1,086	1,328	1,431
Concessions	4,235	4,113	4,019
<b>TOTAL</b>	<b>56,200</b>	<b>63,340</b>	<b>64,989</b>

	2006	2007	2008
<b>Analysed by geographical area</b>			
France	47,887	51,192	52,956
Rest of Europe	7,617	11,265	11,391
Rest of the world	696	883	642
<b>TOTAL</b>	<b>56,200</b>	<b>63,340</b>	<b>64,989</b>

## OPERATING PROFIT ON ORDINARY ACTIVITIES ANALYSED BY DIVISION

<i>In millions of euros</i>	2006	2007	2008
Construction	176	211	186
Public Works	175	156	168
Electrical and Multi-Technical Installations	101	130	104
Metallic Construction	11	-6	7
Concessions	500	675	695
Holding company	0	-25	-56
<b>TOTAL</b>	<b>963</b>	<b>1,141</b>	<b>1,104</b>

## NON-CURRENT ASSETS ANALYSED BY DIVISION

(including shareholdings in associated companies)

<i>In millions of euros</i>	2006	2007	2008
Construction	550	668	678
Public Works	642	790	982
Electrical and Multi-Technical Installations	322	444	770
Metallic Construction	49	70	79
Concessions	15,077	15,099	15,260
Holding company	81	59	100
<b>TOTAL</b>	<b>16,721</b>	<b>17,130</b>	<b>17,869</b>

## CAPITAL EXPENDITURE

<i>In millions of euros</i>	2006	2007	2008
Intangible assets	4	12	6
Property, plant and equipment	132	220	255
Concessions and public-private partnerships	4,957 <sup>(1)</sup>	690	980
Acquisitions	139	308	538
<b>TOTAL</b>	<b>5,232</b>	<b>1,230</b>	<b>1,779</b>

(1) Of which €4,617 million corresponds to the acquisition of 81.5% of the capital of APRR.

### CAPITAL EXPENDITURE

Spending on property, plant and equipment is mainly for the recurrent renewal of existing equipment and production installations operated by Group companies. Spending has increased sharply since 2007, notably at the Public Works activity.

### CONCESSIONS

Since 2000, the strategy of developing first the Concessions activity and then Public/Private Partnerships has yielded concrete results. Successive contracts have been won for a 155-kilometre shadow toll motorway in Portugal, the Millau Viaduct in France, the concession for the Perpignan-Figueras rail line between France and Spain, the concession for the Pau to Langon section of the A65 motorway and PPP contracts for four prisons, a hospital complex in the south of the Ile-de-France region, hospital complexes at Rennes, Annemasse and Saint-Nazaire, several police stations as well as the national police headquarters, and Lille's new stadium. The investments needed to build and bring into service these installations require significant resources.

On 26 February 2006, EIFFAGE completed the acquisition of a controlling interest in APRR, paying €61 per share. This was followed by a guaranteed price procedure, and, following these transactions, Eiffarie – the consortium created by EIFFAGE and Macquarie investment funds – owned 81.48% of the capital of APRR for a total investment of €4.6 billion net.

In 2006, EIFFAGE also spent €340 million on the maintenance of concessions in operation, on developing concessions and on public private partnership projects under construction.

In 2007, a total of €235 million was invested by APRR in concessions and public private partnerships to maintain and extend its network and by EIFFAGE to develop ongoing projects.

In 2008, a total of €452 million was invested by APRR, in addition to which it subscribed to a €110 million capital increase by ADELAC, the company operating the A41 motorway that was brought into service in December 2008. Other investment by the Group concerned mainly the development of the A'Liéonor concession for the Pau-Langon A65 motorway and public private partnerships for prisons and hospitals.



### ACQUISITIONS (other than concessions)

2006 was a very active year in terms of acquisitions for FORCLUM, with numerous investments in Spain and the strengthening of its position in Germany. At the end of the year, EIFFAGE Travaux Publics acquired 51% of the capital of Teodoro Gomes Alho in Portugal, a shareholding that was later sold in 2008.

In 2007, amounts spent on acquisitions more than doubled, underlining the Group's determination to develop its activities in the rest of Europe. These acquisitions concerned all divisions.

In 2008, EIFFAGE acquired Clemessy and Crystal, companies that, together with Forclum, will strengthen the Energy division.

### RISK ANALYSIS

#### MARKET RISKS

Not taking into account the non-recourse debt of the concession operators included in the consolidation scope, the Group had net cash at 31 December 2008. Of the non-recourse debt of the Concessions activity (€12,390 million at 31 December 2008), part is carried by the APRR group and its holding company Eiffarie, of which 75% bears fixed rates or has been hedged by entering into interest rate swaps. Part is carried by the holding company controlling Compagnie EIFFAGE du Viaduc de Millau, all of this debt being at fixed rates, with the capital indexed to inflation. Part is carried by A'Liéonor, the operator of the Pau to Langon A65 motorway, at fixed rates. Finally, part is carried by Optimep 4, to which the public private partnership for four prisons was awarded. The information necessary to form an opinion as to these risks is provided in the notes to the financial statements (pages 113 and 129 to 130, Note 23).

The Group has very little exposure to foreign exchange risk as more than 95% of its revenue is generated within the euro zone.

The Group is not exposed to any equity risk since all surplus cash is held in the form of money market UCITS (invested exclusively in very short dated money market instruments) or in bank certificates of deposit.

#### LIQUIDITY RISKS

At the start of 2004, EIFFAGE negotiated a five-year credit line of €500 million with a banking syndicate. This facility was increased to €555.5 million at the beginning of 2005 and at the beginning of 2007 the term was extended to February 2012. At the end of 2005, EIFFAGE negotiated a credit agreement for the purpose, among other things, of financing its contribution to the capital of EIFFARIE (see above). Early repayment of the portion drawn down on this facility was made at the beginning of 2007 and the balance of €152.6 million is available until November 2012.

These two credit lines, each with a term of five years and not utilised, add to the Group's liquidity, bearing in mind it had net cash of €629 million at 31 December 2008 following the sale, in 2007, of the shareholding in Cofiroute and the opening of the capital of Compagnie EIFFAGE du Viaduc de Millau, followed by its refinancing through non-recourse debt with a 44-year term.

APRR set up a Euro Medium Term Note (EMTN) programme amounting to €6 billion in 2007. In addition, it had access to €505 million at 31 December 2008 under seven-year credit lines arranged in 2006 and 2007. These credit facilities were put in place to cover APRR's investment requirements and refinance its existing debt. In 2008, despite the difficult market conditions, APRR was able to raise €591 million of new financing.

Covenants applicable to these loans and compliance with these covenants at 31 December 2008 are detailed in Note 23 to the consolidated financial statements on page 130.

#### LEGAL RISKS

A significant part of the Group's activities is governed by regulations applicable to public contracts and, in the case of building works, the ten-year contractors' guarantee.

Some activities are governed by authorisations granted in respect of classified installations. This concerns notably road construction for coating stations, binder production plants and quarries (in the latter case with the requirement to provide financial guarantees to cover site rehabilitation).

Some contracts may contain confidentiality clauses, notably when pertaining to national defence.

Disputes and matters referred to the courts or to arbitration have not had a material impact on the Group's financial situation in the recent past given the provisions set aside to cover such eventualities.

#### INDUSTRIAL AND ENVIRONMENTAL RISKS

Given the nature of its activities, the Group has little exposure to industrial risks. At environmental level, particular regulations govern the activities of the Group's various divisions, notably the processing of materials recovered from demolition sites or from building sites, and of materials produced for road construction. Measures taken by the Group to manage these risks are described more fully in the section dealing with corporate, social and environmental responsibilities (pages 67 to 75).

The cost and amounts of the investments related to preventive measures and to measures to implement applicable standards and regulations are provided on page 89 of the Sustainable Development Report.

#### INSURANCE

The Group's policy with regard to insurance cover is scaled to take into account the size effect.

First, some risks characterised by a high-frequency rate but low severity are covered through self-insurance (motor insurance) or the application of appropriate deductibles (ten-year contractors' guarantee).

Second, particular attention is paid to risks presenting high severity by taking out policies providing substantial cover (third-party liability).

The construction activity is subject to specific regulations and requirements in terms of insurance cover (ten-year contractors' guarantee). All these aspects are monitored by the Legal departments of each division.

At Group level, the insurance manager ensures that the measures taken are appropriate, notably as regards self-insurance and coverage limits.

#### Description of insurance policies taken out by the Group:

■ Various third-party insurance lines provide overall cover of €85 million by claim, and an additional line subscribed in 2003 has raised this to €155 million per claim and per year. This insurance covers APRR and its subsidiaries since their integration into the Group;

■ Insurance in respect of the ten-year contractors' guarantee is taken out almost exclusively for the French businesses. Cover complies with Law L.78-12 of 4 January 1978 and the relevant implementing decrees, and accordingly provides cover against damage to buildings for the ten years following delivery within the limit of the costs of any deficiencies detected;

■ Various annual policies have been taken out at Group or subsidiary level, including by APRR and its subsidiaries, to cover property and operating assets, including contractors' all-risks insurance (for damage during construction work), comprehensive property insurance (offices, accommodation and workshops) and auto insurance (third-party liability, fire and theft);

■ Lastly, risks concerning accidental environmental damage are covered by the third-party liability contracts referred to above. Specific policies have been taken out for classified installations (coating stations, etc.).

In total, insurance premiums paid by the Group in respect of the aforementioned policies amounted to €47 million in 2008 compared with €47 million in 2007 and €45 million in 2006.

## ASSETS PLEDGED AS COLLATERAL - OFF BALANCE SHEET COMMITMENTS

In 2002, the Group arranged for the securitisation of trade receivables to provide a source of medium-term financing. This programme was renewed in 2007. The impact of this programme on the financial statements is given in the notes to the consolidated financial statements dealing with borrowings on page 112.

In 2003, as part of the refinancing of Société Marseillaise du Tunnel du Prado Carénage (SMTPC), EIFFAGE pledged 505,920 shares in this company, corresponding to 8.7% of the capital, to its lenders as collateral.

In 2006, Eiffarie, the holding company for the APRR group, pledged all its shares in APRR (i.e. 92,101,132 shares representing 81.48% of the capital) to the banks that had financed the acquisition. The financing facilities were granted for a term of seven years.

In 2007, in connection with the refinancing of Compagnie EIFFAGE du Viaduc de Millau and its holding company VP2, all the shares of Compagnie EIFFAGE du Viaduc de Millau were pledged in favour of the lenders and their insurers. This refinancing has a 44-year term.

As a rule, project financing for concessions or public-private partnerships is provided on the condition that the shares of the ad-hoc entities party to the financing agreements are pledged to the lenders and their guarantors.

There are no significant off balance sheet commitments other than the items referred to above or detailed in Note 38 to the consolidated financial statements on page 130.

## PATENTS, LICENCES AND SUPPLY AGREEMENTS

The Group is not dependent to any significant extent on any patents or licences, or any individual supply agreements.

## DISPUTES AND ARBITRATIONS

To management's knowledge, there are no exceptional matters or disputes that could have a significant impact on the Group's business, results, assets or financial situation.

## PROSPECTS

The acquisition in December 2008 of Clemessy and Crystal will contribute more than €800 million of revenue in the Energy division and will strengthen EIFFAGE's position as a leader in this line of business.

Thanks to the Group's commercial successes, notably in the area of public private partnerships and concessions, the order book has held at a high level of €10.4 billion despite the economic downturn. Given EIFFAGE's strong positions in France and the Benelux in its contracting activities, the rightsizing measures implemented in Spain and Portugal, and the tightening of the structures controlling its activities in Europe, controlled growth in consolidated revenue is expected to €13.7 billion in 2009, with contracting activities contributing €11.8 billion and concessions €1.9 billion. The assumption is that the trend observed in the second half of 2008 will persist, leading notably to a lesser level of activity in certain European countries.

The analysis of the order book and of the revenue expected in 2009 presented below is based on the revised organisation in place since the start of 2009, reflecting the acquisition of Forclum's mechanical engineering and industrial maintenance activities by Eiffel to form, along with the latter's existing activities, the Metal division, and the regrouping of Forclum's other activities and those carried on by Clemessy and Crystal to form the Energy division.

### ORDER BOOK AT 1 JANUARY 2009

<i>In millions of euros</i>	At 01-01-2008	At 01-01-2009	% change
Construction	4,670	4,320	-7.5%
Public Works	3,070	3,035	-1.1%
Energy	1,465	2,380	+62.5%
Metal	595	665	+11.8%
<b>TOTAL</b>	<b>9,800</b>	<b>10,400</b>	<b>+6.1%</b>

### 2009 REVENUE FORECASTS

<i>In millions of euros</i>	2008	2009 forecast	% change
Construction	4,118	3,950	-4.1%
<i>Of which Property</i>	631	470	
Public works	3,932	3,800	-3.4%
Energy	2,591	3,330	+28.5%
Metal	717	720	+0.4%
Concessions	1,868	1,900	+1.7%
<b>TOTAL</b>	<b>13,226</b>	<b>13,700</b>	<b>+3.6%</b>
<i>Of which</i>			
France	10,733	11,380	+6.0%
Rest of Europe	2,357	2,160	-8.4%
Rest of the world	136	160	+17.6%

Given the solidity of its balance sheet along with its significant cash position and very prudent approach to its development, EIFFAGE can be expected to weather and to emerge stronger from the current economic downturn.

Quarterly data for the first and third quarters of 2009 will be released on 14 May and 6 November 2009, respectively. The first-half financial statements to 30 June 2009 will be published on 31 August 2009.

## CONSOLIDATED FINANCIAL STATEMENTS

### CONSOLIDATED BALANCE SHEET at 31 December 2008

#### ASSETS

<i>In millions of euros</i>	Notes	31 December 2008	31 December 2007
<b>Non-current assets</b>			
Property, plant and equipment	7	1,165	965
Investment property	7	11	11
Non-current assets held under concessions	7-9	13,534	13,240
Goodwill	7-8	2,793	2,425
Other intangible assets	7	27	23
Investments in associates	7-10	138	88
Other financial assets	7	201	378
Deferred tax assets	16	448	204
<b>Total non-current assets</b>		<b>18,317</b>	<b>17,334</b>
<b>Current assets</b>			
Inventories	11	444	503
Trade and other receivables	12	4,049	3,933
Current tax assets	16	73	11
Other current assets	15	1,291	1,318
Assets classified as held for sale		-	70
Cash and cash equivalents	17-19	1,786	1,930
<b>TOTAL ASSETS</b>		<b>25,960</b>	<b>25,099</b>

#### EQUITY AND LIABILITIES

<i>In millions of euros</i>	Notes	31 December 2008	31 December 2007
<b>Capital and reserves</b>			
Share capital	20	366	373
Consolidated reserves		2,061	1,507
Profit for the year		301	1,000
<b>Shareholder's equity attributable to the Group</b>		<b>2,728</b>	<b>2,880</b>
Minority interests		576	786
<b>Shareholders' equity</b>		<b>3,304</b>	<b>3,666</b>
<b>Non-current liabilities</b>			
Borrowings	19	12,473	11,627
Deferred tax liabilities	16	1,871	1,886
Non-current provisions	21	211	192
Other non-current liabilities		39	43
<b>Current liabilities</b>			
Trade and other payables	24	3,140	3,041
Borrowings	19	269	272
Non-current borrowings due within one year	19	805	763
Current tax liability	16	53	89
Current provisions	21	506	481
Other liabilities	25	3,289	3,037
Liabilities directly associated with assets classified as held for sale		-	2
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>25,960</b>	<b>25,099</b>

Notes 1 to 38 form an integral part of the consolidated financial statements.

## CONSOLIDATED INCOME STATEMENT for the year ended 31 December 2008

<i>In millions of euros</i>	Notes	31 December 2008	31 December 2007
<b>Revenue from continuing operations</b>		13,293	12,577
Other operating income		4	4
Raw materials and consumables used		-2,896	-2,768
Staff benefits expense		-3,113	-2,831
External charges		-5,012	-4,786
Taxes (other than income tax)		-353	-339
Depreciation and amortisation expense		-788	-737
Provisions		11	-22
Change in inventories of finished goods and work in progress		-75	24
Other operating income (expenses) from ordinary activities		33	19
<b>Operating profit on ordinary activities</b>		<b>1,104</b>	<b>1,141</b>
Other income (expenses) from operations	32	-32	-64
<b>Operating profit</b>		<b>1,072</b>	<b>1,077</b>
Income from cash and cash equivalents		103	94
Finance costs		-571	-534
<b>Net finance costs</b>		<b>-468</b>	<b>-440</b>
Other financial income (expenses)	33	-57	676
Share of profit of associates		7	4
Income tax expense	16	-186	-227
<b>PROFIT FOR THE YEAR</b>		<b>368</b>	<b>1,090</b>
• Attributable to equity holders of the parent		301	1,000
• Attributable to minority interests		67	90
<b>Earnings per share attributable to the equity holders of the parent (euros):</b>			
Basic	35	3.28	10.85
Diluted	35	3.24	10.73

Notes 1 to 38 form an integral part of the consolidated financial statements.

### CHANGES IN SHAREHOLDERS' EQUITY for the year ended 31 December 2008

<i>In millions of euros</i>	Share capital	Share premium	Reserves	Profit for the year	Group share	Minority interests	Total
<b>At 1 January 2007</b>	373	278	824	377	1,852	902	2,754
Appropriation of 2006 profit	-	-	377	-377	-	-	-
Capital increase	-	-	-	-	-	7	7
Treasury shares	-	-	30	-	30	-	30
Share-base payments (IFRS 2)	-	-	12	-	12	-	12
Dividends	-	-	-93	-	-93	-319	-412
Profit for the year	-	-	-	1,000	1,000	90	1,090
Translation difference	-	-	13	-	13	-	13
Change in fair value of financial instruments	-	-	66	-	66	45	111
Income and charges recognised directly in equity	-	-	79	-	79	45	124
Period income and expense	-	-	79	1,000	1,079	135	1,214
Change in the consolidation scope	-	-	-	-	-	61	61
<b>AT 31 DECEMBER 2007</b>	<b>373</b>	<b>278</b>	<b>1,229</b>	<b>1,000</b>	<b>2,880</b>	<b>786</b>	<b>3,666</b>
<b>At 1 January 2008</b>	373	278	1,229	1,000	2,880	786	3,666
Appropriation of 2007 profit	-	-	1,000	-1,000	-	-	-
Capital increase/reduction	-6	-	-61	-	-67	11	-56
Treasury shares	-	-	-68	-	-68	-	-68
Share-base payments (IFRS 2)	-	-	9	-	9	-	9
Dividends	-	-	-111	-	-111	-161	-272
Profit for the year	-	-	-	301	301	67	368
Translation difference	-	-	-17	-	-17	-	-17
Change in fair value of financial instruments	-	-	-199	-	-199	-124	-323
Income and charges recognised directly in equity	-	-	-216	-	-216	-124	-340
Period income and expense	-	-	-216	301	85	-57	28
Change in the consolidation scope	-	-	-	-	-	-3	-3
<b>AT 31 DECEMBER 2008</b>	<b>367</b>	<b>278</b>	<b>1,782</b>	<b>301</b>	<b>2,728</b>	<b>576</b>	<b>3,304</b>

Notes 1 to 38 form an integral part of the consolidated financial statements.

## CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 December 2008

<i>In millions of euros</i>	Notes	31 December 2008	31 December 2007
<b>Cash and cash equivalents at the beginning of the year</b>	17	1,844	1,386
Effect of foreign exchange rate changes		-6	3
<b>Restated cash and cash equivalents at the beginning of the year</b>		<b>1,838</b>	<b>1,389</b>
Profit for the year		368	1,090
Net impact of investments accounted for by the equity method		-	1
Net depreciation and amortisation expense		748	746
Other adjustments for items not involving movement of funds		-59	-85
Gains on disposals		-25	-709
<b>Cash generated by operations</b>		<b>1,032</b>	<b>1,043</b>
Net interest expense		519	537
Interest paid		-525	-552
Income tax		186	227
Income tax paid		-356	-345
Changes in working capital related to operating activities	18	244	-164
<b>Net cash from (used in) operating activities (I)</b>		<b>1,100</b>	<b>746</b>
Intangible assets		-6	-12
Concessions		-867	-662
Property, plant and equipment		-255	-220
Investments		-651	-336
<b>Total purchases of non-current assets</b>		<b>-1,779</b>	<b>-1,230</b>
Proceeds from disposal of non-current assets		147	1,015
Cash and cash equivalents of entities bought or sold		115	38
<b>Net cash from (used in) investing activities (II)</b>		<b>-1,517</b>	<b>-177</b>
Dividends paid		-272	-412
Proceeds from issue of shares		11	7
Repurchase and resale of treasury shares		-135	30
Repayments of borrowings		-925	-1,706
Bond issues		1,623	1,967
<b>Net cash from (used in) financing activities (III)</b>		<b>302</b>	<b>-114</b>
<b>Net increase (decrease) in cash and cash equivalents (I + II + III)</b>		<b>-115</b>	<b>455</b>
<b>Cash and cash equivalents at the end of the year</b>	17	<b>1,723</b>	<b>1,844</b>

Notes 1 to 38 form an integral part of the consolidated financial statements.

The main variations highlighted by the cash flow statement concern:

- Investments in concessions amounting to €867 million in 2008 (compared with €662 million in 2007), of which:
  - €442 million on the APRR/AREA network;
  - €165 million on the motorway being built by A'LIÉNOR;
  - €129 million on the construction of four prisons under public private partnerships;
  - €60 million on the hospital being built in the south of Ile-de-France; and
  - €20 million on the teaching hospital being built at Rennes.
- In 2007, proceeds from the disposal of non-current assets amounting to €1,015 million arose mainly on the sale of shares held in Cofiroute for €758 million and in the holding company controlling Compagnie Eiffage du Viaduc de Millau for €205 million.

## NOTES TO THE 2008 CONSOLIDATED FINANCIAL STATEMENTS

(Millions of euros unless otherwise indicated)

### 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 the market organised by Euronext in Paris.

The consolidated financial statements for the year ended 31 December 2008 were approved by the Board of Directors on 26 February 2009 and will be submitted for the shareholders' approval at the General Meeting that will be held on 22 April 2009.

### SIGNIFICANT ACCOUNTING POLICIES AND METHODS

#### 2.1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

The financial statements are presented in euros, which is the parent company's functional currency.

Changes in International Financial Reporting Standards (IFRS) up to the balance sheet date are summarised below:

**a)** The following new standards, interpretations and amendments took effect for annual periods beginning on or after 1 January 2008 according to IASB but the European Union does not require their application until 2009:

**IFRIC 11**, "IFRS 2: Group and Treasury Share Transactions", and **IFRIC 14**, "IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction". The Group did not elect for the early application of these interpretations, which have no impact of the consolidated financial statements.

**b)** The following standards, interpretations and amendments were not in effect for annual periods ending on 31 December 2008 and the Group did not elect to apply these pronouncements before their effective date for the preparation of the consolidated financial statements.

**IFRS 8**, "Operating Segments". This standard requires the disclosure of information by operating segment based on the components of the entity that management uses to make decisions about operating matters. Its application by the Group is unlikely to result in changes to the segments such as defined currently.

**IFRIC 12**, "Service Concession Arrangements". This interpretation, which has been published by the International Accounting Standards Board (IASB), is still under review by the European Union.

This interpretation makes a distinction between two types of public service concession arrangements, each with its own accounting method:

**1)** Arrangements under which the operator is directly remunerated by the user and for which it ultimately bears the operating risk. The assets concerned by these arrangements would be recorded as intangible assets, reflecting the right of the concession operator to charge users of the public service. This approach would apply in particular to the motorway infrastructure currently operated by the Group.

**2)** Arrangements under which the operator is remunerated by the body granting the concession regardless of the conditions of use of the assets. The corresponding assets would be recorded as a financial asset under financial receivables and would be amortised according to the contractual financial conditions of each arrangement.

This approach would apply more particularly to certain public private partnerships (PPP) into which the Group has entered recently.

The Group has not elected for the early application of this interpretation at 31 December 2008. The impact of applying this interpretation is currently being assessed. Its application by the Group will require modifications to accounting procedures applicable to service concession agreements, regarding the method of accounting for provisions to maintain the various infrastructures in working condition, and to public private partnerships, regarding the method of accounting for financial receivables.

**IFRIC 15**, "Agreements for the Construction of Real Estate". The impact of applying this interpretation, which is effective for annual periods beginning on or after 1 January 2009, is currently being assessed.

The standards adopted by the European Union can be consulted on the European Union's website at [http://ec.europa.eu/internal\\_market/accounting/ias\\_en.htm#adopted-commission](http://ec.europa.eu/internal_market/accounting/ias_en.htm#adopted-commission).

#### 2.2. BASIS OF CONSOLIDATION AND METHODS OF CONSOLIDATION

##### Basis of consolidation

The financial statements have been prepared on the historical cost basis (taking into account depreciation, amortisation and impairment, as appropriate) except for the items that are reported at fair value as required by IFRS:

- Financial instrument available for sale;
- Investment property;
- Financial instruments; and
- Financial derivatives.

##### Methods of consolidation

Companies are consolidated under the full consolidation method when the Group controls directly or indirectly more than 50% of the voting rights or exercises effective control. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of the enterprise so as to obtain economic benefits from its activity.

Companies are accounted for using the equity method when the Group controls between 20% and 50% of voting rights or exercises, directly or indirectly, significant influence over the enterprise.

French joint ventures are consolidated under the full method in the separate financial statements of group companies when the Group manages the undertaking. All amounts are maintained in the consolidated financial statements. Foreign joint ventures managed by the Group are also consolidated, again under the full method. When a joint venture is not managed by the Group, only its share of the joint venture's profit is recognised to profit or loss under other operating income (expenses) from ordinary activities.

Enterprises involved in the production of materials used for road construction and maintenance are consolidated when revenue generated with third parties exceeds €1.5 million.

Enterprises engaged in property development are consolidated when the property development exceeds €6 million at the onset and their inventory exceeded €1.2 million at the preceding year-end.

The results of enterprises acquired or sold during the year are included in the consolidated financial statements, as from the date of acquisition in the first case and until the date of disposal in the second.

### Translation of financial statements denominated in foreign currencies

The individual financial statements of entities or establishments whose functional currency is not the euro are prepared in their local currency. The financial statements are translated into the presentation currency, i.e. the euro, at the rates of exchange prevailing at the year-end in the case of the balance sheet and the average monthly exchange rate in the case of the income statement and the cash flow statement. The use of the average monthly exchange rate ensures a value close to the exchange rate on the transaction date in the absence of significant exchange rate fluctuations. Exchange differences arising from these translations and from the retranslation of the opening capital and reserves of the entity or establishment at the closing exchange rate are recognised directly to consolidated reserves under translation difference.

When an entity or establishment concerned by the foregoing is sold, accumulated translation differences are reversed to profit or loss.

## 2.3. SEGMENT REPORTING

For the purpose of segment reporting, the primary segment corresponds to the Group's different business segments:

■ Construction ■ Public Works ■ Electrical and Multi-technical Installations ■ Metallic Construction ■ Concessions and Utilities Management – while the secondary segment corresponds to geographical regions: ■ France ■ Rest of Europe ■ Rest of the World.

## 2.4. CONSTRUCTION CONTRACTS

Construction contracts are accounted for by reference to the stage of completion as required by IAS 11.

To measure the stage of completion, the Group uses the approach that is most suitable under the circumstances; i.e. either by measuring the physical level of completion of the work or by determining the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs.

IAS 11 is also applied to construction contracts for facilities or installations that are to be operated by the Group as the concession holder.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is provisioned immediately whatever the stage of completion.

These provisions are based on estimates drawn up individually for each contract. When appropriate, these estimates may include amounts likely to be obtained from claims that have been filed when it is probable these amounts will be recovered and when they can be determined reliably.

Underlying assumptions are reviewed on an ongoing basis. The effects of changes in estimates are recognised in the period when the changes occurred.

## 2.5. PROPERTY DEVELOPMENT

Property under construction is accounted for by reference to the stage of completion upon a sale agreement being evidenced before a notary or upon a property development contract being signed.

The stage of completion is determined by performing physical surveys of work performed and the percentage thus determined is applied to the estimated profit for the lots sold.

## 2.6. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are valued at cost less accumulated depreciation and any impairment. They are analysed by component as required by IAS 16. Assets made available under finance leases as defined by IAS 17, "Leases", are reported under property, plant and equipment on the balance sheet. The corresponding liability is reported under borrowings on the balance sheet.

### Depreciation

Property, plant and equipment are depreciated as from the date the asset was brought into service so as to write the asset off over its useful life.

The following useful lives are used:

■ Buildings	20 to 40 years
■ Technical installation, plant and tooling	3 to 15 years
■ Other	5 to 10 years

### Quarrying rights

Rights attached to the operation of quarries are determined by reference to the probable reserves. The annual depletion charge is based on the tonnage extracted from the quarry.

## 2.7. INVESTMENT PROPERTIES

The Group owns properties for which it receives rental income. These properties are stated at fair value at the balance sheet date.

Gains or losses arising from changes in the fair value of investment properties are included in profit or loss under other operating income (expenses) from ordinary activities for the period in which they arise.

Fair value is determined by applying to the rental and other income generated by each property a coefficient measuring its expected profitability taking into account such factors as the location and nature of the property. Appraisals are performed at regular intervals by the Property Management Department.

## 2.8. BUSINESS COMBINATIONS AND IMPAIRMENT TESTING

In the event of a business combination, the acquired company's identifiable assets and liabilities are recognised at their fair value at the acquisition date. Any valuation differences are recognised in the corresponding assets and liabilities, including in respect of the share accruing to minority interests.

The excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets and liabilities is recorded as goodwill in the case of entities consolidated under the full method and included under investments in associates in the case of entities accounted for by the equity method.



In accordance with IFRS 3, "Business Combinations", the fair value of the acquired company's assets, liabilities and contingent liabilities may be adjusted during the 12 months following the date of acquisition.

This goodwill is not amortised but is tested for impairment at least annually and whenever there is any indication of impairment in value.

For this purpose, the recoverable amount is determined by reference to the value of the cash generating unit to which the goodwill is attached. The recoverable amount is the higher of fair value less costs to sell and value in use.

Goodwill is allocated to the cash generating units (CGU) expected to benefit from the synergies produced by the business combination, resulting in segmentation by business line and by geographical location in France or outside France.

Given difficulties measuring reliably fair value less costs to sell of the various cash generating units, notably because of the absence of adequate benchmarks or comparable transactions, the recoverable amounts were determined by reference to their estimated value in use using the discounted cash flow method, based on the two following elements:

- Expected cash flow at nil debt, namely:
  - Operating profit before depreciation charges
  - Changes in working capital;
  - Capital expenditure to replace existing property, plant and equipment; and
  - Taxes.
- Discount rate (opportunity cost of capital) determined for each cash generating unit based on its activity and associated risk profile.

The recoverable value of each cash generating unit (other than concessions) was determined by discounting to infinity cash flows estimated based on a normative cash flow – conservative given current economic conditions – and as appropriate a rate of growth in keeping with the business line's development potential and competitive environment.

The recoverable value of concessions cash generating units is calculated as the sum of discounted cash flows over the life of the concession agreement.

The main parameters used in the models are detailed below:

	Discount rate	Growth rate
CGU France	7.6% to 8.4%	0%
CGU Europe	8.6%	1.5% to 2%
CGU Concessions	6.6%	(*)

(\*) The growth rate can vary over the term of the concession and depends on parameters specific to each concession agreement.

The model's sensitivity to these parameters is tested systematically by examining the effect of:

- changes in normative cash flows; and
- changes in the discount rate applied to cash flows.

Sensitivity analyses therefore focused on the assumptions regarding normative cash flows and discount rates.

These analyses indicated that a 0.5% increase in the discount rate would not result in the recoverable amount of the goodwill being less than its carrying value at any of the cash generating units.

Nor would a 10% decrease in normative cash flows result in the recoverable amount of the goodwill being less than its carrying value at any of the cash generating units.

Valuation differences and goodwill relating to foreign entities are considered as belonging to the entity. These items are therefore expressed in the entity's functional currency.

Negative goodwill is recognised directly to profit and loss in the year of acquisition.

The use of after-tax discount rates to determine recoverable amounts produced the same results as applying pre-tax rates to cash flows before tax.

### 2.9. NON-CURRENT ASSETS HELD UNDER CONCESSIONS

IFRIC 12, "Service Concession Arrangements", has been released by the IASB but is still being examined by the European Parliament.

In these conditions, the Group continued to apply the same accounting method as in previous years.

All assets held under public service concession agreements 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, barriers, 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 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.

### 2.10. OTHER INTANGIBLE ASSETS

Other intangible assets comprise mainly software (which is amortised over three to five years) and rights attached to the operation of quarries.

### 2.11. IMPAIRMENT LOSSES RECOGNISED IN RESPECT OF NON-FINANCIAL ASSETS

Non-financial assets with an indefinite useful life are not depreciated but are tested for impairment annually. Depreciable assets are tested for impairment when particular events or circumstances indicate that their value might be impaired and their recoverable amount might be less than their carrying value.

The impairment loss represents the excess of the carrying value over the recoverable amount. Impairment testing is performed in respect of individual assets or, when assets cannot be measured separately, at the level of the cash generating unit.

## 2.12. FINANCIAL INSTRUMENTS

### 2.12.1. Financial assets and financial liabilities

Financial assets comprise available-for-sale financial assets, financial assets measured at fair value through profit and loss, held-to-maturity investments, derivative instruments, loans and receivables, and cash and cash equivalents.

Financial liabilities comprise loans, other financing and bank facilities, derivative instruments and payables.

The financial assets and financial liabilities indicated above are recognised and subsequently measured in accordance with IAS 39, "Financial Instruments: Recognition and Measurement".

### 2.12.2. Recognition and subsequent measurement

a) Held-to-maturity investments are non-derivative financial assets with determinable income and fixed maturity. They are recognised initially at fair value. Subsequently, they are measured at their amortised cost using the effective interest method.

b) Available-for-sale financial assets comprise mainly non-consolidating participating interests, also securities not meeting definitions for other categories of financial assets. After initial recognition, they are measured at fair value, changes in fair value being recognised directly in equity except for impairment losses. When these assets are derecognised, accumulated gains and losses recognised directly to equity are reversed to the income statement.

c) Financial assets and financial liabilities measured at fair value through profit or loss comprise assets and liabilities that are held for trading and assets designated on initial recognition as being measured at fair value through profit or loss. Gains and losses on these assets correspond to interest, dividends, changes in fair value and gains or losses on disposal.

d) Cash and cash equivalents are measured at fair value through profit or loss. They comprise cash on hand, demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are not exposed to the risk of a significant change in value.

Bank balances repayable on demand form an integral part of the Group's treasury management and are a component of cash and cash equivalents for the purpose of the consolidated cash flow statement.

e) Loans and other financial liabilities are recognised at fair value less transaction costs. Subsequently, they are measured at amortised cost using the effective interest method.

f) Commitments to buy out minority interests are treated as a debt, measured at present value and reported as a financial liability. Subsequent changes in value resulting from the reversal of discounting are recognised in the income statement under finance costs.

Changes in the value of these commitments arising from adjustment to the assumptions underpinning their valuation are recorded as financial liabilities, the offsetting entry being to goodwill.

g) Derivative financial instruments used by the Group to hedge exposure to change in interest rates on some of its variable-rate loans are recognised initially at fair value. Attributable transaction costs are recognised to the income statement as and when incurred.

For the effective portion of instruments qualifying as cash flow hedges, subsequent changes in fair value (obtained from the financial institution having issued the instruments) are recognised directly in equity.

Any change in the fair value of the ineffective portion is recognised in profit or loss.

The gain or loss on the effective portion of the hedge is recognised under finance costs in the income statement in the period in which the hedged item has an impact thereon.

## 2.13. INVENTORIES

Inventories are stated at the lower of cost, determined applying the first-in, first-out method, and net realisable value.

Inventories include property stocks, which are stated at the lower of cost and net realisable value.

## 2.14. TRADE AND OTHER RECEIVABLES

Trade receivables are recognised initially at fair value, which generally corresponds to nominal value unless the effect of discounting is material. Subsequently, trade receivables are measured at amortised cost, an impairment loss being recognised when applicable to take irrecoverable amounts into account.

Receivables arising from the application of the percentage of completion method to long-term construction contracts are reported under trade receivables.

In connection with its refinancing, the Group arranged for the securitisation of trade receivables through the sub-fund of a debt securitisation mutual fund in 2002. The receivables securitised continue to be reported as trade receivables in the consolidated balance sheet.

## 2.15. CURRENT AND DEFERRED TAXES

Current tax is calculated in accordance with the tax legislation of the country where each entity is based.

Deferred tax is recognised on differences between the carrying value of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, with the notable exception of goodwill.

Deferred tax is calculated under the liability method, therefore at the tax rates that are expected to apply in the period when the liability is settled or the asset realised and to the extent these rates are known at the year-end.

The effects of changes in tax rates are recognised directly to profit or loss in the period when the change in tax rate was decided.

Tax liabilities are netted off against tax assets when there is a legally enforceable right to do so, namely when a company, acting as the head of a tax group, is able to assume sole responsibility for the payment of tax on behalf of the other companies belonging to the tax group.

Deferred tax assets are recognised to the extent that it is more probable than improbable that relief can be obtained in later years.

Contingent tax relating to the undistributed reserves of companies accounted for by the equity method is recognised under Investment in associates in the balance sheet.

Deferred tax assets and liabilities are not discounted to their present value.

### 2.16. SHARE CAPITAL

#### Treasury shares

As required by IAS 32, EIFFAGE shares held by the Group are deducted from equity at the amount at which repurchased.

### 2.17. FINANCIAL LIABILITIES

#### Non-current loans

The portion of non-current loans due within one year is classified as a current liability.

#### Other financial liabilities

Other financial liabilities include all amounts relating to the securitisation programme, as in previous years. At 31 December 2007 and at 31 December 2008 the Group had not made use of the credit line associated with this programme.

### 2.18. PROVISIONS

#### Non-current provisions

They include the non-current portion i.e. liability in excess of one year of the provisions recognised in respect of:

##### Retirement benefit obligations

These concern long-term employee benefits in respect of indemnities payable upon the employee's retirement. By nature, this is a defined benefit plan.

The defined benefit obligations are measured using the projected unit credit method based on the expected date of retirement and end-of-service salary.

The calculation takes into account:

- the status, age and past service of each employee;
- the expected age on retirement (63 years);
- turnover calculated by business line, by age band and by category;
- the individual average salary including bonuses and other incentive payments, increased to include the employer's statutory contributions;
- the expected rates of salary increases (3%);
- the discount rate applied to the expected obligation on the retirement date (6.25%);
- official actuarial tables for France (source: TH/TF Insee 03-05); and
- the application of the early retirement scheme.

Actuarial gains and losses result from experience adjustments and the effects of changes in actuarial assumptions as regards interest rates, staff turnover and conditions under which employees will retire. These actuarial differences are recognised only when they exceed or fall below 10% of the defined benefit obligation or 10% of the value of the plan assets, which is known as the "corridor" approach. The portion recognised is the excess falling outside this 10% corridor divided by the expected average remaining working life of the employees participating in the plan.

Cost of past services results from changes to existing schemes or the introduction of new schemes. As regards the Group, they result notably from changes to the collective bargaining agreements in the construction and civil engineering sector and from changes arising from the amendment to the law on the financing of the social security system. This cost is recognised on a straight-line basis over the expected average vesting period.

Regarding the application of the National Intersectoral Collective Agreement (Accord National Interprofessionnel – ANI) of 11 January 2008 to retirement benefit obligations, the Group elected for the restrictive interpretation, whereby indemnities payable on retirement taken at the employees' initiative are not directly affected by the minimum indemnity provided for under the new agreement. There was therefore no change to the valuation of retirement benefit obligations in this respect.

The option of recognising actuarial gains and losses directly to equity in a statement of recognised income and expense was not taken.

#### Long service medals

Long service medals are awarded to employees on certain anniversary dates during the career of the beneficiary or after a number of years of service. They are treated as other long-term employment benefits and are recognised and measured applying the same principles as for defined benefit plans. All changes in value are recognised directly to the income statement.

#### Obligations towards employees in respect of defined contribution plans

Contributions to defined contribution plans are recognised to the income statement in the period when incurred.

#### Other obligations towards employees

The Group has no obligations towards employees in respect of healthcare cover and is not therefore affected by changes in medical expenses, other than arising from the obligations detailed above.

#### Current provisions

Current provisions comprise provisions relating to the normal operating cycle:

- provisions for disputes and penalties;
  - provisions for guarantees given;
  - provisions for construction site risks;
  - provisions for restructuring; and
  - they also include provisions for losses on the completion of construction contracts estimated based on economic and financial projections drawn up for each individual contract.
- When appropriate, these estimates may include amounts likely to be obtained from claims that have been filed.

### 2.19. INDIVIDUAL RIGHTS TO TRAINING

To the extent that this procures a future benefit to the Group, no provision has been booked for employees' individual rights to training.

## 2.20. SHARE-BASED PAYMENTS

In accordance with IFRS 2, "Share-based Payment", the issuance to employees of bonus shares or rights to shares is treated as an increase in equity, with the offsetting debit entry to profit or loss under staff benefits expense.

The fair value of stock options is estimated at the grant date using the binomial model. The corresponding charge is spread over the rights' vesting period.

Capital increases reserved to employees at a discount are analysed to determine any benefit that might result. The fair value of the benefit takes into account the five-year unavailability period for shares acquired in the context of a company savings plan.

## 2.21. OTHER INCOME AND EXPENSES FROM OPERATIONS

Other income and expenses from operations are items that arise as the result of a major event occurring during the accounting period, when failure to disclose these items separately might give a misleading view of the Group's performance. They therefore concern a limited number of items of income and expenditure that are unusual and infrequent. They are disclosed on a separate line of the income statement so as not to distort operating profit on ordinary activities. These items may include gains or losses on disposals, significant and unusual impairment losses relating to non-current assets, certain restructuring charges or provisions in respect of risks or claims of a specific nature and which are material in relation to the Group's ordinary activities.

## 2.22. OTHER FINANCIAL INCOME AND EXPENSE

Other financial income and expenses record the impact on income of non-consolidated participating interests, gains and losses on the sale of financial assets and the effect of discounting employee benefit obligations and other assets and liabilities.

## 2.23. FINANCE LEASES

When a lease agreement transfers substantially all the risks and rewards of ownership to the Group, the asset made available under the lease is recorded as plant, property and equipment and depreciated over its estimated useful life when there is a reasonable assurance that ownership will be transferred to the Group, or over the contract's useful life if there is no such assurance. The offsetting credit entry is to borrowings, depreciated over the duration of the leasing contract.

# 3 MANAGEMENT OF FINANCIAL RISKS

## Exposure to interest rate risk

For its activities involved with concessions, the Group contracts debt at fixed or variable interest rates depending on the market conditions when the financing is arranged. In respect of variable rate loans, interest rate hedges are put in place to reduce exposure to changes in interest rates.

As regards the Group's other activities, the debt contracted bears variable interest rates except for finance lease obligations, which bear fixed interest rates.

## Exposure to currency risk

The Group has little exposure to currency risk in connection with its ordinary activities since its main subsidiaries operate in the Eurozone.

Export contracts outside the Eurozone are negotiated in the same currency as the related costs.

Consequently, the currency risk is limited to lags in the cash flow generated by these contracts, to payments made to cover head office costs and to profits transferred to France.

As and when conditions require, hedging contracts may be entered into to protect specific balance sheet assets or liabilities against currency fluctuations.

## Exposure to liquidity risk

In connection with its activities involving concessions and public private partnerships, the Group has negotiated individual financing agreements specific to each concession or public private partnership. These financings may require compliance with financial ratios tailored to each situation. The liquidity risk attendant on these activities is managed by analysing expected cash flows and debt repayments.

In connection with its contracting activities in particular, the Group has defined a policy for arranging and renewing confirmed credit lines. At 31 December 2008, unused lines amounted to €777 million, with most available out to 2012.

In addition, the Group has arranged for the securitisation of trade receivables. This €400 million programme, which was renewed for five years in 2007, was not being used at the year-end.

## Exposure to credit risk

With regards to the management of credit risk, the Group's revenue is generated in two main activities.

As regards the concession activities, the risk of insolvency is extremely slight, being mitigated by the very large number of transactions for small individual amounts settled in cash on the transaction date or because amounts are settled by local authorities over the longer term under the terms of public private partnerships.

As regards the contracting activities, a substantial part is with public sector enterprises or large private sector companies, mitigating the collection risk.

Finally, as regards the property activities, sales are negotiated under pre-completion development contracts, with the payment of advances on the part of the buyers, which limits the payment default risk.

## Exposure to the risk of fluctuation in the price of raw materials

As regards the contracting activities, the projects in which the Group is involved are generally covered by price revision clauses linked to a national index that provide a hedge against fluctuations in raw material prices.

As and when conditions require, and exclusively in the case of major projects without a price revision clause, contracts may be entered into as a hedge against fluctuations in raw material prices.

### 4 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

#### Use of estimates

When preparing the consolidated financial statements in accordance with International Financial Reporting Standards, reliance was placed on estimates and assumptions that affect the amounts at which assets and liabilities are reported on the balance sheet, contingent liabilities are reported in the notes, and income and charges are reported in the income statement. These estimates and assumptions are based on past experience and on various other factors, bearing in mind the sharp deterioration in the 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 sources of estimation uncertainty.

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, discount rate and growth rate to infinity).

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 in turn on the basis of the information that is available.

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

Assumptions relied upon take into account technical as well as contractual constraints specific to each contract.

### 5 CHANGES IN THE CONSOLIDATION SCOPE

Changes in consolidation scope in the Construction, Public Works, and Electrical and Multi-technical Installations divisions had the following impacts on the balance sheet:

■ Non-current assets:	€118 million;
■ Current assets:	€462 million;
■ Non-current liabilities:	€5 million;
■ Current liabilities:	€435 million.

As regards the income statement, companies added to the consolidation scope contributed revenue of €422 million, operating profit of €3 million and net loss of €5 million (\*).

The net impact of these changes in the consolidation scope on the cash position was €419 million after taking into account the €115 million cash position of the companies acquired.

The main addition to the consolidation scope resulted from the acquisition on 15 December 2008 of the CLEMESSY and CRYSTAL groups for €301 million. This transaction generated total goodwill on acquisition of €249 million before allocation to separable assets. This activity was consolidated with effect from 31 December 2008, as a result of which these companies made no contribution to the consolidated results. In 2008, the two groups generated revenue of €809 million, equivalent to 6.1% of consolidated revenue reported by the EIFFAGE Group for 2008.

### 6 SEGMENT REPORTING

In accordance with IAS 14, "Segment Reporting", the primary segment corresponds to the Group's various business segments while secondary information is reported geographically. This distinction is based on the Group's internal organisation and structure.

The business segments cover the main activities carried on by the Group:

- Construction
- Public works;
- Electrical and Multi-technical Installations;
- Metallic Construction; and
- Concessions and Utilities Management.

(\* Includes impact in 2008 of companies consolidated for the first time in 2007 and the contribution made by TGA up to the date of its disposal by the Group.

In the tables overleaf, columns report amounts specific to each segment as an autonomous entity. The column "Eliminations" contains consolidation adjustments. Transactions between the various segments were done in the same conditions as transactions with independent third parties.

## 6.1. SEGMENT REPORTING FOR 2008

	Construction	Public Works	Electrical and Multi-technical Installations	Metallic Construction	Concessions and Management of Public Services	Holding	Eliminations	Total
<b>Income statement</b>								
Revenue from continuing operations	4,274	3,920	2,828	389	1,870	12	-	13,293
Inter-segment sales	28	41	67	25	1	84	-246	-
<b>Total</b>	<b>4,302</b>	<b>3,961</b>	<b>2,895</b>	<b>414</b>	<b>1,871</b>	<b>96</b>	<b>-246</b>	<b>13,293</b>
Operating profit on ordinary activities	186	168	104	7	695	-56	-	1,104
Operating profit	163	159	79	7	694	-30	-	1,072
Financial income (expenses)	36	-63	-11	-6	-550	69	-	-525
Income tax expenses	-79	-33	-27	-1	-55	9	-	-186
Share of profit of associates	3	2	-	-	2	-	-	7
<b>Profit for the year</b>	<b>123</b>	<b>65</b>	<b>41</b>	<b>-</b>	<b>91</b>	<b>48</b>	<b>-</b>	<b>368</b>
<b>Balance sheet - Assets</b>								
Non-current assets	656	972	768	79	15,157	100	-	17,732
Investments in associates	22	10	2	-	103	-	-	137
Deferred and current tax assets	42	59	54	17	366	-18	-	520
Other assets	1,128	1,204	1,051	76	395	3,717	-	7,571
Inter-segment eliminations	786	112	171	14	19	573	-1,675	-
<b>Total assets</b>	<b>2,634</b>	<b>2,357</b>	<b>2,046</b>	<b>186</b>	<b>16,040</b>	<b>4,372</b>	<b>-1,675</b>	<b>25,960</b>
<b>Equity and liabilities</b>								
Equity	-546	241	56	2	205	3,346	-	3,304
Deferred and current tax liabilities	49	3	17	-	1,854	2	-	1,925
Other liabilities	2,972	2,029	1,927	154	13,562	87	-	20,731
Inter-segment eliminations	159	84	46	30	419	937	-1,675	-
<b>Total equity and liabilities</b>	<b>2,634</b>	<b>2,357</b>	<b>2,046</b>	<b>186</b>	<b>16,040</b>	<b>4,372</b>	<b>-1,675</b>	<b>25,960</b>
Investments	65	189	61	13	866	19	-	1,213
Amortisation and depreciation	46	123	42	5	571	1	-	788
Other non-cash items	-11	26	-7	-	-	17	-	25

## INFORMATION BY GEOGRAPHICAL AREA

	France	Rest of Europe	Rest of world	Eliminations	Total
<b>Income statement</b>					
Revenue from continuing operations	10,966	2,242	85	-	13,293
Inter-segment sales	7	11	8	-26	-
<b>Total</b>	<b>10,973</b>	<b>2,253</b>	<b>93</b>	<b>-26</b>	<b>13,293</b>
<b>Total assets</b>	<b>24,617</b>	<b>1,251</b>	<b>92</b>	<b>-</b>	<b>25,960</b>
Investments	1,140	70	3	-	1,213

### 6.2. SEGMENT REPORTING FOR 2007

	Construction	Public Works	Electrical and Multi-technical Installations	Metallic Construction	Concessions and Management of Public Services	Holding	Eliminations	Total
<b>Income statement</b>								
Revenue from continuing operations	3,895	4,052	2,468	319	1,834	9	-	12,577
Inter-segment sales	27	49	51	9	-	76	-212	-
<b>Total</b>	<b>3,922</b>	<b>4,101</b>	<b>2,519</b>	<b>328</b>	<b>1,834</b>	<b>85</b>	<b>-212</b>	<b>12,577</b>
Operating profit on ordinary activities	211	156	130	-6	675	-25	-	1,141
Operating profit	190	131	127	-6	677	-42	-	1,077
Financial income (expenses)	34	-4	-11	-3	-484	704	-	236
Income tax expenses	-72	-33	-41	4	-71	-14	-	-227
Share of profit of associates	1	2	-	-	1	-	-	4
<b>Profit for the year</b>	<b>153</b>	<b>96</b>	<b>75</b>	<b>-5</b>	<b>123</b>	<b>648</b>	<b>-</b>	<b>1,090</b>
<b>Balance sheet - Assets</b>								
Non-current assets	645	780	442	70	15,046	59	-	17,042
Investments in associates	23	10	2	-	53	-	-	88
Deferred and current tax assets	45	40	31	4	93	2	-	215
Other assets	1,335	1,590	1,082	108	360	3,279	-	7,754
Inter-segment eliminations	641	202	19	2	-	575	-1,439	-
<b>Total assets</b>	<b>2,689</b>	<b>2,622</b>	<b>1,576</b>	<b>184</b>	<b>15,552</b>	<b>3,915</b>	<b>-1,439</b>	<b>25,099</b>
<b>Equity and liabilities</b>								
Equity	-601	346	94	-5	637	3,195	-	3,666
Deferred and current tax liabilities	40	4	12	1	1,904	14	-	1,975
Other liabilities	3,052	2,170	1,348	129	12,648	111	-	19,458
Inter-segment eliminations	198	102	122	59	363	595	-1,439	-
<b>Total equity and liabilities</b>	<b>2,689</b>	<b>2,622</b>	<b>1,576</b>	<b>184</b>	<b>15,552</b>	<b>3,915</b>	<b>-1,439</b>	<b>25,099</b>
Investments	57	169	57	14	690	21	-	1,008
Amortisation and depreciation	38	98	38	3	557	2	-	736
Other non-cash items	-18	-25	-8	-5	-1	-2	-	-59

### INFORMATION BY GEOGRAPHICAL AREA

	France	Rest of Europe	Rest of world	Eliminations	Total
<b>Income statement</b>					
Revenue from continuing operations	10,328	2,137	112	-	12,577
Inter-segment sales	16	11	7	-34	-
<b>Total</b>	<b>10,344</b>	<b>2,148</b>	<b>119</b>	<b>-34</b>	<b>12,577</b>
<b>Total assets</b>	<b>23,649</b>	<b>1,353</b>	<b>97</b>	<b>-</b>	<b>25,099</b>
Investments	923	81	4	-	1,008

## 7 NON-CURRENT ASSETS (OTHER THAN DEFERRED TAX)

### 7.1. IN 2008

#### A) Cost or valuation

	At 1 January 2008	Changes in consolidation scope	Translation difference	Additions	Disposals	At 31 December 2008
Land	333	47	–	16	–2	394
Buildings	281	36	–1	38	–11	343
Technical installations, equipment and tooling	877	28	–1	164	–98	970
Other property, plant and equipment	516	32	–	123	–71	600
<b>Total property, plant and equipment <sup>(1)</sup></b>	<b>2,007</b>	<b>143</b>	<b>–2</b>	<b>341</b>	<b>–182</b>	<b>2,307</b>
<b>Investment property</b>	<b>11</b>	<b>1</b>	<b>–1</b>	<b>–</b>	<b>–</b>	<b>11</b>
<b>Non-current assets held under concessions</b>	<b>18,333</b>	<b>6</b>	<b>–2</b>	<b>867</b>	<b>–49</b>	<b>19,155</b>
<b>Goodwill <sup>(2)</sup></b>	<b>2,425</b>	<b>375</b>	<b>–7</b>	<b>–</b>	<b>–</b>	<b>2,793</b>
<b>Other intangible assets</b>	<b>69</b>	<b>15</b>	<b>–</b>	<b>6</b>	<b>–2</b>	<b>88</b>
<b>Investments in associates</b>	<b>88</b>	<b>66</b>	<b>–</b>	<b>7</b>	<b>–23</b>	<b>138</b>
Unlisted participating interests	90	–10	–1	3	–3	79
Assets available for sale	13	–	–	47	–2	58
Loans	38	2	–	31	–	71
Other non-current financial assets	269	5	–	–	–252	22
<b>Total other financial assets</b>	<b>410</b>	<b>–3</b>	<b>–1</b>	<b>81</b>	<b>–257</b>	<b>230</b>
<b>Total cost or valuation</b>	<b>23,343</b>	<b>603</b>	<b>–13</b>	<b>1,302</b>	<b>–513</b>	<b>24,722</b>

#### B) Accumulated depreciation and impairment

	At 1 January 2008	Changes in consolidation scope	Translation difference	Additions	Disposals	At 31 December 2008
Land	46	–2	–	11	–	55
Buildings	135	15	–	16	–9	157
Technical installations, equipment and tooling	554	6	–	113	–84	589
Other	307	25	–	70	–61	341
<b>Total property, plant and equipment <sup>(1)</sup></b>	<b>1,042</b>	<b>44</b>	<b>–</b>	<b>210</b>	<b>–154</b>	<b>1,142</b>
<b>Investment property</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Non-current assets held under concessions</b>	<b>5,093</b>	<b>5</b>	<b>–</b>	<b>571</b>	<b>–48</b>	<b>5,621</b>
<b>Other intangible assets</b>	<b>46</b>	<b>13</b>	<b>–</b>	<b>4</b>	<b>–2</b>	<b>61</b>
<b>Investments in associates</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Unlisted participating interests	26	–2	–1	1	–1	23
Assets available for sale	5	–	–	–	–	5
Loans	1	–1	–	–	–	–
Other	–	1	–	–	–	1
<b>Total other financial assets</b>	<b>32</b>	<b>–2</b>	<b>–1</b>	<b>1</b>	<b>–1</b>	<b>29</b>
<b>Total depreciation and impairment</b>	<b>6,213</b>	<b>60</b>	<b>–1</b>	<b>786</b>	<b>–205</b>	<b>6,853</b>
<b>CARRYING AMOUNT (A – B)</b>	<b>17,130</b>	<b>543</b>	<b>–12</b>	<b>516</b>	<b>–308</b>	<b>17,869</b>

(1) The impact of restating finance leases in accordance with IAS 17 is summarised in the table below:

	Increase	Decrease
Cost or valuation	86	–73
Accumulated depreciation and impairment	63	–57
Carrying amount	23	–16

(2) No impairment loss was recognised in 2008.



### 7.2. IN 2007

#### A) Cost or valuation

	At 1 January 2008	Changes in consolidation scope	Exchange difference	Additions	Disposals	At 31 December 2008
Land	228	98	-	18	-11	333
Buildings	267	34	1	28	-49	281
Technical installations, equipment and tooling	765	55	1	145	-89	877
Other	451	22	-	115	-72	516
<b>Total property, plant and equipment <sup>(1)</sup></b>	<b>1,711</b>	<b>209</b>	<b>2</b>	<b>306</b>	<b>-221</b>	<b>2,007</b>
<b>Investment property</b>	<b>41</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>-36</b>	<b>11</b>
<b>Non-current assets held under concessions</b>	<b>17,698</b>	<b>7</b>	<b>1</b>	<b>690</b>	<b>-63</b>	<b>18,333</b>
<b>Goodwill <sup>(2)</sup></b>	<b>2,237</b>	<b>180</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>2,425</b>
<b>Other intangible assets</b>	<b>56</b>	<b>5</b>	<b>-</b>	<b>12</b>	<b>-4</b>	<b>69</b>
<b>Investments in associates</b>	<b>346</b>	<b>-249</b>	<b>-</b>	<b>8</b>	<b>-17</b>	<b>88</b>
Unlisted participating interests	81	7	1	6	-5	90
Assets available for sale	14	-	-	-	-1	13
Loans	12	15	-	11	-	38
Other	125	1	-	143	-	269
<b>Total other financial assets</b>	<b>232</b>	<b>23</b>	<b>1</b>	<b>160</b>	<b>-6</b>	<b>410</b>
<b>Total cost or valuation</b>	<b>22,321</b>	<b>181</b>	<b>12</b>	<b>1,176</b>	<b>-347</b>	<b>23,343</b>

#### B) Accumulated depreciation and impairment

	At 1 January 2008	Changes in consolidation scope	Translation difference	Depreciation charge for the year	Disposals	At 31 December 2008
Land	36	-	-	10	-	46
Buildings	132	8	-	14	-19	135
Technical installations, equipment and tooling	493	37	1	99	-76	554
Other	276	26	-	61	-56	307
<b>Total property, plant and equipment <sup>(1)</sup></b>	<b>937</b>	<b>71</b>	<b>1</b>	<b>184</b>	<b>-151</b>	<b>1,042</b>
<b>Investment property</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Non-current assets held under concessions</b>	<b>4,591</b>	<b>7</b>	<b>-</b>	<b>557</b>	<b>-62</b>	<b>5,093</b>
<b>Other intangible assets</b>	<b>42</b>	<b>4</b>	<b>-</b>	<b>4</b>	<b>-4</b>	<b>46</b>
<b>Investments in associates</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Unlisted participating interests	26	-	-	1	-1	26
Assets available for sale	3	-	-	2	-	5
Loans	1	-	-	-	-	1
Other	-	-	-	-	-	-
<b>Total other financial assets</b>	<b>30</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>-1</b>	<b>32</b>
<b>Total depreciation and impairment</b>	<b>5,600</b>	<b>82</b>	<b>1</b>	<b>748</b>	<b>-218</b>	<b>6,213</b>
<b>CARRYING AMOUNT (A - B)</b>	<b>16,721</b>	<b>99</b>	<b>11</b>	<b>428</b>	<b>-129</b>	<b>17,130</b>

(1) The impact of restating finance leases in accordance with IAS 17 is summarised in the table below:

	Increase	Decrease
Cost or valuation	84	-72
Accumulated depreciation and impairment	64	-53
Carrying amount	20	-19

(2) No impairment loss was recognised in 2007.

## 8 GOODWILL

Goodwill is allocated to the cash generating units (CGU) defined by the Group.

		31 December 2007	Acquisitions	Disposals	31 December 2008
Construction	France	262	5	-	267
	Europ	156	-	-5 *	151
Public Works	France	119	8	-	127
	Europ	30	79	-13	96
Electrical and Multi-technical Installations	France	148	260	-	408
	Europ	128	12	-	140
Metallic Construction		39	-	-	39
Concessions and Utilities Management		1,542	23	-	1,565
<b>TOTAL</b>		<b>2,424</b>	<b>387</b>	<b>-18</b>	<b>2,793</b>

\* Mainly translation difference.

### Business combinations during the year ended

No equity instruments were issued in connection with the business combinations completed in 2008.

The main business combinations completed in 2008 concerned:

- the Public Works division, which acquired a major civil engineering firm that also operates aggregates quarries, in the Spanish region of Alicante; and
- the Electrical and Multi-technical Installations division, which acquired the CLEMESY and CRYSTAL groups at the end of 2008, resulting in the recognition of total goodwill on acquisition of €249 million that will be definitively allocated in 2009.

## 9 NON-CURRENT ASSETS HELD UNDER CONCESSIONS

This heading comprises all the non-current assets of fully consolidated companies operating concessions or party to public-private partnerships. For the most part, these non-current assets will revert to the grantor of the concession or to the user in the case of a public-private partnership.

The main concessions are the APRR motorway network (which represents non-current assets amounting to €12,452 million), the Millau viaduct (€393 million) and the motorway under construction by A'LIÉNOR (€255 million).

The main public-private partnerships are for the construction of four prisons and three hospitals. One prison was brought into service at end-2008. In the case of the other partnerships, the construction work is underway on the main structures.

APRR operates a motorway network under two service concession agreements that expire in 2032.

Five-year contracting agreements define the investment programmes associated with the service concession agreements and the rules for fixing toll rates.

The Millau viaduct concession expires in 2080. The price charged to users is fixed by a contract with clauses providing for an annual revision.

### 10 INVESTMENTS IN ASSOCIATES

Investments in associates correspond to the Group's shareholdings in Adelaç, Norscut, Société Marseillaise du Tunnel Prado Carénage (SMTPC), TP Ferro and various companies involved in the production of building materials or in property development.

Key financial data concerning significant investments in associates is summarised below:

2008	Adelaç	Espace Midi	Jourdan Brussels Hôtel*	Norscut	SMTPC	TP Ferro
<b>At 100%</b>						
Revenue from continuing operations	4.8	0.9	8.1	98.6	33.2	-
Operating profit on ordinary activities	-0.9	1.2	-0.3	48.4	17.7	0.5
Operating profit	-0.9	1.2	-0.3	48.4	17.4	0.5
Profit for the period	-0.6	1.3	-1.4	-2.9	9.6	-
<b>Equity at 31 December 2008</b>	<b>113.9</b>	<b>14.0</b>	<b>4.8</b>	<b>-1.3</b>	<b>44.5</b>	<b>44.0</b>
Non-current assets held under concessions	820.8	-	-	878.8	107.7	465.7
Property, plant and equipment	-	-	25.8	-	-	-
Working capital	5.6	3.5	-21.8	-24.5	-0.2	-65.5
Net financial position	-716.7	1.1	0.5	-855.5	-62.6	-356.2
Book value of shares in the company financial statements	62.1	5.5	8.0	13.0	16.2	25.7
<b>Percentage owned</b>	<b>20.6%</b>	<b>40.0%</b>	<b>100%</b>	<b>36.0%</b>	<b>32.9%</b>	<b>50.0%</b>
Group's share of the profit	-0.3	0.5	-1.4	-1.8	2.9	-
Group's share of the equity (including profit)	23.5	5.0	4.8	0.5	20.9	22
Investment at market value	-	-	-	-	38.5	-

\* Company not controlled contractually by the Group.

2007	Adelaç	Espace Midi	Jourdan Brussels Hôtel*	Norscut	SMTPC	TP Ferro
<b>At 100%</b>						
Revenue from continuing operations	-	0.1	7.0	31.0	33.1	-
Operating profit on ordinary activities	-0.2	-	-0.2	13.2	18.6	0.2
Operating profit	-0.2	-	-0.2	13.2	18.1	0.2
Profit for the period	-	0.4	-1.3	-3.4	10.0	-
<b>Equity at 31 December 2008</b>	<b>1.9</b>	<b>12.7</b>	<b>6.3</b>	<b>11.4</b>	<b>43.0</b>	<b>60.7</b>
Non-current assets held under concessions	670.9	-	-	699.9	115.2	327.9
Property, plant and equipment	-	-	27.1	-	-	-
Working capital	-34.5	3.8	-21.6	-40.9	-0.8	-59.4
Net financial position	-633.7	-	0.2	-665.3	-70.5	-217.1
Book value of shares in the company financial statements	2.4	5.5	8.0	18.1	8.8	25.7
<b>Percentage owned</b>	<b>20.3%</b>	<b>40.0%</b>	<b>100%</b>	<b>50.0%</b>	<b>28.6%</b>	<b>50.0%</b>
Group's share of the profit	-	0.2	-1.3	-1.7	2.8	-
Group's share of the equity (including profit)	0.6	5.2	6.3	5.7	13.3	30.4
Investment at market value	-	-	-	-	56.3	-

\* Company not controlled contractually by the Group.

Changes are analysed in the table below:

<b>At 1 January 2007</b>	<b>346</b>
2007 profit	4
Dividends distributed	-5
Capital increases <sup>(1)</sup>	14
Change in fair value of financial instruments	-8
Disposal of shares held in Cofiroute	-262
Other	-1
<b>At 31 December 2007</b>	<b>88</b>
2008 profit	7
Dividends distributed	-6
Capital increases <sup>(2)</sup>	59
Change in fair value of financial instruments	-16
Other	6
<b>AT 31 DECEMBER 2008</b>	<b>138</b>

(1) Of which Norscut for €12 million.

(2) Mainly Adelaç.

(2) Of which €7 million resulting from the increase in the Group's interest in Société Marseillaise du Tunnel Prado-Carénage from 29% to 33%.

## 11 INVENTORIES

	2008	2007
Raw materials and other supplies	135	124
Property inventories and work in progress	309	379
<b>TOTAL</b>	<b>444</b>	<b>503</b>

## 12 TRADE AND OTHER RECEIVABLES

	2008			2007 Net
	Goss	Provisions	Net	
Construction	1,338	41	1,297	1,368
Public Works	1,183	17	1,166	1,238
Electrical and Multi-technical Installations	1,448	29	1,419	1,129
Metallic Construction	86	3	83	91
Concessions	90	8	82	105
Other	3	1	2	2
<b>TOTAL</b>	<b>4 148<sup>(1)</sup></b>	<b>99</b>	<b>4,049</b>	<b>3,933</b>

(1) Of which €573 million securitised.

## 13 AGEING OF PAST DUES

	2008	2007
Due for less than 3 months	611	648
Due for between 3 and 6 months	79	89
Due for more than 6 months	158	146
<b>TOTAL DUE</b>	<b>848</b>	<b>883</b>

Amounts due reported above relate to a very large number of customers, as a result of which the credit risk is extremely diluted. Amounts due for more than 3 months represent 5.9% of trade receivables.

### 14 ADDITIONAL INFORMATION ON CONSTRUCTION CONTRACTS

	2008	2007
Revenue recognised during the period	9,286	9,134
For contracts in progress at the balance sheet date:		
• Contract costs incurred plus recognised profits less recognised losses to date	9,040	8,509
• Advances received from contract customers	349	220
• Amounts retained by contract customers	33	29
• Amounts due from contract customers	983	839
• Amounts due to contract customers	625	534

### 15 OTHER ASSETS

	2008	2007
Payments on account	29	44
French State	517	450
Current accounts with joint ventures and non-consolidated companies	492	641
Miscellaneous debtors	142	113
Prepayments	111	70
<b>TOTAL</b>	<b>1,291</b>	<b>1,318</b>

### 16 INCOME TAX

#### 16.1. SUMMARY OF CURRENT AND DEFERRED TAX ASSETS AND LIABILITIES

	2008	2007
<b>Current taxes</b>		
Reported as assets	73	11
Reported as liabilities	53	89
<b>Deferred taxes</b>		
Reported as assets	448	204
Reported as liabilities	1,871	1,886

#### 16.2. DEFERRED TAXES

	2008	2007
Deferred tax assets	448	204
Deferred tax liabilities	1,871	1,886
<b>NET DEFERRED TAX LIABILITIES</b>	<b>1,423</b>	<b>1,682</b>

### 16.3. ANALYSIS OF DEFERRED TAX ASSETS AND LIABILITIES

	2008	2007
<b>Assets resulting from</b>		
Retirement indemnities	66	59
Timing differences	92	85
Valuation differences	1	1
Tax losses	263	159
Financial instruments at fair value	77	-
Other	1	1
Deferred tax assets and liabilities netted off within same tax entities	-52	-101
<b>Deferred tax assets</b>	<b>448</b>	<b>204</b>
<b>Liabilities arising from</b>		
Timing differences	308	251
Valuation differences	1,602	1,642
Fair value of financial assets	4	2
Fair value of financial instruments	-	83
Finance leases	9	6
Application of percentage of completion method to property development	-	3
Deferred tax assets and liabilities netted off within same tax entities	-52	-101
<b>Deferred tax liabilities</b>	<b>1,871</b>	<b>1,886</b>

### 16.4. INCOME TAX EXPENSE

	2008	2007
Current tax	-275	-342
Deferred tax	89	115
<b>TOTAL</b>	<b>-186</b>	<b>-227</b>

### 16.5. DEFERRED TAX RELATING TO ITEMS RECOGNISED DIRECTLY TO EQUITY

	2008	2007
Assets	25	-17
Liabilities	135	45

### 16.6. RECONCILIATION OF THEORETICAL TAX CHARGE TO EFFECTIVE TAX CHARGE

	2008	2007
Net profit for the year	368	1,090
Income tax expense	186	227
Share of profit of associates	-7	-4
<b>Profit before tax</b>	<b>547</b>	<b>1,313</b>
Tax rate applicable to the Parent (domestic income tax rate)	34.43%	34.43%
Tax on the profit before tax as determined above	188	452
Permanent differences	-2	6
Effect of different tax rates applicable to subsidiaries operating in other jurisdictions	5	-13
Income taxed at lower rates	-5	-218
Changes in deferred tax arising from change in the Group's tax situation		
<b>Income tax expense as reported</b>	<b>186</b>	<b>227</b>

### 16.7. UNRECOGNISED TAX LOSSES

No deferred tax asset was recognised in respect of the following tax losses because of uncertainties that relief would be obtained:

	2008	2007
	25	24

### 17 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise:

	2008	2007
<b>Assets</b>		
Marketable securities (*)	832	497
Cash at bank and in hand (*)	954	1,433
	<b>1,786</b>	<b>1,930</b>
Less deposits in connection with securitisation programmes	-10	-7
	<b>A 1,776</b>	<b>1,923</b>
<b>Liabilities</b>		
Bank overdrafts	B 53	79
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER (SEE CASH FLOW STATEMENT) A - B</b>	<b>1,723</b>	<b>1,844</b>

(\*) Money market UCITS (invested exclusively in very short dated money market instruments) and bank certificates of deposit.

### 18 WORKING CAPITAL REQUIREMENTS

	31 December 2008	31 December 2007	Movements		
			Relating to ordinary activities	Due to fixed asset suppliers	Changes in consolidation scope and other
Inventories	444	503	-69	-	10
Trade and other receivables	4,049	3,933	-169	-	285
Other assets	1,291	1,318	-114	-	87
<b>Sub-total - Operating assets</b>	<b>5,784</b>	<b>5,754</b>	<b>-352</b>	<b>-</b>	<b>382</b>
Trade and other payables	3,139	3,041	-37	-24	159
Other liabilities	3,289	3,037	-71	-	323
<b>Sub-total - Operating liabilities</b>	<b>6,428</b>	<b>6,078</b>	<b>-108</b>	<b>-24</b>	<b>482</b>
<b>WORKING CAPITAL REQUIREMENTS</b>	<b>-644</b>	<b>-324</b>	<b>244</b>	<b>-24</b>	<b>100</b>

Working capital relating to ordinary activities comprises current assets and liabilities linked to the normal operating cycle other than current tax assets and liabilities and other current assets and liabilities of a financial nature.

Items of working capital comprise mainly amounts receivable or payable within one year.

## 19 ANALYSIS OF FINANCIAL ASSETS AND LIABILITIES BY REMAINING MATURITY

	Less than 1 year	From 1 to 5 years	Over 5 years	Total at 31 December 2008
<b>Financial assets: cash and cash equivalents</b>				
Marketable securities	832	-	-	832
Cash at bank and in hand	954	-	-	954
<b>Sub-total – Financial assets</b>	<b>1,786</b>	<b>-</b>	<b>-</b>	<b>1,786</b>
<b>Financial liabilities: current and non-current</b>				
Non-current loans	-	7,332	5,141	12,473
Portion of non-current loans maturing in less than one year	805	-	-	805
Current loans and other financial liabilities	269	-	-	269
<b>Sub-total – Financial liabilities</b>	<b>1,074</b>	<b>7,332</b>	<b>5,141</b>	<b>13,547</b>
<b>NET ASSETS (LIABILITIES)</b>	<b>712</b>	<b>-7,332</b>	<b>-5,141</b>	<b>-11,761</b>

At 31 December 2008, the EIFFARIE/APRR group, the VP1 group (holding company controlling Compagnie EIFFAGE du Viaduc de Millau), A'LIÉNOR and OPTIMEP 4 (Roanne) carried debt amounting to €12,390 million, without recourse against EIFFAGE. This long-term debt carries mainly fixed rates or rates indexed to inflation. In the case of Compagnie EIFFAGE du Viaduc de Millau, this debt is repayable out to 2051.

For Eiffarie/APRR, it is planned to obtain refinancing as and when needed from various sources. A bond issuance programme was put into place in 2007 for at most €6 billion, pursuant to which €200 million of inflation-indexed bonds were issued through a private placement in 2008. In addition, €300 million of bank financing was arranged in 2008. A seven-year revolving credit line amounting to €1,800 million was also arranged by APRR in 2006 to cover financing requirements. At 31 December 2008, €340 million had been drawn down against the line, leaving €1,295 million still available. Finally, the APRR group obtained a €91 million loan from Caisse Nationale des Autoroutes (CNA) to help construction work.

Not counting the non-recourse debt referred to above, there was a net cash position of €629 million at 31 December 2008 resulting from the combined effects of the cash flows generated by the contracting activities and the proceeds from the sale of the shares held in Cofiroute and 49% of Compagnie EIFFAGE du Viaduc de Millau.

	Less than 1 year	From 1 to 5 years	Over 5 years	Total at 31 December 2007
<b>Financial assets: cash and cash equivalents</b>				
Marketable securities	497	-	-	497
Cash at bank and in hand	1,433	-	-	1,433
<b>Sub-total – Financial assets</b>	<b>1,930</b>	<b>-</b>	<b>-</b>	<b>1,930</b>
<b>Financial liabilities: current and non-current</b>				
Non-current loans	-	2,365	9,262	11,627
Portion of non-current loans maturing in less than one year	763	-	-	763
Current loans and other financial liabilities	272	-	-	272
<b>Sub-total – Financial liabilities</b>	<b>1,035</b>	<b>2,365</b>	<b>9,262</b>	<b>12,662</b>
<b>NET ASSETS (LIABILITIES)</b>	<b>895</b>	<b>-2,365</b>	<b>-9,262</b>	<b>-10,732</b>

## 20 SHARE CAPITAL

An active policy is pursued to promote employee share ownership that is intended to encourage the entire personnel to contribute towards the dynamic management of the Group, thereby serving the interests of all the shareholders.

The capital does not include any hybrid instruments, all instruments making up the capital being equity instruments entitled to dividends.

Apart from the shares held in treasury, there are no potentially dilutive securities in issue.

Out of the profit for the year ended 31 December 2007 attributable to the equity holders of the parent, which amounted to €1,000 million, dividends amounting to €111 million were distributed, the balance being transferred to consolidated reserves.



### 20.1. COMPOSITION OF SHARE CAPITAL AND CHANGES IN THE CAPITAL

The capital is composed of 91,583,342 fully paid-up shares of €4 each ranking pari passu. Changes in the number of shares in issue are analysed in the table below:

	Total number of shares	Treasury shares	Number of shares in circulation
<b>At 1 January 2007</b>	<b>93,172,338</b>	<b>-2,395,398</b>	<b>90,776,940</b>
Shares created as a result of the exercise of share subscription options	11,004	-	11,004
Purchase/sale of treasury shares	-	1,864,240	1,864,240
<b>At 31 December 2007</b>	<b>93,183,342</b>	<b>-531,158</b>	<b>92,652,184</b>

In 2007, the Group notably sold 1,614,000 of its own shares and purchased an equivalent number of purchase options to cover commitments to allot options and make bonus issues.

<b>At 1 January 2008</b>	<b>93,183,342</b>	<b>-531,158</b>	<b>92,652,184</b>
Purchases, sales, allotments and cancellations of treasury shares	-1,600,000	-2,013,315	-3,613,315
<b>AT 31 DECEMBER 2008</b>	<b>91,583,342</b>	<b>-2,544,473</b>	<b>89,038,869</b>

In 2008, the Group exercised 1,614,000 options to purchase its own shares. In connection with plans for the allocation of options and bonus shares, the Group purchased a further 1,000,000 shares and proceeded to sell or grant 1,384,783 EIFFAGE shares.

Further to the authorisation given to the Board of Directors to cancel shares held in treasury, the Group purchased 2,384,098 EIFFAGE shares in 2008. When it met on 1 October 2008, the Board of Directors decided to cancel 1,600,000 of these shares.

### 20.2. CHANGES IN TREASURY SHARES

	2008	2007
<b>At 1 January</b>	<b>27</b>	<b>68</b>
Purchases	337	-
Sales	-139	-41
Cancellations	-67	-
<b>AT 31 DECEMBER</b>	<b>158</b>	<b>27</b>

## 21 PROVISIONS

2008	At 1 January	Changes in consolidation scope and translation differences	Additional provision in the year	Utilisation of provisions	Reversal of provisions	Other	At 31 December
Provisions for retirement indemnities	168	18	15	-14	-	-	187
Provisions for long service medals	23	2	5	-7	-	-	23
Other non-current provisions	1	-	-	-	-	-	1
<b>Non-current provisions</b>	<b>192</b>	<b>20</b>	<b>20</b>	<b>-21</b>	<b>-</b>	<b>-</b>	<b>211</b>
Provisions for losses at completion	21	5	27	-20	-	-	33
Provisions for restructuring	16	-	15	-11	-1	-	19
Provisions for property risks	14	-	3	-2	-	-	15
Provisions for guarantees given	85	2	33	-28	-4	1	89
Provisions for disputes and penalties	71	3	39	-23	-6	-1	83
Provisions for retirement indemnities	4	-	1	-	-	4	9
Provisions for long service medals	3	-	-	-	-	-	3
Provisions for other liabilities - France	173	8	96	-49	-37	-	191
Provisions for other liabilities - Europe	80	-	15	-11	-26	-4	54
Provisions for other liabilities - Export	14	-	2	-5	-1	-	10
<b>Current provisions</b>	<b>481</b>	<b>18</b>	<b>231</b>	<b>-149</b>	<b>-75</b>	<b>-</b>	<b>506</b>

Each of the current provisions above represents 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.

2007	At 1 January	Changes in consolidation scope and translation differences	Additional provision in the year	Utilisation of provisions	Reversal of provisions	Other	At 31 December
Provisions for retirement indemnities	147	11	21	-20	-	9	168
Provisions for long service medals	17	2	8	-2	-1	-1	23
Other non-current provisions	-	1	-	-	-	-	1
<b>Non-current provisions</b>	<b>164</b>	<b>14</b>	<b>29</b>	<b>-22</b>	<b>-1</b>	<b>8</b>	<b>192</b>
Provisions for losses at completion	11	1	21	-12	-	-	21
Provisions for restructuring	11	-	12	-5	-2	-	16
Provisions for property risks	12	-	3	-1	-	-	14
Provisions for guarantees given	78	2	30	-21	-4	-	85
Provisions for disputes and penalties	67	2	27	-18	-8	1	71
Provisions for retirement indemnities	13	-	-	-	-	-9	4
Provisions for long service medals	2	-	-	-	-	1	3
Provisions for other liabilities - France	142	4	71	-26	-16	-2	173
Provisions for other liabilities - Europe	75	4	12	-9	-1	-1	80
Provisions for other liabilities - Export	14	-	2	-2	-	-	14
<b>Current provisions</b>	<b>425</b>	<b>13</b>	<b>178</b>	<b>-94</b>	<b>-31</b>	<b>-10</b>	<b>481</b>

## 22 RETIREMENT INDEMNITIES (defined benefit plan)

The early application of the December 2004 amendment to IAS 19 would have resulted in the Group recognising directly to equity the after tax actuarial difference at 31 December 2008, i.e. €10.8 million net of deferred tax of €5.7 million.

### A) ASSUMPTIONS USED

Employees of the Group in France are paid a lump sum when they leave on retirement.

	2008	2007
<b>Key assumptions used were:</b>		
Discount rate	6.25%	5.25%
Expected rate of inflation	2.00%	2.00%
Expected return on plan assets	6.25%	5.25%
Expected rate of salary increases	3.00%	3.00%
Social security charges	45%	45%

Assumptions regarding staff turnover are determined by sector of activity and by age band.

### B) CHANGE DURING THE YEAR

	2008	2007
Actuarial obligation at 1 January	140.2	191.0
Change in consolidation scope	21.7	7.6
Cost of past services (Staff benefits expense)	7.8	10.0
Interest on actuarial liability (Other financial income and charges)	7.2	7.4
Benefits paid	-14.9	-20.1
Plan modifications	-	-42.5
Actuarial losses (gains) generated	-5.2	-13.2
<b>ACTUARIAL OBLIGATION AT 31 DECEMBER</b>	<b>156.8</b>	<b>140.2</b>

### C) PLAN ASSETS

	2008	2007
Plan assets at 1 January	7.1	7.8
Change in consolidation scope	0.1	-
Plan contributions	-	0.1
Expected return on plan assets	0.4	0.3
Actuarial losses (gains)	-0.2	-
Benefits paid	-1.7	-1.1
<b>PLAN ASSETS AT 31 DECEMBER</b>	<b>5.7</b>	<b>7.1</b>

### D) CHANGE IN ACTUARIAL OBLIGATIONS AND PLAN ASSETS

	2008	2007	2006	2005	2004
Actuarial obligations	156.8	140.2	191.0	188.6	135.3
Plan assets	5.7	7.1	7.8	2.8	2.6
<b>DIFFERENCE</b>	<b>151.1</b>	<b>133.1</b>	<b>183.2</b>	<b>185.8</b>	<b>132.7</b>

### E) DEFERRED ITEMS

#### Actuarial liability

	2008	2007
At 1 January	-14.9	-1.7
Change in consolidation scope	3.5	-
Losses (gains) on actuarial liability	-5.1	-13.2
<b>AT 31 DECEMBER</b>	<b>-16.5</b>	<b>-14.9</b>

#### Cost of past services

	2008	2007
At 1 January	-15.5	29.9
Increase	-	-42.5
Amortised during the year (Staff benefits expense)	-0.1	-2.9
<b>AT 31 DECEMBER</b>	<b>-15.6</b>	<b>-15.5</b>

### F) RECONCILIATION OF PROVISION RECOGNISED IN THE BALANCE SHEET TO THE ACTUARIAL LIABILITY

	2008	2007
Provision recognised in the balance sheet	183.2	163.5
Actuarial differences	-16.5	-14.9
Cost of past services	-15.6	-15.5
Plan assets	5.7	7.1
<b>ACTUARIAL LIABILITY</b>	<b>156.8</b>	<b>140.2</b>

## 23 FINANCIAL LIABILITIES BY NATURE

### NON-CURRENT LOANS

Characteristics	Interest rate	Up to 1 year	From 1 to 5 years	Over 5 years	Total (in millions of euros)	Currency
Bank loan	Variable	6	1,739	554	2,299	Euro
Bank loan	Variable	18	2	-	20	Czech koruna
Bank loan	Fixed, indexed capital	-	-	1,356	1,356	Euro
Bank loan	Fixed	699	5,450	2,633	8,782	Euro
Bank loan	Fixed	7	-	-	7	CFA franc
Interest rate swaps	Variable	-	-	269	269	Euro
Finance leases	Fixed	75	130	9	214	Euro
Other loans	Variable	-	-	301	301	Polish zloty
Sundry borrowings	Variable	-	8	-	8	Euro
Sundry borrowings	Fixed	-	3	19	22	Euro
		<b>805</b>	<b>7,332</b>	<b>5,141</b>	<b>13,278</b>	

### CURRENT LOANS AND OTHER FINANCIAL LIABILITIES

Characteristics	Interest rate	Up to 1 year	From 1 to 5 years	Over 5 years	Total (In millions of euros)	Currency
Bank overdraft	Variable	52	-	-	52	Euro
Bank overdraft	Variable	1	-	-	1	CFA franc
Accrued interest	Fixed	168	-	-	168	Euro
Sundry	Variable	25	-	-	25	Euro
Sundry	Variable	6	-	-	6	Czech koruna
Sundry	Fixed	17	-	-	17	Euro
		<b>269</b>	<b>-</b>	<b>-</b>	<b>269</b>	
<b>TOTAL FINANCIAL LIABILITIES</b>		<b>1,074</b>	<b>7,332</b>	<b>5,141</b>	<b>13,547<sup>(1)</sup></b>	
Of which	Fixed	966	5,583	4,017	10,566	
	Variable	108	1,749	1,124	2,981	

(1) The fair value of these financial liabilities amounted to €13,883 million at 31 December 2008.

A 1 percentage point change in interest rates, applied to the balances at 31 December 2008 and not taking derivatives into account, would add €28 million to net finance costs before taking tax into account.

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

- **Debt coverage ratio** (terms that correspond to specific contractual definitions) equal to or less than 10.34 at 31 December 2008;
- **Interest coverage ratio** (terms that correspond to specific contractual definitions) equal to or more than 1.10 at 31 December 2008.

These ratios came to 9.35 and 1.60 respectively on 31 December 2008.

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

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

These two ratios came to 5.7 and 3.2 respectively on 31 December 2008.

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**, au titre de l'année précédant la date de calcul et de chacune des cinq années suivantes, supérieur ou égal à 1.05.
- **Annual debt service ratio**, for the year calculated over the terms of the loans, equal to or more than 1.15;
- **Annual debt service ratio**, for the year calculated over the term of the concession, equal to or more than 1.25.

VP2 complied with all of these ratios when they were calculated for the third time on 25 November 2008.

The securitisation programme for a maximum amount of €400 million was not utilised at 31 December 2008. The availability of this facility is not subject to compliance with any financial ratios.

### 24 TRADE AND OTHER PAYABLES

	2008	2007
Trade payables	2,987	2,859
Due to fixed asset suppliers	153	182
<b>TOTAL</b>	<b>3,140</b>	<b>3,041</b>

### 25 OTHER LIABILITIES

	2008	2007
Payments on account	261	235
Taxes due to the French State	820	721
Current accounts with joint ventures and non-consolidated companies	171	268
Miscellaneous creditors	1,358	1,112
Deferred income	679	701
<b>TOTAL</b>	<b>3,289</b>	<b>3,037</b>

## 26 FINANCIAL ASSETS AND LIABILITIES

### FINANCIAL ASSETS

	Financial assets available for sale	Financial assets at fair value through profit or loss	Loans and receivables	Financial instruments used for hedging	Total	2008 Fair value
Non-current financial assets	127	-	71	3	201	201
Cash and cash equivalents	-	1,786	-	-	1,786	1,786
Trade and other receivables	-	-	4,049	-	4,049	4,049
Other operating receivables	-	-	663	-	663	663
<b>TOTAL</b>	<b>127</b>	<b>1,786</b>	<b>4,783</b>	<b>3</b>	<b>6,699</b>	<b>6,699</b>

### FINANCIAL LIABILITIES

	Liabilities at amortised cost	Financial debts	Financial instruments used for hedging	Total	2008 Fair value
Loans and other debts	13,278	-	269	13,547	13,883
Trade payables	-	3,140	-	3,140	3,140
Other operating payables	-	1,790	-	1,790	1,790
<b>TOTAL</b>	<b>13,278</b>	<b>4,930</b>	<b>269</b>	<b>18,477</b>	<b>18,813</b>

### FINANCIAL ASSETS

	Financial assets available for sale	Financial assets at fair value through profit or loss	Loans and receivables	Financial instruments used for hedging	Total	2007 Fair value
Non-current financial assets	87	-	37	254	378	378
Cash and cash equivalents	-	1,930	-	-	1,930	1,930
Trade and other receivables	-	-	3,933	-	3,933	3,933
Other operating receivables	-	-	798	-	798	798
<b>TOTAL</b>	<b>87</b>	<b>1,930</b>	<b>4,768</b>	<b>254</b>	<b>7,039</b>	<b>7,039</b>

### FINANCIAL LIABILITIES

	Liabilities at amortised cost	Financial debts	Financial instruments used for hedging	Total	2007 Fair value
Loans and other debts	12,619	-	43	12,662	12,669
Trade payables	-	3,041	-	3,041	3,041
Other operating payables	-	1,615	-	1,615	1,615
<b>TOTAL</b>	<b>12,619</b>	<b>4,656</b>	<b>43</b>	<b>17,318</b>	<b>17,325</b>

### 27 EMPLOYEES

The table below indicates the number of employees at consolidated subsidiaries (excluding Clemessy and Crystal):

	2008	2007
Managers	7,954	7,710
Technical and supervisory staff	18,219	17,435
Workers	38,816	38,195
<b>TOTAL</b>	<b>64,989</b>	<b>63,340</b>

### 28 RELATED PARTY TRANSACTIONS

Transactions with associates mentioned in Note 10 were on an arm's length basis.

#### REMUNERATION OF MANAGEMENT BODIES

The remuneration of management bodies (i.e. Chairman and Managing Director and members of the Board of Directors) is decided by the Board of Directors based on the proposals made by the Appointments and Compensation Committee.

Remunerations and other benefits granted to members of management bodies and recognised to profit or loss are summarised in the table below:

<i>In millions of euros</i>	
Remuneration (*)	1,605
Employer's social security contributions	413
Share-based payments	942
Board fees	337
<b>TOTAL</b>	<b>3,297</b>

(\*) Including benefits in kind amounting to €5 thousand.

No post employment benefits or termination benefits are payable to any directors or officers.

### 29 DIVIDEND

The General Meeting will be invited to approve the distribution of a dividend of €108 million, corresponding to €1.20 per share, taking into account the shares cancelled by the Board of Directors on 26 February 2009. If this is approved by the General Meeting, the dividend will be paid in respect of all shares in issue immediately before the General Meeting apart for the shares held in treasury.

### 30 RESERVES DISTRIBUTABLE BY EIFFAGE SA

	2008	2007
At 31 December		
Share premium account	278	278
Other reserves	4	65
Retained earnings	2,366	1,183
Unrestricted reserves after payment of tax	-	-
Profit for the year	388	1,295
Minimum transfer to the legal reserves	-	-
<b>TOTAL</b>	<b>3,036</b>	<b>2,821</b>

### 31 FINANCE LEASES

Finance lease agreements are restated in accordance with the requirements of IAS 17. The property and equipment concerned are reported as non-current assets at their net book value with the related obligations under finance leases recorded under borrowings.

The amounts concerned are detailed below:

	2008	2007
<b>Net book value</b>		
Land	6.4	5.7
Buildings	23.0	20.8
Technical installations	124.1	107.5
Other items of property, plant and equipment	79.1	86.8
Other non-current intangible assets	0.4	0.2
<b>TOTAL</b>	<b>233.0</b>	<b>221.0</b>
<b>Obligations under finance leases:</b>		
Up to 1 year	74.8	71.4
1 to 5 years	130.7	121.5
Over 5 years	8.8	6.3
<b>TOTAL</b>	<b>214.3</b>	<b>199.2</b>
<b>Minimum lease payments:</b>		
Up to 1 year	65.4	59.3
1 to 5 years	94.8	77.5
Over 5 years	0.2	1.6
<b>TOTAL</b>	<b>160.4</b>	<b>138.4</b>

### 32 OTHER INCOME AND EXPENSE FROM OPERATIONS

	2008	2007
Risks of penalties and other risks	-15	-26
Environmental risk	-	-2
Restructuring costs	-24	-18
Profit (loss) on the sale of land and buildings	28	3
Miscellaneous	-21	-21
<b>TOTAL</b>	<b>-32</b>	<b>-64</b>

### 33 OTHER FINANCIAL INCOME AND EXPENSE

	2008	2007
Profit (loss) on the disposal of participating interests*	-23	682
Effect of discounting retirement indemnities (IAS 19)	-7	-6
Change in provisions and value of receivables	-32	-5
Other income of building material companies	5	5
<b>TOTAL</b>	<b>-57</b>	<b>676</b>

\* In 2007, the sale of the participating interest held in Cofiroute and of 49% of the capital of Compagnie Eiffage du Viaduc de Millau generated capital gains of respectively €496 million and €186 million.



### 34 CHARGES RELATING TO SHARE-BASED PAYMENTS

#### 34.1. BONUS SHARE ISSUE

On 16 April 2008 and 15 May 2008, the Board of Directors decided to allot respectively 113,590 and 12,700 shares to a certain number of employees.

Details of the various bonus plans are summarised below:

Plan	15 May 2008	16 April 2008	18 April 2007	28 June 2006	19 April 2006
Number of shares allotted	12,700	113,590	108,100	20,000	220,000
Spot price of shares on allocation date	€58.20	€58.95	€108.04	€60.01	€61.75
Interest rate used for EIFFAGE shares	2.40%	1.75%	4.50%	2.50%	2.50%
Risk free rate on the allocation date	5.11%	4.51%	4.30%	4.07%	3.75%
Interest rate used for cost of carry	7.50%	7.50%	7.45%	6.88%	6.88%

The valuation of the advantage granted to the beneficiaries makes allowance for the dividends that will not be earned by the beneficiaries as well as the cost representing the period during which the shares will be unavailable. The corresponding charge is weighted to factor in the probability of the beneficiaries' continuing employment when the vesting period ends.

There is a two-year vesting period upon which ownership of the shares is transferred definitively to the beneficiaries subject to certain requirements as regards employment and, in certain cases, performance.

#### 34.2. SHARE PURCHASE OPTIONS

On 10 December 2008, the Board of Directors granted 993,600 options to purchase EIFFAGE shares at a price of €32.30 per share to a certain number of employees. The options are unavailable for four years, at the end of which period they may not be exercised for a further three months.

Details of ongoing option plans are summarised below:

Plan	10 December 2008	13 June 2007	14 December 2005	10 December 2004	21 April 2004
Number of options granted	993,600	108,800	145,200	378,000	1,267,800
Value of option	€32.30	€101.50	€36.25	€25.50	€20.67
Expected volatility according to the binomial model	33.00%	25.00%	20.00%	20.00%	20.00%
Risk free rate on grant date	3.43%	4.87%	3.20%	2.59%	3.12%
Expected annual dividend growth	0.00%	20.00%	20.00%	20.00%	20.00%
Fair value of option on grant date	€9.57	€22.20	€7.20	€4.68	€3.44
Number of options exercised in 2008	-	-	-	16,300	1,100,603

The potential number of shares that could be subscribed under these plans amounted to 1,670,897 at 31 December 2008.

The only conditions attached to these plans concern employment.

The charge in respect of the above included under staff benefits expense is detailed below:

Year ended 31 December	2008	2007
Charge in respect of share subscription and purchase options	1.6	2.1
Charge in respect of bonus issues of shares	7.4	9.9
<b>TOTAL</b>	<b>9.0</b>	<b>12.0</b>

## 35 EARNINGS PER SHARE

Basic earnings per share are calculated by reference to the average number of shares in issue, not taking into account the weighted average number of shares held in treasury. EPS is obtained by weighting new shares created as a result of share subscription or purchase options being exercised during the period, taking into account share cancellations.

Diluted earnings per share are calculated by reference to the weighted average number of shares determined above, adjusted to include all shares that could potentially be created were all potentially dilutive instruments to be exercised.

<b>2008</b>	Profit for the year <i>in millions of euros</i>	Number of shares	Earnings* per share
Basic earnings per share (Group share)	301	91,796,390	3.28
Share subscription and purchase options	-	-	-
Treasury shares (*)	-	986,952	-
Diluted earnings per share (Group share)	301	92,783,342	3.24

<b>2007</b>	Profit for the year <i>in millions of euros</i>	Number of shares	Earnings* per share
Basic earnings per share (Group share)	1,000	92,179,513	10.85
Share subscription and purchase options	-	-	-
Treasury shares (*)	-	1,001,078	-
Diluted earnings per share (Group share)	1,000	93,180,591	10.73

(\*) Potentially dilutive and held for the purpose of being allocated in connection with share subscription plans and/or bonus issues.

### 36 FEES PAID TO THE STATUTORY AUDITORS

The table below details the fees paid to the statutory auditors in respect of services rendered, analysed by reference to the year when recognised to the income statement.

#### TOTAL

In thousands of euros	Amount (excluding VAT)		%	
	2008	2007	2008	2007
<b>Audit</b>				
<b>Statutory audit, certification, review of company and consolidated financial statements <sup>(a)</sup></b>				
• Issuer	196	176	2.3%	2.4%
• Fully consolidated subsidiaries	7,136	6,174	84.0%	82.5%
<b>Other reviews and services directly linked to the statutory audit assignment <sup>(b)</sup></b>				
• Issuer	-	-	-	-
• Fully consolidated subsidiaries	401	149	4.7%	2.0%
<b>Subtotal</b>	<b>7,733</b>	<b>6,499</b>	<b>91.1%</b>	<b>86.9%</b>
<b>Other services provided by the networks to fully consolidated subsidiaries <sup>(c)</sup></b>				
• Legal, tax and employment matters	541	366	6.4%	4.9%
• Other	218	615	2.6%	8.2%
<b>Subtotal</b>	<b>759</b>	<b>981</b>	<b>8.9%</b>	<b>13.1%</b>
<b>TOTAL</b>	<b>8,492</b>	<b>7,480</b>	<b>100.0%</b>	<b>100.0%</b>

#### KPMG (\*)

In thousands of euros	Amount (excluding VAT)		%	
	2008	2007	2008	2007
<b>Audit</b>				
<b>Statutory audit, certification, review of company and consolidated financial statements <sup>(a)</sup></b>				
• Issuer	93	88	3.4%	3.6%
• Fully consolidated subsidiaries	2,524	2,256	91.8%	91.2%
<b>Other reviews and services directly linked to the statutory audit assignment <sup>(b)</sup></b>				
• Issuer	-	-	-	-
• Fully consolidated subsidiaries	17	25	0.6%	1.0%
<b>Subtotal</b>	<b>2,634</b>	<b>2,369</b>	<b>95.8%</b>	<b>95.8%</b>
<b>Other services provided by the networks to fully consolidated subsidiaries <sup>(c)</sup></b>				
• Legal, tax and employment matters	13	8	0.5%	0.3%
• Other	102	96	3.7%	3.9%
<b>Subtotal</b>	<b>115</b>	<b>104</b>	<b>4.2%</b>	<b>4.2%</b>
<b>TOTAL</b>	<b>2,749</b>	<b>2,473</b>	<b>100.0%</b>	<b>100.0%</b>

(\*) Member of the EIFFAGE Board of Auditors.

## PWC AUDIT (\*)

In thousands of euros	Amount (excluding VAT)		%	
	2008	2007	2008	2007
<b>Audit</b>				
<b>Statutory audit, certification, review of company and consolidated financial statements <sup>(a)</sup></b>				
• Issuer	103	88	3.5%	3.8%
• Fully consolidated subsidiaries	2,531	1,845	85.5%	80.7%
<b>Other reviews and services directly linked to the statutory audit assignment <sup>(b)</sup></b>				
• Issuer	-	-	-	-
• Fully consolidated subsidiaries	304	28	10.3%	1.2%
<b>Subtotal</b>	<b>2,938</b>	<b>1,961</b>	<b>99.3%</b>	<b>85.7%</b>
<b>Other services provided by the networks to fully consolidated subsidiaries <sup>(c)</sup></b>				
• Legal, tax and employment matters	21	207	0.7%	9.1%
• Other	-	119	-	5.2%
<b>Subtotal</b>	<b>21</b>	<b>326</b>	<b>0.7%</b>	<b>14.3%</b>
<b>TOTAL</b>	<b>2,959</b>	<b>2,287</b>	<b>100.0%</b>	<b>100.0%</b>

(\*) Member of the EIFFAGE Board of Auditors.

## OTHER AUDITORS

In thousands of euros	Amount (excluding VAT)		%	
	2008	2007	2008	2007
<b>Audit</b>				
<b>Statutory audit, certification, review of company and consolidated financial statements <sup>(a)</sup></b>				
• Issuer	-	-	-	-
• Fully consolidated subsidiaries	2,081	2,073	74.7%	76.2%
<b>Other reviews and services directly linked to the statutory audit assignment <sup>(b)</sup></b>				
• Issuer	-	-	-	-
• Fully consolidated subsidiaries	80	96	2.9%	3.5%
<b>Subtotal</b>	<b>2,161</b>	<b>2,169</b>	<b>77.6%</b>	<b>79.7%</b>
<b>Other services provided by the networks to fully consolidated subsidiaries <sup>(c)</sup></b>				
• Legal, tax and employment matters	507	151	18.2%	5.6%
• Other	116	400	4.2%	14.7%
<b>Subtotal</b>	<b>623</b>	<b>551</b>	<b>22.4%</b>	<b>20.3%</b>
<b>TOTAL</b>	<b>2,784</b>	<b>2,720</b>	<b>100.0%</b>	<b>100.0%</b>

(a) This includes services rendered by independent experts or by members of the statutory auditor's network in connection with the certification.

(b) This includes due diligence and directly related services performed for EIFFAGE or its subsidiaries by the statutory auditor (in compliance with the provisions of Article 10 of the Code of Professional Conduct) or by a member of the network (in compliance with the provisions of Articles 23 and 24 of the Code of Professional Conduct).

(c) This includes services other than audit rendered by a member of the network to subsidiaries of EIFFAGE (in compliance with the provisions of Article 24 of the Code of Professional Conduct).

### 37 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 considers 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, given the provisions already set aside, 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 regards to various public works contracts in the Ile-de-France region and

contracts for the construction of schools across 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 involvement 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 procedures 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 out to 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.

### 38 OTHER FINANCIAL COMMITMENTS <sup>(1)</sup>

	2008	2007
Guarantees and sureties given	2,935	2,680
Partnerships, non-trading real estate investment companies and economic interest groupings	176	206
Future payments in respect of long-term rental agreements <sup>(2)</sup>	17	23
Future payments in respect of commercial property leases <sup>(3)</sup>	107	78
Other commitments given	425	196
<b>TOTAL COMMITMENTS GIVEN</b>	<b>3,660</b>	<b>3,183</b>

The significant commitments given in the form of guarantees and sureties are attributable to bid bonds and completion guarantees given in connection with large contracts.

At 31 December	2008	2007
Guarantees and sureties received	447	439
Other commitments received	158	224
<b>TOTAL COMMITMENTS RECEIVED</b>	<b>605</b>	<b>663</b>

<sup>(1)</sup> Amounts relating to the securitisation programme are not included in the table above as the corresponding liability is reported in the balance sheet (see Note 23)

<sup>(2)</sup> Mainly agreements with a residual term of less than 5 years

<sup>(3)</sup> Mainly agreements with a residual term of less than or equal to 9 years

## PRINCIPAL CONSOLIDATED COMPANIES IN 2008

The following list is limited to companies with total assets of more than €5 million.

Companies mentioned below are consolidated under the full method unless indicated otherwise.

### EIFFAGE AND ITS SUBSIDIARIES

Adtim *	50.0%
A'liénor	65.0%
Centor SAS	100.0%
Centor SNC	100.0%
Connectic 39	81.0%
EIFFAGE Connectic 78	100.0%
Elisa	100.0%
Financière Laborde	100.0%
Hanvol SAS	100.0%
H'Ennez SNC	100.0%
Héveil	100.0%
Laborde Gestion	100.0%
Norscut *	36.0%
Optimep 4	100.0%
Société Marseillaise du Tunnel Prado Carénage *	32.9%
Soprano	100.0%
Tp Ferro *	50.0%

### VERDUN PARTICIPATION 1 AND ITS SUBSIDIARIES 51.0%

Verdun Participation 2	51.0%
Compagnie EIFFAGE du Viaduc de Millau	51.0%

### FINANCIÈRE EIFFARIE AND ITS SUBSIDIARIES 50.0%

Eiffarie	50.0%
Autoroutes Paris Rhin Rhône **	41.4%
Autoroutes Rhône Alpes **	41.4%
Adelac *	20.6%
Axxès *	11.6%

### EFI, SOCFI AND SUBSIDIARIES 100.0%

### EIFFAGE CONSTRUCTION CONSTRUCTION SUBSIDIARIES 100.0%

Antwerpse Bouwwerken	100.0%
Auto Park Poznan	100.0%
Bati 2000	100.0%
Centre de Coordination Cecom	100.0%
Collignon Eng	100.0%
Company for Environmental Management	100.0%
De Graeve Entreprises Générales	100.0%
Delvigne	100.0%
Druetz Entreprises Générales	100.0%

ECV	100.0%
EIFFAGE Benelux	100.0%
EIFFAGE Budownictwo Mitex	100.0%
EIFFAGE Construction Aisne	100.0%
EIFFAGE Construction Alsace Franche Comté	100.0%
EIFFAGE Construction Artois Hainaut	100.0%
EIFFAGE Construction Auvergne	100.0%
EIFFAGE Construction Basse Normandie	100.0%
EIFFAGE Construction Bourgogne	100.0%
EIFFAGE Construction Bretagne	100.0%
EIFFAGE Construction Centre	100.0%
EIFFAGE Construction Champagne	100.0%
EIFFAGE Construction Côte d'Azur	100.0%
EIFFAGE Construction Gestion et Développement	100.0%
EIFFAGE Construction Haute Normandie	100.0%
EIFFAGE Construction Ile de France Paris	100.0%
EIFFAGE Construction Languedoc Roussillon	100.0%
EIFFAGE Construction Limousin	100.0%
EIFFAGE Construction Lorraine	100.0%
EIFFAGE Construction Matériel	100.0%
EIFFAGE Construction Midi Pyrénées	100.0%
EIFFAGE Construction Nord	100.0%
EIFFAGE Construction Nord Aquitaine	100.0%
EIFFAGE Construction Ouest Matériel	100.0%
EIFFAGE Construction Paris Patrimoine	100.0%
EIFFAGE Construction Pays de Loire	100.0%
EIFFAGE Construction Picardie	100.0%
EIFFAGE Construction Poitou Charentes	100.0%
EIFFAGE Construction Provence	100.0%
EIFFAGE Construction Rhône-Alpes	100.0%
EIFFAGE Construction Services	100.0%
EIFFAGE Construction Sud Aquitaine	100.0%
EIFFAGE Construction Sud Francilien	100.0%
EIFFAGE Construction Val de Seine	100.0%
Entreprises Générales Louis Duchêne	100.0%
Fougerolle	100.0%
Fougerolle Mitex	100.0%
Génie Civil Industriel	100.0%
Giflis	100.0%
Herbosch-Kiere	100.0%
Kraaijeveld	100.0%
Limpens	100.0%
Norinter	100.0%
Oostvlaams Milieubeheer	100.0%
Perrard	100.0%
PIT Antwerpen	100.0%
Pradeau Morin	100.0%
Reynders B & I	100.0%

Romarco	100.0%
Scaldis Salvage & Marine Contractors*	25.0%
Seop	100.0%
Socamip	100.0%
Sodemat	100.0%
Solgec	100.0%
Specialne Cinnosti s.r.o.	93.0%
Supae	100.0%
Tchas Spol s.r.o.	93.0%
Thélu	100.0%
Valens	100.0%
Vse	100.0%
Yvan Paque	100.0%

### EIFFAGE CONSTRUCTION PROPERTY SUBSIDIARIES

EIFFAGE Immobilier and its subsidiaries (including provincial property companies)	100.0%
EIFFAGE Aménagement and its subsidiary	100.0%
Geyre Bellevue	75.0%
Hdi	100.0%
Ofa	100.0%
Roquevaire Saint Roch	50.1%
Soficom Development and its subsidiaries	100.0%

### EIFFEL CONSTRUCTION MÉTALLIQUE AND ITS SUBSIDIARIES

	100.0%
Barep	100.0%
Camom	100.0%
Debor *	39.8%
Eiffel Construction Métallique	100.0%
Eiffel Deutschland Stahltechnologie	100.0%
Forclumeca Normandie	100.0%
Goyer	100.0%
Metareg Atlantique	100.0%
Pms *	25.0%
Samia	100.0%
Somis	100.0%

### EIFFAGE TRAVAUX PUBLICS AND ITS SUBSIDIARIES

	100.0%
Aglomerados Albacete	51.0%
Aglomerados Los Serranos	51.0%
Antrope	100.0%
Appia Grands Travaux	100.0%
Appia Liants Emulsion Rhône Alpes	100.0%
Bocahut	100.0%
Carrière de la Roche Blain	99.3%
Carrière des Chênes	100.0%

Carrière des Grands Caous	100.0%
Carrière des Roches Bleues	100.0%
Carrière du Sud Ouest	100.0%
Carrières des 3 Vallées	100.0%
Carrières et Matériaux	100.0%
Desquesnes	100.0%
Dle	100.0%
Dle Ouest	100.0%
Dle Outre-Mer	100.0%
Dle Spécialités	100.0%
Durance Granulats *	45.0%
Egtp	100.0%
EIFFAGE Deutschland Bauholding	100.0%
EIFFAGE Infraestructuras	100.0%
EIFFAGE International	100.0%
EIFFAGE Sénégal	100.0%
EIFFAGE TP	100.0%
EIFFAGE TP Nord	100.0%
EIFFAGE Travaux Publics Est	100.0%
EIFFAGE Travaux Publics Gestion et Développement	100.0%
EIFFAGE Travaux Publics Idf Centre	100.0%
EIFFAGE Travaux Publics Méditerranée	100.0%
EIFFAGE Travaux Publics Nord	100.0%
EIFFAGE Travaux Publics Ouest	100.0%
EIFFAGE Travaux Publics Réseaux	100.0%
EIFFAGE Travaux Publics Rhône Alpes	100.0%
EIFFAGE Travaux Publics Sud Ouest	100.0%
Envimat	100.0%
Etmf	100.0%
Extraccion de aridos sierra negra	51.0%
Forézienne	100.0%
Gauthey	100.0%
Heinrich Walter Bau	100.0%
Hormigones Los Serranos	51.0%
Hormigones y morteros Serrano	51.0%
La Routière Guyanaise	100.0%
Lanwehr Bau Gmbh	100.0%
Les Matériaux Enrobés du Nord	100.0%
Masfalt	70.0%
Resirep	100.0%
Roland	100.0%
Serrano Aznar Obras Publicas	51.0%
Sesen	100.0%
Seso	100.0%
Sgasa	60.0%
Sgtn	100.0%
Société des Carrières de la 113	100.0%
Société Matériaux de Beauce *	50.0%

Sodeca	100.0%
Stinkal	65.0%
Tinel	100.0%
Transroute	100.0%
Travaux Publics de Provence	100.0%
Travaux Publics et Assainissement	100.0%
Wittfeld	100.0%

<b>CLEMESSY AND ITS SUBSIDIARIES</b>	<b>99.8%</b>
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Clemessy Emcs	99.8%
Clemessy Télécommunications *	48.9%
Eis	99.8%
Fontanie	99.8%
France Réseaux	99.8%
Game Ingenierie	99.7%
Petillot	99.8%
Rmt I&E Gmbh	99.8%
Seh	99.8%
Secauto	99.7%

<b>CRYSTAL</b>	<b>100.0%</b>
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Crystal S.A.M.	100.0%
Sogica	100.0%

<b>FORCLUM AND ITS SUBSIDIARIES</b>	<b>100.0%</b>
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Alsatel	100.0%
Ambitec	100.0%
Cassagne	100.0%
Conscytéc	100.0%
Egea	100.0%
EIFFAGE Energia	100.0%
Elettromeccanica Gallitalo	51.0%
Elomech Elektroanlagen	67.3%
Forclim Antilles Guyane	100.0%
Forclim Normandie	100.0%
Forclim Ouest Atlantique	100.0%
Forclim Sud Ouest	100.0%
Forclum Alsace Franche Comté	100.0%
Forclum Anjou Maine	100.0%
Forclum Antilles Guyane	100.0%
Forclum Aquitaine Limousin	100.0%
Forclum Auvergne	100.0%
Forclum Aveyron	100.0%
Forclum Basse Normandie	100.0%
Forclum Bourgogne	99.9%
Forclum Bretagne	100.0%
Forclum Centre Loire	100.0%
Forclum Champagne Ardennes	100.0%

Forclum Electronique	100.0%
Forclum Energies Services	100.0%
Forclum Gestion & Développement	100.0%
Forclum Grands Travaux Tertiaires	100.0%
Forclum Haute Normandie	100.0%
Forclum Ile de France	100.0%
Forclum Industrie Nord	100.0%
Forclum Infra Nord	100.0%
Forclum Loire Océan	100.0%
Forclum Lorraine	100.0%
Forclum Numérique	100.0%
Forclum Paris Idf Nord	100.0%
Forclum Poitou Charentes	100.0%
Forclum Provence Alpes Côte d'Azur	100.0%
Forclum Réseaux Nord	100.0%
Forclum Rhône Alpes	100.0%
Forclum Sud Ouest	100.0%
Forclum Transport	100.0%
Forclum Val de Loire	100.0%
Forclumeca Antilles Guyane	100.0%
Frigoservice *	20.8%
G&S France	90.0%
Inelbo	100.0%
Ingg Grossi & Speier Spa	90.0%
JJ Tome	52.0%
NAT Fortune	60.0%
Neuberger Anlagen Technik	60.0%
Tecniarte	33.8%
Tpam	100.0%

Companies accounted for under the equity method

(\*\*) Companies consolidated under the full method because successive levels of ownership ensure that EIFFAGE exercises control.

Note 1: Percentages given above correspond to the direct and indirect interests of EIFFAGE SA in the company concerned.

Note 2: A complete list of companies together with their addresses and SIREN numbers is available upon request.



## STATUTORY AUDITORS' REPORT on the consolidated financial statements for the year

Ended 31 December 2008

To the Shareholders,

In fulfilment of the assignment entrusted to us by the Shareholders' General Meeting, we present to you our report for the year ended 31 December 2008 on:

- the audit of the consolidated financial statements of EIFFAGE SA, as attached to this report;
- the basis for our opinion; and
- the specific verifications required by law.

The consolidated financial statements have been prepared under the responsibility of the Board of Directors. It is our responsibility, based on our audit, to express an opinion on these financial statements.

### OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with auditing standards applied in France. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a sample basis or via other means of selection, the evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the management, as well as evaluating the overall presentation of the financial statements. We believe that the information we have obtained provides an adequate and reasonable basis for our opinion.

In our opinion, and in light of International Financial Reporting Standards (IFRS) as adopted by the European Union, the consolidated financial statements give a true and fair view of the Group's financial position and its assets and liabilities at 31 December 2008, and of the results of operations of the companies included in the consolidation for the year then ended.

### BASIS FOR OUR OPINION

Pursuant to the provisions of article L823.9 of the French Commercial Code requiring that we indicate the basis for our opinion, we draw your attention to the following elements:

Note 2 to the consolidated financial statements sets out the accounting policies applied by the Group, notably as regards construction contracts and provisions:

- When assessing the accounting policies and methods used by the Group, we ensured that the method for recognising revenue and profit for construction activities accounted for under the percentage of completion method as described in Note 2.4 had been applied properly and consistently.
- Based on the information available to us on the date of this report, our assessment of provisions was based on an analysis of the risk identification and quantification procedures implemented by the Group, as well as of the risks relating to the main provisions that have been set aside (see Notes 2.18 and 21). As part of our work, we determined that management estimates were reasonable.

The Group systematically carries out goodwill impairment tests at the end of each financial year using the methods described in Note 2.8 to the consolidated financial statements. Bearing in mind the sharp deterioration in the financial and economic environment described in Note 4 to the consolidated financial statements, we examined the conditions under which impairment tests were performed as well as the assumptions used and verified that the information provided in notes 2.8 and 8 was appropriate.

Notes 2.9 and 9 to the consolidated financial statements describe the accounting method used by the Group for the concessions activity. We ensured that the accounting treatment applied by the Group did not contravene International Financial Reporting Standards and that appropriate information was disclosed in the notes to the consolidated financial statements.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to determining the opinion expressed in the first part of this report.

### SPECIFIC VERIFICATIONS

We have also verified, in accordance with French law, the information on the Group contained in the Directors' Management Report. We have no comment to make as to its fair presentation and its consistency with the consolidated financial statements.

Paris La Défense and Neuilly-sur-Seine, 1 April 2009.

The Statutory Auditors

KPMG Audit

Department of KPMG SA

Philippe Mathis

Partner

PricewaterhouseCoopers Audit

Yan Ricaud

Partner

# EIFFAGE – COMPANY FINANCIAL STATEMENTS

## BALANCE SHEET

### ASSETS

	Notes	2008			2007
		Gross	Amortisation, depreciation and provisions	Net	
<i>In thousands of euros</i>					
Non-current assets	1	1,501	1,027	474	467
Participating interests	2 - 12	2,739,315	4,232	2,735,083	1,930,482
Other investments	2 - 12	374,493	313	374,180	496,761
<b>Total non-current assets</b>		<b>3,115,309</b>	<b>5,572</b>	<b>3,109,737</b>	<b>2,427,710</b>
Inventories and work in progress		-	-	-	1,668
Trade debtors	3 - 11 - 12	6,694	395	6,299	2,542
Other debtors	3 - 11 - 12	614,043	286	613,757	692,838
<b>Current assets other than cash and cash equivalents</b>		<b>620,737</b>	<b>681</b>	<b>620,056</b>	<b>697,048</b>
Marketable securities	4	656,018	-	656,018	375,208
Cash at bank and in hand	5 - 11	532,788	-	532,788	985,604
<b>Cash and cash equivalents</b>		<b>1,188,806</b>	<b>-</b>	<b>1,188,806</b>	<b>1,360,812</b>
Prepayments and accrued income		636	-	636	586
<b>TOTAL ASSETS</b>		<b>4,925,488</b>	<b>6,253</b>	<b>4,919,235</b>	<b>4,486,156</b>

### LIABILITIES AND SHAREHOLDERS' EQUITY

	Notes	2008	2007
<i>In thousands of euros</i>			
Share capital	6	366,333	372,733
Share premium account		278,132	278,132
Revaluation reserve		3,413	3,413
Reserves		41,547	101,805
Retained earnings		2,366,445	1,183,001
Net profit for the year		387,582	1,294,665
Regulated provisions		62	61
<b>Capital and reserves</b>	7	<b>3,443,514</b>	<b>3,233,810</b>
Provisions for liabilities and charges	8	125,641	257,737
Loans and other borrowings	9 - 10	1	2
Trade creditors	10 - 12	9,684	7,304
Other creditors	9 - 10 - 12	1,339,418	987,211
<b>Debts</b>		<b>1,349,103</b>	<b>994,517</b>
Bank overdrafts and credit balances	9	977	92
Accruals and deferred income		-	-
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>4,919,235</b>	<b>4,486,156</b>

### INCOME STATEMENT

<i>In thousands of euros</i>	Notes	2008	2007
<b>Operating income</b>			
Sales of goods and services		14,768	19,175
Other income		-343	1,909
Provisions reversed		1,328	-
<b>Total revenue</b>		<b>15,753</b>	<b>21,084</b>
<b>Operating charges</b>			
External charges		-29,017	-26,788
Taxes (other than income tax)		-730	-691
Staff costs		-2,203	-5,788
Depreciation and provisions		-47	-45
<b>Total</b>		<b>-31,997</b>	<b>-33,312</b>
Share of profit (loss) of joint ventures		4,362	9,212
<b>Operating profit</b>		<b>-11,882</b>	<b>-3,016</b>
Income from participating interests		353,278	411,888
Net interest payable and similar charges	12	-102,737	172,327
Provisions		115,199	-170,660
<b>Net financial income</b>		<b>365,740</b>	<b>413,555</b>
<b>Profit on ordinary activities</b>			
Profit (loss) on the disposal of non-current assets		2,218	894,049
Other exceptional income and charges		-1,184	-5,021
Provisions		16,951	-1,277
<b>Exceptional income (charges)</b>	14	<b>17,985</b>	<b>887,751</b>
Income tax	15	15,739	-3,625
<b>NET PROFIT</b>		<b>387,582</b>	<b>1,294,665</b>

# NOTES TO THE COMPANY FINANCIAL STATEMENTS

## for the year ended 31 December 2008

(in thousands of euros unless otherwise indicated)

### ACCOUNTING POLICIES AND METHODS

The annual financial statements have been prepared in accordance with the General Chart of Accounts adopted by the French Accounting Regulation Committee (Comité de la Réglementation Comptable – CRC) on 29 April 1999.

The main accounting methods are presented below:

### PROPERTY, PLANT AND EQUIPMENT

With the exception of assets having given rise to a legal revaluation, property, plant and equipment are valued at cost. Depreciation is calculated using the straight-line method so as to write off the assets over their estimated useful lives:

■ Buildings	40 years
■ Industrial buildings	20 years
■ Fittings	10 years

The depreciation period is reduced by half for second-hand items.

### INVESTMENTS

Participating interests are recorded on the balance sheet at their gross value, i.e. at their purchase cost plus any additional costs or their revalued amount as at 31 December 1976. When their carrying value is lower than their gross value, a provision is recorded for the difference.

Carrying value is determined by reference to the share of the company's net book value adjusted, where appropriate, to take into account future capital gains on its assets as well as its projected development and earnings prospects. These estimates and assumptions are based on past experience and on various other factors, bearing in mind the sharp deterioration in the economic and financial environment has lowered visibility as regards business prospects.

### INVENTORIES AND WORK IN PROGRESS

Concerns external expenses incurred in connection with studies performed in connection with ongoing tenders.

### RECEIVABLES

Receivables are measured at their nominal value. Provisions are recognised to write down these receivables when there are difficulties collecting amounts due.

### MARKETABLE SECURITIES

Marketable securities are recorded at acquisition cost.

Provisions are recorded when market value at the year-end is lower than acquisition cost. Interest is accrued at the year-end in respect of securities bearing a guaranteed interest rate.

### PROVISIONS FOR LIABILITIES AND CHARGES

Provisions are set aside whenever there is a probable risk that resources will be expended without any likely return. Provisions are reviewed at the balance sheet date and adjusted on the basis of the best estimates available at that date.

Certain provisions cover risks linked to the execution and completion of construction projects in France and abroad. In such cases they cover any direct costs as well as ancillary expenses to rehabilitate the construction site and charges arising from seeing projects through to completion.

### FOREIGN CURRENCY TRANSACTIONS

Amounts receivable and payable denominated in foreign currencies are converted at the exchange rate on the balance sheet date. The balance sheets and income statements of establishments located outside the euro zone are translated in the same way.

### JOINT VENTURES

In accordance with industry accounting standards, French joint ventures are accounted for under the full consolidation method when EIFFAGE SA is responsible for their management.

When EIFFAGE SA is not responsible for management or the joint venture is undertaken outside France, only the company's share of earnings is recorded in the income statement.

### LONG-TERM CONTRACTS

Profits arising on long-term construction projects are accounted for under the percentage-of-completion method.

Provisions for liabilities are recorded to cover any foreseeable losses on completion. The latter are determined based on an analysis of projected economic and financial data for each contract. When appropriate, projections take into account amounts likely to be obtained from claims that have been filed.

### REVENUE

Revenue as referred to in the various documents produced by the company, notably in any comments on its activities, corresponds to the year's production. Revenue includes work and services performed directly by EIFFAGE SA as well as its attributable share when the work is performed in partnership with third parties.

### SHARE OF RESULTS OF PARTNERSHIPS

The results of partnerships are recorded in the year to which they relate, as accrued income when a profit, and as accrued expenses when a loss.

### STOCK OPTIONS

Options to purchase EIFFAGE shares have been granted to a number of employees. The financial risk attached to these options is provisioned taking into account shares held in treasury and their market value at the year-end.

### ADDITIONAL INFORMATION ON THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

#### NOTE 1 – NON-CURRENT ASSETS

	At 1 January	Additions	Disposals	At 31 December
<b>1.1 - Cost</b>				
Land	148	-	-	148
Buildings	1,280	-	-	1,280
Other property, plant and equipment	49	53	29	73
<b>TOTAL</b>	<b>1,477</b>	<b>53</b>	<b>29</b>	<b>1,501</b>
<b>1.2 - Depreciation</b>				
Buildings	977	42	-	1,019
Other property, plant and equipment	33	4	29	8
<b>TOTAL</b>	<b>1,010</b>	<b>46</b>	<b>29</b>	<b>1,027</b>

#### NOTE 2 – INVESTMENTS

	At 1 January	Additions	Disposals	At 31 December
<b>2.1 - Cost</b>				
Participating interests	1,934,752	878,636	74,073	2,739,315
Treasury shares to be cancelled	-	91,046	66,662	24,384
Other investments	497,291	29,550	176,732	350,109
<b>TOTAL</b>	<b>2,432,043</b>	<b>999,232</b>	<b>317,467</b>	<b>3,113,808</b>
<b>2.2 - Provisions</b>				
Participating interests	4,270	-	38	4,232
Other investments	530	-	217	313
<b>TOTAL</b>	<b>4,800</b>	<b>-</b>	<b>255</b>	<b>4,545</b>

#### NOTE 3 – AMOUNTS RECEIVABLE

	Net amount	Within 1 year	More than 1 year
<b>3.1 - Analysis by maturity</b>			
Included under non-current assets <sup>(1)</sup>	349,559	3	349,556
Included under current assets <sup>(2)</sup> :			
• Trade debtors	6,299	6,299	-
• Other debtors <sup>(3)</sup>	613,757	613,747	10
<b>TOTAL</b>	<b>969,615</b>	<b>620,049</b>	<b>349,566</b>

(1) Of which €300,061 thousand concerns Group companies.

(2) Of which €35,949 thousand concerns Group companies.

(3) Of which €572,535 thousand from the debt securitisation mutual fund serving as a vehicle for the securitisation programme arranged by the Group in 2002. The corresponding liability is recorded under "Other creditors".

	At 1 January	Additions	Disposals	At 31 December
<b>3.2 - Provisions</b>				
Trade debtors	393	3	-	396
Other debtors				
• Due from Group companies	1,217	56	1,186	87
• Miscellaneous debtors	198	-	-	198
<b>TOTAL</b>	<b>1,808</b>	<b>59</b>	<b>1,186</b>	<b>681</b>

## NOTE 4 – MARKETABLE SECURITIES

	Number of shares		Net book value
	At 1 January	At 31 December	
<b>4.1 - Held in portfolio</b>			
Treasury shares	531,158	1,760,375	133,168
Purchase options for treasury shares	1,614,000	-	-
UCITS invested in very short dated money market instruments	-	-	513,225
Securities representing reserve fund of securitisation programme	-	-	9,625
<b>TOTAL</b>			<b>656,018</b>

The market value of the UCITS is not materially more than their net book value.

	At 1 January	Increase	Decrease	At 31 December
<b>4.2 - Provisions for marketable securities</b>				
Marketable securities	150	-	150	-
<b>TOTAL</b>	<b>150</b>	<b>-</b>	<b>150</b>	<b>-</b>

## NOTE 5 – CASH AT BANK AND IN HAND

	Net book value	Accrued interest	Total
<b>Certificates of deposit</b>			
• Maturing in 1 month	260,000	1,488	261,488
• Maturing in 2 months	120,000	621	120,621
• Maturing in 3 months	60,000	46	60,046
<b>Total certificates of deposit</b>	<b>440,000</b>	<b>2,155</b>	<b>442,155</b>
<b>Term deposits</b>			
• Maturing in 1 month	40,000	302	40,302
• Maturing in 3 months	50,000	150	50,150
<b>Total term deposits</b>	<b>90,000</b>	<b>452</b>	<b>90,452</b>
Banks	173	8	181
<b>TOTAL</b>	<b>530,173</b>	<b>2,615</b>	<b>532,788</b>

## NOTE 6 – SHARE CAPITAL

At 31 December 2008, the share capital consisted of 91,583,342 shares of €4 each.

	Number of shares
<b>At 31 December 2007</b>	93,183,342
Capital reduction through the cancellation of 1,600,000 shares	-1,600,000
<b>AT 31 DECEMBER 2008</b>	<b>91,583,342</b>

### NOTE 7 – CHANGES IN SHAREHOLDERS' EQUITY

	Capital	Share premium account	Revaluation reserve	Reserves	Retained earnings	Net profit for the year	Regulated provisions	Total
<b>At 31 December 2007</b>	372,733	278,132	3,413	101,805	1,183,001	1,294,665	61	3,233,810
Appropriation of 2007 net profit	-	-	-	111,221	1,183,444	-1,294,665	-	-
Dividends paid	-	-	-	-111,217	-	-	-	-111,217
Capital reduction	-6,400	-	-	-60,262	-	-	-	-66,662
Other	-	-	-	-	-	-	1	1
2008 net profit	-	-	-	-	-	387,582	-	387,582
<b>AT 31 DECEMBER 2008</b>	<b>366,333</b>	<b>278,132</b>	<b>3,413</b>	<b>41,547</b>	<b>2,366,445</b>	<b>387,582</b>	<b>62</b>	<b>3,443,514</b>

### NOTE 8 – PROVISIONS FOR LIABILITIES AND CHARGES

	At 1 January	Increase	Decrease		At 31 December
			Decrease corresponding to a charge in the year	Decrease not corresponding to a charge during the year	
Options on EIFFAGE shares	194,805	449	115,704	-	79,550
Abroad	55,701	-	943	40,658	14,100
Future charges on long-term contracts	6,000	25,000	-	-	31,000
Tax	960	-	-	-	960
Property	270	-	240	-	30
Other	1	-	-	-	1
<b>TOTAL</b>	<b>257,737</b>	<b>25,449</b>	<b>116,887</b>	<b>40,658</b>	<b>125,641</b>

Provisions written back that do not correspond to a charge in the year relate to the company's ordinary activities. They concern provisions found to be in excess of requirements or for which the risk has disappeared.

### NOTE 9 – BORROWINGS AND OTHER DEBTS

#### Analysis by maturity

	Total	Within 1 year	More than 1 year
<b>9.1 – Loans and other borrowings</b>			
Other borrowings			
• Other	1	1	-
<b>TOTAL</b>	<b>1</b>	<b>1</b>	<b>-</b>
<b>9.2 – Other debt</b>			
Amounts due to Group companies <sup>(1)</sup>	1,337,274	1,337,274	-
Miscellaneous debt	2,144	2,144	-
<b>TOTAL</b>	<b>1,339,418</b>	<b>1,339,418</b>	<b>-</b>
<b>9.3 – Bank overdrafts</b>	<b>977</b>	<b>977</b>	<b>-</b>
<b>TOTAL</b>	<b>977</b>	<b>977</b>	<b>-</b>

(1) See Note 3.1 concerning the impact arising from the securitisation programme.

### NOTE 10 – ACCRUALS ARE INCLUDED UNDER THE FOLLOWING BALANCE SHEET HEADINGS

	At 31 December 2008
Loans and other borrowings	138
Trade creditors	2,148
Other creditors	54,207
<b>TOTAL</b>	<b>56,493</b>

## NOTE 11 – ACCRUED INCOME IS INCLUDED UNDER THE FOLLOWING BALANCE SHEET HEADINGS

	At 31 December 2008
Trade debtors	271
Other debtors	1,906
Cash at bank and in hand	2,606
<b>TOTAL</b>	<b>4,783</b>

## NOTE 12 – INFORMATION ON RELATED UNDERTAKINGS AND PARTICIPATING INTERESTS

Amounts concerning:	related undertakings	participating interests
Participating interests	2,632,503	102,580
Other investments	300,061	49,420
Trade debtors	2,249	-
Other debtors	33,700	7,271
Trade creditors	3,384	-
Other creditors	1,337,274	30
Financial income	33,097	3,453
Financial charges	21,672	-

## NOTE 13 – ANALYSIS OF REVENUE

Revenue amounted to €17 million in 2008 and was generated solely in France.

## NOTE 14 – EXCEPTIONAL INCOME

Net exceptional income amounted to €18 million. It included income of €41 million in respect of projects outside France and a charge of €25 million in respect of projects in France. It also included capital gains on the disposal of participating interests for €2 million.

## NOTE 15 – INCOME TAX

EIFFAGE SA is the head of a tax group that comprised 191 subsidiaries in 2008. The €16 million tax charge is the difference between the amount of tax receivable from members of the tax group and the amount of tax payable by the Group.

Timing differences specific to EIFFAGE SA amounted to €31 million in terms of tax base and correspond to relief that will be obtained in the future.

## ADDITIONAL NOTES

### NOTE 16 – FINANCIAL COMMITMENTS

Guarantees and sureties given	1,144,432
Partnerships, non-trading real estate investment companies and economic interest groupings	1,017,360
Other commitments given	5,184
<b>TOTAL</b>	<b>2,166,976</b>

## NOTE 17 – PENSION OBLIGATIONS

Under collective labour agreements in its industry, the company is required to make lump-sum retirement payments to managers and technical and supervisory staff when they retire. Other pension commitments are the responsibility of the pension schemes to which the company is affiliated.

At 31 December 2008, vested rights for the staff employed by the company on that date were estimated at €1 thousand (including social security costs) using the accrued benefit method.

No provision is recorded in respect of these obligations.

## NOTE 18 – AVERAGE NUMBER OF EMPLOYEES

EIFFAGE SA employed an average of three managers in France.

## NOTE 19 – DIRECTORS' EMOLUMENTS

In 2008, total fixed and variable emoluments, including benefits in kind, paid to the Chairman and Managing Director by EIFFAGE amounted to €1,635 thousand gross.

Directors' fees paid to directors totalled €337 thousand in 2008.

## NOTE 20 – AUDITORS' FEES

Details regarding the auditors' fees, as charged to income for the period, are provided in the notes to the consolidated financial statements.



## FIVE-YEAR FINANCIAL SUMMARY

	2004	2005	2006	2007	2008
<b>1 – Share capital at 31 December</b> <i>(in thousands of euros)</i>					
Share capital	238,219	359,158	372,689	372,733	366,333
Number of ordinary shares in issue	29,777,373	44,894,788	93,172,338	93,183,342	91,583,342
Maximum number of shares to be created in the future	186,971	47,418	11,004	-	-
• Through the exercise of share options	186,971	47,418	11,004	-	-
<b>2 - Results</b> <i>(in thousands of euros)</i>					
Revenue	42,727	85,026	76,066	43,529	17,370
Profit before depreciation, provisions, employee profit-sharing and tax	132,923	188,346	441,296	1,470,272	238,412
Income tax	14,188	7,927	-18,809	-3,625	15,739
Employee profit sharing for the year ended	-	-	-	-	-
Profit after depreciation, provisions, employee profit-sharing, and tax	171,397	187,119	397,611	1,294,665	387,582
Dividends	44,666	67,342	93,172	111,820	108,000
<b>3 - Earnings per share</b> <i>(in euros)</i>					
Profit after employee profit-sharing and tax, but before depreciation and provisions	4.94	4.37	4.53	15.74	2.78
Profit after depreciation, provisions, employee profit-sharing, and tax	5.76	4.17	4.27	13.89	4.23
Dividend per share	1.50	1.50	1.00	1.20	1.20
<b>4 - Employees</b>					
Average number of employees during the year	1	1	3	3	3
Salaries and wages	1,693	1,829	2,719	2,763	1,990
Staff benefits (social security and other benefits)	372	443	641	3,025	213

# TOTAL AND PER-SHARE RESULTS

	2008	2007
<b>Profit on ordinary activities</b>		
Total (in millions of euros)	354	411
Per share (in euros)	3.9	4.4
<b>Profit before tax</b>		
Total (in millions of euros)	372	1,298
Per share (in euros)	4.1	13.9
<b>Net profit</b>		
Total (in millions of euros)	388	1,295
Per share (in euros)	4.2	13.9

## SUBSIDIARIES AND PARTICIPATING INTERESTS

at 31 December 2008

### A. DETAILED INFORMATION ON SUBSIDIARIES AND PARTICIPATING INTERESTS

	Capital	Reserves (including 2008 net profit)	% of capital held
<b>1. Subsidiaries (more than 50% of the capital controlled by EIFFAGE SA)</b>			
EIFFAGE Construction <sup>(1)</sup>	204,619	238,919	100.00
EIFFAGE Travaux Publics <sup>(1)</sup>	233,944	466,880	100.00
Forclum <sup>(1)</sup>	71,618	221,311	100.00
Clemessy <sup>(1)</sup>	19,281	26,982	99.85
Eiffel Participations <sup>(1)</sup>	1,458	150,196	100.00
Financière Eiffarie <sup>(1)</sup>	101,803	510,617	50.00
Crystal <sup>(1)</sup>	4,100	2,010	100.00
A'Liéonor	48,840	-20	65.00
Verdun Participations, 1 <sup>(1)</sup>	4,185	-166,860	51.00
<b>2. Participating interests (between 10% and 50% of the capital controlled by EIFFAGE)</b>			
TP Ferro Concesionaria	51,435	-7,404	50.00
Efi <sup>(1)</sup>	51,953	38,337	24.36
Smtpc	17,804	27,519	32.92
Norscut	36,175	-6,273	35.98

*(1) Information provided on a consolidated basis.*

### B. OVERALL INFORMATION ON SUBSIDIARIES AND PARTICIPATING INTERESTS

#### Book value of the shares held:

Gross

Net

Loans and advances made

Guarantees and sureties given

Dividends collected

Gross book value of shares held	Net book value of shares held	Loans and advances made and not yet repaid	Commitments given	Revenue in last financial year	Net profit (loss) for the last financial year	Dividends paid to EIFFAGE during the year
1,114,706	1,114,706	-	14,270	4,499,883	162,007	149,841
568,582	568,582	-	21,049	3,911,623	26,042	95,395
284,043	284,043	-	24,678	2,435,493	30,660	72,960
238,016	238,016	-	-	603,377	13,359	-
153,426	153,426	-	1,854	728,658	5,678	-
132,779	132,779	-	-	1,833,749	52,444	23,822
63,368	63,368	-	-	206,157	2,121	-
31,746	31,746	1,659	22,750	-	-14	-
20,410	20,410	-	-	31,471	-10,552	6,617

25,718	25,718	27,474	-	-	-	-
19,420	19,420	-	-	11,096	13,886	1,076
16,221	16,221	-	-	33,168	9,646	2,498
13,016	13,016	21,946	-	112,550	-4,775	-

French subsidiaries	Foreign subsidiaries	French participating interests	Foreign participating interests
2,613,746	3,155	83,258	39,156
2,613,069	-	83,258	38,756
335,082	42	3,397	50,739
2,044,226	-	22,862	-
348,828	-	4,273	153

## STATUTORY AUDITORS' REPORT on the company financial statements for the year

Ended 31 December 2008

To the Shareholders of EIFFAGE SA,

In fulfilment of the assignment entrusted to us by your shareholders' General Meeting, we hereby present our report for the year ended 31 December 2008 on:

- the audit of the accompanying financial statements of EIFFAGE SA;
- the basis for our opinion; and
- the specific verifications and information required by law.

These financial statements have been prepared under the responsibility of the Board of Directors. It is our responsibility, based on our audit, to express an opinion on those financial statements.

### I – OPINION ON THE FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applied in France. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a sample basis or via other means of selection, the evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the information we have obtained provides an adequate and reasonable basis for our opinion.

In our opinion, and in light of French generally accepted accounting principles, the financial statements give a true and fair view of the company's financial position and its assets and liabilities at 31 December 2008, and of the results of its operations for the year then ended.

### II – BASIS FOR OUR OPINION

Pursuant to the provisions of Article L.823.9 of the French Commercial Code requiring that we indicate the basis for our opinion, we draw your attention to the following elements:

The accounting policies and methods applied by the company to participating interests are described, inter alia, in Note A to the financial statements. We checked that these methods were appropriate. We also assessed the methods used by the company to determine the book value of these participating interests as described in the notes, taking into account the current financial and economic crisis and based on the information available on the date of this report, and we checked on a sample basis that these methods had been applied properly.

This assessment was made as part of our audit of the company financial statements taken as a whole, and therefore contributed to determining the opinion expressed in the first part of this report.

### III – SPECIFIC VERIFICATIONS AND INFORMATION

We also performed the specific verifications required by French law.

We have no comment to make as to:

- the truth, fairness and consistency with the financial statements of the information given in the Directors' Management Report and in the documents sent to the shareholders concerning the company's financial position and the financial statements;
- the truth and fairness of the information contained in the Management Report relating to the remuneration and benefits in kind paid to corporate officers and to commitments made to them upon assuming, quitting or changing function or subsequently.

As required by law, we verified that the Directors' Report contains the appropriate disclosures as to the acquisition of participating and controlling interests and to the identity of the shareholders and holders of voting rights.

Paris La Défense and Neuilly-sur-Seine, 1 April 2009.

The Statutory Auditors

**KPMG Audit**

Department of KPMG SA

Philippe Mathis  
Partner

**PricewaterhouseCoopers Audit**

Yan Ricaud  
Partner

# STATUTORY AUDITORS' SPECIAL REPORT

## on regulated agreements and commitments for the year

Ended 31 December 2008

To the Shareholders,

As the Statutory Auditors of your company, we present our report on regulated agreements and commitments.

### AGREEMENTS AND COMMITMENTS AUTHORISED DURING THE YEAR

Pursuant to Article L.225-40 of the French Commercial Code, we were advised of agreements and commitments that required prior approval by the Board of Directors.

We are not required to determine whether any other such agreements or commitments exist, but to provide you, on the basis of the information given to us, with the main features and conditions of those that have been reported to us, without having to express an opinion on their usefulness or appropriateness. Under the terms of Article R.225-31 of the French Commercial Code, it is the responsibility of the shareholders to assess the company's interest in entering into these agreements and commitments when they are submitted for approval.

We performed our work in accordance with the auditing standards applicable in France. Those standards require that we perform such procedures as may be necessary to verify the consistency of the information given to us with the source documents from which such information is extracted.

#### With Soficot

##### *Nature and purpose*

A management and assistance agreement between EIFFAGE SA and Soficot was submitted to the Board of Directors.

##### *Terms and conditions*

During its meeting of 10 December 2008, the Board of Directors authorised the Company to enter into this management and assistance agreement. Services billed to EIFFAGE SA by Soficot in respect of 2008 amounted to €79,139.78 (excluding taxes).

##### *Director concerned*

Mr. Michel, in his capacity as director of EIFFAGE SA and Chairman of Soficot SAS.

### AGREEMENTS AND COMMITMENTS APPROVED IN PREVIOUS YEARS AND CONTINUING TO BE PERFORMED DURING THE YEAR

In addition, pursuant to the French Commercial Code, we were informed of the continued performance over the past financial year of the following agreements, approved in previous financial years.

#### Securitisation of trade receivables

On 30 August 2007, the Board of Directors approved the renewal of the securitisation programme and various riders and guarantees in connection therewith. This programme, which runs for five years until 31 July 2012, was entered into by EIFFAGE SA and certain companies of the EIFFAGE Group (the "ceding subsidiaries") on the one hand, and a debt securitisation mutual fund on the other hand.

The purpose of the resulting agreements is to establish:

- the transfer of receivables from the ceding subsidiaries to the debt securitisation mutual fund as part of the centralised cash management system operated within the EIFFAGE Group, with EIFFAGE SA acting as agent on behalf of these subsidiaries to collect the proceeds raised from assigning these receivables to the fund and transferring to the fund amounts collected by the subsidiaries in respect of receivables assigned to the fund;
- the continued recovery of the receivables assigned to the fund by the ceding subsidiaries under a mandate granted by the fund;
- the extension of various guarantees in favour of the fund in a variable amount of up to €400 million by EIFFAGE SA, acting on behalf of the ceding subsidiaries;
- the assumption by the ceding subsidiaries of any losses or charges that might be incurred by EIFFAGE SA under the terms of the guarantees; and
- the terms under which the ceding subsidiaries will be remunerated.

Paris La Défense and Neuilly-sur-Seine, 1 April 2009.

The Statutory Auditors

**KPMG Audit**  
Department of KPMG SA

Philippe Mathis  
Partner

**PricewaterhouseCoopers Audit**

Yan Ricaud  
Partner

## REPORT BY THE CHAIRMAN of the Board of Directors

on the preparation and organisation of the board's work and on internal control

(this report was approved by the Board of Directors of EIFFAGE on 26 February 2009)

### INTRODUCTION

This report has been prepared in compliance with Articles L.225-37 and L.225-68 of the French Commercial Code (*Code de Commerce*) as modified by Articles 26 and 27 of the Act of 3 July 2008 adapting French company law to European Union law.

Its purpose is to report on the conditions for the preparation and organisation of the work performed by the Board of Directors and on the internal control procedures implemented within the EIFFAGE Group.

The EIFFAGE Group is headed by a holding company, *Société Anonyme EIFFAGE* (EIFFAGE SA), which directly or indirectly controls a number of companies operating in the following sectors: construction, property development, civil engineering, road construction and maintenance energy, metals, and transport and telecommunication infrastructure concessions.

### CORPORATE GOVERNANCE - PREPARATION AND ORGANISATION OF THE BOARD OF DIRECTORS' WORK

#### CORPORATE GOVERNANCE

In the matter of corporate governance the Company refers to the Code of Corporate Governance for listed companies published in December 2008 by the French Association of Private Companies (*Association Française des Entreprises Privées - AFEP*) and the French Confederation of Business Enterprises (*Mouvement des Entreprises de France - MEDEF*), which is available on the MEDEF website.

However, the following recommendations contained in this Code are not applied:

- Recommended proportion of independent board directors: at 31 December 2008, the Board of Directors comprised eight members, of which one is an independent director. The General Meeting of 22 April 2009 will be invited to approve the appointment of a further two independent directors, so that the board's composition might have a proportion of independent directors more in keeping with this Code's recommendation;
- Recommended proportion of independent members on the Audit Committee: the Audit Committee comprises three board directors, of which one is an independent director. Given the quality of the work performance by this Committee, nothing justifies modifying its composition to increase the proportion of independent board directors to two-thirds as recommended in this Code.

#### FACTORS LIKELY TO HAVE A SIGNIFICANT IMPACT IN THE EVENT OF A PUBLIC OFFER

These factors are detailed on page 182 of the Reference Document.

#### SHAREHOLDER ATTENDANCE AT GENERAL MEETINGS

The conditions governing shareholder attendance at General Meetings are detailed in Article 30 of the Memorandum and Articles of Association.

### PREPARATION AND ORGANISATION OF THE BOARD OF DIRECTORS' WORK

At 31 December 2008, the Board of Directors comprised one independent member, one formerly independent member, three members representing the main financial shareholders, one Group executive, one who is Chairman of the company formed by managers possessing shares in the Company, and one who represents employees owning shares in the Company, in accordance with the laws and regulations recommending the appointment of such a representative. In accordance with the Memorandum and Articles of Association, board members are appointed for a three-year term.

The functions of Chairman and Managing Director have been entrusted to the same person since 7 December 2007. No specific limitations have been placed on the powers of the Chairman and Managing Director.

In 1997 the Board set up an Appointments and Compensation Committee and an Audit Committee, which prepare the resolutions put to the Board, express opinions and make recommendations.

The Appointments and Compensation Committee makes proposals concerning the appointment of, and fixed and variable remuneration to be paid to, the Chairman of the Board of Directors, the Managing Director and the Deputy Managing Directors, if any.

Lists detailing plans to allot share purchase or subscription options and to award bonus shares are submitted to this Committee before being presented to the Board of Directors.

The Committee vets applicants and makes proposals to the Board of Directors regarding the re-appointment or appointment of Board members, in particular concerning the choice of independent directors.

This Committee, which met twice in 2008, is composed of two members, including one independent director who is also chairman.

Prior to their submission to the Board of Directors, the Audit Committee examines the company and consolidated financial statements the internal procedures for compiling and checking accounting information, and the terms and conditions of any assignments carried out by external auditors. To this end, it meets with the Statutory Auditors independently of management at least once a year.

It oversees the procedure for selecting and re-appointing Statutory Auditors, and makes recommendations regarding their appointment.

It periodically reviews the Group's audit and internal control policies, and validates the related plans and resources made available. Twice a year it examines the work of the Internal Audit Department, their conclusions, and the application of their recommendations per the summary table maintained to this effect.

As indicated above, this Committee is composed of three directors, of whom one, the Chairman, is an independent director. The Committee met four times in 2008.

In 2004, the Board set up a Strategy Committee with responsibility for examining projects involving major acquisitions, investments and divestments. This Committee is also consulted about major restructuring measures within the Group. Finally, it examines the

management accounts prepared periodically by the Group as well as budgets and forecasts. This Committee comprises three members, including one independent director, and is chaired by a director representing the main shareholder. It met five times in 2008.

The Board and the three committees have their own Internal Regulations that define notably the principles governing the frequency of meetings, their principal purpose and the information communicated to members at these meetings.

The Board met seven times in 2008. At its last meeting, it reviewed its work during the past year. The attendance rate was 92% in 2008 compared with 97% in 2007 and 93% in 2006.

### **3 COMPENSATION PAID IN RESPECT OF 2008**

The General Meeting did not modify the amount of the board fees voted in 2006, which therefore remain unchanged at €500,000.

The compensation paid to the Chairman and Managing Director, the Company's only executive director, and the board fees paid to the members of the Board of Directors in respect of 2008 are detailed on pages 174 to 176 of the Reference Document filed with the French Financial Markets Regulator (*Autorité des Marchés Financiers - AMF*), of which this report forms a part. The Chairman and Managing Director were granted no bonus share and no share purchase or subscription option in 2008, nor does he benefit from a supplementary pension plan.

The Board adhered without reservations to the recommendations issued by AFEP and MEDEF in October 2008 and issued a press release to this effect on 10 December 2008.

### **4 PRINCIPLES OF INTERNAL CONTROL**

EIFFAGE has a Chairman and Managing Director, whose powers are defined by French laws and regulations, and in the Company's Memorandum and Articles of Association and the Board's Internal Regulations.

In May 2008, a Deputy Managing Director was appointed, to whom the Chairman and Managing Director delegated responsibility for the Construction and Energy divisions, the Human Resources and IT Departments, and the coordination of IT projects.

The Group's operations are organised into divisions, which are coherent sub-groups covering each business line. Each division is controlled by a simplified limited company (*Société par Actions Simplifiée - SAS*) that is wholly-owned by EIFFAGE. Public service concession companies are owned directly by EIFFAGE or through holding companies. The percentage of the capital owned by EIFFAGE varies. The scope of the Group's internal control procedures covers all the companies consolidated under the full method as well as all permanent or temporary joint ventures, whether consolidated or not.

The Group's internal control procedures are based on the principles set out in the report issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). At the end of 2007, "these procedures were defined more precisely and focused to comply with the framework guidelines published by AMF".

This document has been distributed to all company secretaries and all divisional internal controllers.

The description of the internal control system being applied is found in a reference document communicated within the Group.

*"This states that internal control is a process effected by the company, defined and implemented under its responsibility.*

*It consists in resources, approaches, procedures and actions adapted to the specific characteristics of each company, which:*

- contribute to the oversight of its activities, the effectiveness of its operations and the efficient utilisation of its resources;*
- must enable the company to give due consideration to all significant risks, be they operational, financial and/or compliance risks;*

*In particular, internal control is designed to provide assurance regarding achievement of the following objectives:*

- a) compliance with applicable laws and regulations;*
- b) application of directives and orientations defined by the company's top executives and board;*
- c) proper functioning of the company's internal processes, particularly those contributing to the safeguarding of its assets; and*
- d) reliability of financial reporting.*

*Internal control is therefore not limited to a set of procedures or to the accounting and financial processes alone.*

*Nor does it encompass all initiatives by management bodies or executives, such as the definition of the company's strategy, the determination of objectives, management decisions, risk management, or performance monitoring."*

By way of a reminder, the Committee of Sponsoring Organizations of the Treadway Commission (COSO) report defines internal control as a process, effected by an entity's board of directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- effectiveness and efficiency of operations
- reliability of financial reporting
- compliance with applicable laws and regulations.

This process is achieved through the efforts of the company's employees and through its organisational structure, and involves:

- the accountability of each employee for the results of his actions;
- controls exercised by direct superiors over the activity of the employees within their hierarchical sphere, with the assistance of the internal controllers, whose function is also to perform a first level control;

- internal audits, introduced by EIFFAGE in 2002, the purpose of which is to control and appraise the functioning of operational units and the various cross-group processes. The Internal Audit Department, which reports to Group General Management, thus implements second level controls to check the quality of internal control at the audited entities, as regards administrative, technical and financial aspects and all the Group's operational, information and steering systems. The Internal Audit Department employed eleven people in 2008. When necessary, it uses the services of external specialists;

- the EIFFAGE chart of values and goals, a code of conduct widely disseminated at all hierarchical levels. It was updated in 2008, a process that involved meetings with management to ensure all implications had been properly identified.



The charter's goals – respect for clients, suppliers, employees, shareholders, partners and subcontractors and other stakeholders, including the public authorities, and respect for human progress – as well as its values – responsibility, trust, transparency, lucidity, determination and pugnacity – underpin the internal control system that has been put into place.

## 5 ORGANISATION OF INTERNAL CONTROL

### 5.1. WORKS ACTIVITY

Over 90% of the Group's business consists of small, short-term projects (or contracts). The individuals in charge of each project or contract therefore need to have the relevant authority and powers.

The decentralisation of responsibilities within the Group is achieved through a network of moderately-sized subsidiaries and establishments, which facilitates monitoring and minimises risk.

The internal control function is organised based on the separation of roles and responsibilities amongst four different levels:

- the project (or contract) is the basic unit. The project manager has full responsibility for it and is personally accountable for the accuracy of his accounts;
- the company managers (the heads of subsidiaries and agencies), whose powers are defined by delegations of authority granted by their superiors. The company manager is responsible for commercial activities and contract decisions. He sets the profit margins when tendering for the contract;
- the regional manager supervises the subsidiaries and/or agencies in his sector and coordinates their activities. He is responsible for ensuring optimum use of human and material resources, fostering exchanges and the free circulation of information (vertically and horizontally). His role is to guide and oversee;
- each division's General Management has responsibility for:
  - Cash management;
  - Monitoring of compliance with accounting and management rules and principles;
  - Career management for management level employees;
  - Determining investments in real property, equipment as well as mergers and acquisitions.

Since 16 December 2008, operational responsibility for European subsidiaries outside France has reverted to the divisions to which these subsidiaries are attached, the goal being to strengthen the links in terms of technical expertise and to lay down development capacity for new projects.

Administrative, accounting, financial, internal control and management functions for these subsidiaries are placed under the responsibility of the General Secretariat Europe, which itself is attached to the General Delegation for Risks and Controls. Its hierarchical powers with regards to the entire administrative function are thus reaffirmed.

### 5.2. CONCESSION ACTIVITY

In 2008 EIFFAGE's concessions activities were carried out for 98% by the APRR group, which consists of APRR and its wholly-owned subsidiary AREA.

The General Management of APRR has been entrusted to the Chairman of the Board of Directors, who is appointed at the proposal of EIFFAGE through EIFFARIE, a holding company jointly owned by EIFFAGE and MAQUARIE that owns 81.5% of the capital of APRR.

Internal control within the APRR group is based on the division of functions and responsibilities between the following bodies:

- The Board of Directors: determines the orientations of the company's activities and ensures they are implemented. Subject to those powers granted expressly to the General Meeting and consistent with the limits set forth in the object's clause, the Board considers all matters relating to the proper functioning of the company and, through debate, directs all matters concerning the company. The Board of Directors has two special committees: the Audit Committee and the Appointments and Compensation Committee. These committees operate at the group level. The Board of Directors oversees the Managing Director for major decisions relating to the company and/or its subsidiaries and which concern amounts in excess of €15 million.
- General Management: the Managing Director has specific powers granted to him by law. He is responsible for the company's management and represents the company in its relations with third parties. He has full powers to act in the company's name in all circumstances, providing his actions are in conformity with the company's purpose and are not expressly of the competence of the General Meeting or the Board of Directors. The functions of Chairman and Managing Director of APRR and Chairman of AREA are performed by the Chairman and Managing Director of EIFFAGE. To assist him, a Deputy Managing Director, who is also the Managing Director at AREA, was appointed on 7 January 2008.
- Functional, operational and operating departments: their powers are defined by the delegations of authority granted by their governing bodies. The functional and operational departments are common to both APRR and AREA, while the operating departments are separate. The district is the basic operating unit and ensures, for the portion of motorway it covers, the operation, upkeep and security of the network. These tasks are performed under the responsibility of the Regional Department to which the district is attached.
- Group Audit and Risk department: this department reports directly to the Chairman and Managing Director and is responsible for internal audit and risk management within the APRR group. It is composed of four people and calls on outside resources whenever necessary to fulfil its mission.

### 5.3. GROUP RESPONSIBILITY

The Group is responsible for strategy, in other words, for determining major financial investments.

It manages the careers of senior executives.

It has authority for:

- Finance;
- Relations with the financial community and shareholders;
- Accounting, tax and management methods and principles.

It co-ordinates the labour policy of all divisions.

The central support functions at the head office are staffed by experts whose tasks is to assist the company managers and the regional managers, who may consult these functions irrespective of the lines of authority.

The chain of authority and responsibilities are consistent at all five levels: project, subsidiary (or agency), region, division and group.

The organisation of large projects may be adapted and certain hierarchical levels between the project and the division's executive management may be eliminated. In these cases, functional resources and control procedures will be scaled according to the project's size.

In application of the principle of subsidiarity, decisions are taken at the most immediate or local level. Controls are performed on an ex-post basis.

Since 16 December 2008, the General Delegation Risks and Controls, which is attached directly to the Chairman and Managing Director, is responsible for the supervision and coordination of:

- the Internal Audit Department;
- the management accounting function;
- the General Secretariat Europe;
- the updating of risk mapping; and
- the assessment and steering of internal control in accordance with the principles defined by the Group.

## **6 MANAGEMENT RULES AND PRINCIPLES**

### **6.1. WORKS ACTIVITY**

Management rules applied by EIFFAGE are based on three general principles:

- Forecasts and performance reports must come from the field;
- The quality of forecasting is essential;
- Management must be consistent with the accounts.

#### **Forecasts and performance reports must come from the field**

The monthly operating accounts and the quarterly forecasts are the core management tools.

The operating accounts are generated directly by the accounting software. Expenses are input by the accounts departments, while each project or contract manager is responsible for inputting revenue items and accrued expenses.

Each employee is responsible for the figures he provides.

The same applies to the quarterly forecasts, which are, by analogy, estimates of the operating accounts at the end of the project or the accounting period.

#### **The quality of forecasting is essential**

A forecast is prepared for each project (or contract):

- before its launch or at the launch date;
- at each quarterly review.

The purpose of forecasts is to estimate as accurately as possible, for each project (or contract), the income and overall result:

- for the next three months;
- at the end of the current financial year;
- at the end of the project (or contract).

An annual budget is set for each functional department, service provider and cost centre. This is reviewed quarterly.

All forecasts are structured in the same way as the operating accounts so as to identify any variances.

Any potential variances between forecasts and actual figures are analysed, and taken into consideration when the next forecast is prepared.

#### **Management must be consistent with the accounts**

The accounts must be the sole guideline for management. Therefore, the only figures that count ultimately are those recorded in the accounts.

It is the operators' responsibility to determine the income that represents fairly the percentage of the contract that has been completed. It is therefore the concept of revenues earned or the right to bill amounts that predominates over the actual amounts billed, the timing and basis of which may be different.

Information must travel up from the lowest unit (the project or contract) to the Group holding company without any adjustments or additions, so that accounts are consistent at all levels, and the person who originally provided the data remains fully accountable for it.

While essential information must be passed up through all levels of the organisation, other information can be sent to a particular person or department directly. Information must be allowed to circulate freely.

Each manager must be kept informed of his/her colleagues' performance.

Certain principles, which are easy to apply, ensure information is consistent:

- Principle of comprehensiveness:
  - All projects and contracts must be included;
  - All the cost centres must be distinguished;
  - All the subsidiaries or agencies and all entities must be included in the summary documents of the relevant division;
  - No account, structure or entity must be left out.
- Principle of consistency:
  - Neither the methods nor the scope can be modified except as decided and instructed at Group level;
  - Past records must not be altered: they are useful for understanding a situation and drawing lessons;
  - All figures are reported on a cumulative basis.
- Principle of uniformity:
  - Same language used throughout;
  - Standard document formats.

### **6.2. CONCESSION ACTIVITY**

**6.2.1.** Since the beginning of 2006, the APRR group has adapted its reporting system so as to conform to the EIFFAGE group's management rules. Its management charts comprise a series of monthly operating and financial indicators relating in particular to traffic, revenue, productivity and operating ratios, general overheads, cash, workforce and the calculation of aggregate monthly EBITDA.

Financial reports are prepared on the 15th of each month and are systematically presented to the directors representing EIFFAGE and MACQUARIE on EIFFARIE's Board of Directors. The reports compare the actual figures with the initial budget and with the figures achieved over the same period the previous year.

With regard to budget procedures, each department prepares its own budget in September/October and submits it to General Management for approval at the budget meetings. Budget meetings are held for each department. The budgets are reviewed on a quarterly basis each year in April, July and October and are the subject of an internal report accompanied by the presentation of a revised income statement based on the quarterly budget review.

APRR's Chief Operations Officer and Chief Financial Officer ensure at the time of the initial and various quarterly revised budgets that decisions taken are consistent with the company's concession agreement and operating and financial objectives.

**6.2.2.** The Group's other concession activities give rise to regular reporting adapted to their particular situation and shareholder structure, covering notably tender invitations, ongoing capital expenditure projects, and the operation of existing infrastructures and equipment.

In particular, Compagnie Eiffage du Viaduc de Millau, which is 51%-owned by EIFFAGE alongside Caisse des Dépôts, produces a monthly management report indicating traffic, revenue and charges and providing comparisons with budget and the previous year.

### 6.3. MANAGEMENT INFORMATION SYSTEMS

Each division has its own management tools that are adapted to its activities and take into account their specificities. The use of these tools is extended to new entities as and when acquisitions are completed to ensure the proper control and consistency of data.

The Operis project to overhaul the general and management accounting modules, including adding a module covering billing, inventories and purchasing, has made significant progress. All the accounting processes have been standardised and reviewed with the divisions and detailed in reference sets provided to software publishers and integrators with a view to requesting proposals from them. System security features were also defined and integrated into the process.

Since 2006, all information systems are steered by a central IT department that pools the Group's resources in this area. This has made it possible to increase the resources devoted to the reliability and security of networks and data.

The function of IT security manager was created in 2008. This function has group-wide responsibility.

## 7. FUNCTIONING OF INTERNAL CONTROL

### 7.1. WORKS ACTIVITY

#### 7.1.1. Clear, simple and transparent management principles

The principles detailed above in Section 6.1 enable the implementation of internal control procedures based mainly on:

- Accountability at all levels, within the framework of quality assurance and/or ISO certification procedures existing within the group's various divisions, if applicable;
- Use of a standardised system of tools and resources to prevent and detect risks, designed to:

- help the manager to be aware at all times of the situation of the profit centre for which he has responsibility;
- better anticipate problems and potential risks, whether financial, contractual or labour-related;
- limit the extent and impact of any malfunctions.

These risk management tools and systems combine:

- ex-ante system of checks and balances;
- warning systems;
- internal control procedures;
- preventive audits of entities and procedures conducted by the Internal Audit Department as instructed by Group General Management.

#### 7.1.2. Ex-ante system of checks and balances

##### *Delegations of authority*

These define the nature and scope of delegated powers and duties, in accordance with the function occupied by the party to whom authority is delegated.

The head of each division's parent company will delegate to his regional managers, subsidiary managers and establishment managers, broad powers to represent the company, negotiate contracts within certain limits, manage non-executive employees, and deal with health and safety issues.

The Regional Manager will in turn delegate more limited powers to company managers (subsidiaries or establishments) regarding safety and hygiene.

##### *Banking powers and rules relating to cash management*

Powers to operate bank accounts are codified, with persons authorised to operate an account being required systematically to act under a joint signature.

A strict procedure must be followed when opening bank accounts.

Detailed instructions set out the rules for cash management, for the provision of surety and other guarantees, for the arrangement of financing, and for security measures.

##### *Procedures relating to investments*

Investment decisions are taken at the level of the division's General Management. Prior authorisation from Group General Management is required systematically for financial investments (acquisitions). This also applies for new concessions. When financial investments or new concessions are planned that exceed the €30 million ceiling set in the Board's Internal Regulations, the projects must be discussed by the Strategy Committee before being referred to the Board. The same procedures apply in the case of divestments exceeding this threshold.

With regard to property, plant and equipment, the size and type of investment will dictate whether it is managed directly by the subsidiaries and regions or at division level.

Budget forecasts are prepared for capital expenditure (of any kind) by the Divisions' central procurement departments.

##### *Guidelines*

The duties of the Divisions' central departments include, inter alia:

- Preparing, distributing and explaining to correspondents in the regions and subsidiaries (or establishments) the instructions and recommendations concerning changes in laws and regulations or in the Group's or Division's internal rules;

- Providing and updating guidelines and other manuals for line managers and sales staff;
- Organising regular meetings with correspondents in the regions or subsidiaries (or establishments) to discuss problems in interpreting or applying instructions and ensuring that messages have been properly understood and instructions are complied with.

The duties of General Delegation Risks and Controls include, inter alia:

- Adapting the tool for assessing internal control to make it more comprehensive and integrate links with activities involved in the analysis of risks by process and of audit assignment follow-up;
- Updating the risk mapping;
- Reviewing the code of good practices developed for the operational staff to raise awareness of the need for risk hedging and in-the-field internal control.

### **Insurance**

The Group has adopted a policy of insurance cover that takes into account the size and development of the business lines in order to increase the level of cover per claim.

Specific regulations and insurance obligations apply within the construction industry and are monitored by each Division's legal department. The Group's Insurance manager ensures overall consistency throughout the Group, notably as regards the policy on deductibles (the group systematically attempts to reduce premiums by agreeing to cover small losses itself) and the determination of appropriate third party liability coverage. The Group has arranged successive guarantees to ensure maximum cover of very large claims.

## **7.1.3. Warning systems**

### **Management chart**

In addition to any warning systems that may be introduced at Group entities to meet specific requirements, the main monitoring and warning tool used in the Group is the management chart.

Its primary function is to summarise key information needed for monitoring and steering the various Group entities.

Its secondary function is to identify individual elements that merit further examination, by selecting and showing various indicators.

The management chart centralises information received on projects (or contracts) at successive organisational levels:

- Subsidiary (or establishment);
- Region;
- Division;
- Group;

using a standard layout common to all the Divisions.

It contains performance indicators (activity, results), trend indicators (order book, cash, number of employees, etc.) and future performance indicators (budget, forecasts).

Certain other indicators specific to the various business lines are included in the management charts.

These indicators are monitored on a monthly – or for future performance indicators – quarterly basis.

Priority is given to prompt communication of documents and quick response times. A mandatory timetable for the distribution of the management chart is prepared at the beginning of each year. Each

month, members of the Board of Directors are provided with a summary of the management chart at the level of the Group, together with its cash position.

### ***Property development business is very closely monitored because of the very specific types of risk involved.***

EIFFAGE CONSTRUCTION's General Management has a Commitments Committee that reviews and makes decisions on each stage of the launch and development of a property project.

Four times a year the Commitments Committee conducts a detailed review of all aspects of the Group's property development projects (administrative, commercial, technical and financial).

A management chart is prepared each quarter to monitor operations, project by project.

A similar procedure is applied to service concessions and public private partnerships. For each project, an ad-hoc committee consisting currently of EIFFAGE'S Chairman and Managing Director, Deputy Managing Director and Chief Financial Officer along with the heads of the divisions concerned by the project in view, assesses the associated level of risk and validates the related offers.

This committee met seven times in 2008 to consider service concessions or public private partnerships for motorways, hospitals, police stations and stadiums etc.

### **Cash management**

In the EIFFAGE Group's business lines, the company cash position is a key indicator of financial health. Accordingly, this is analysed at least once a month based on the various consolidated cash statements prepared at each level of the organisation.

### **Debt collection**

In 2002, the Group introduced a programme for the securitisation of trade receivables, which concerns almost all the French works subsidiaries. This form of financing resulted in more formally documented procedures for monitoring trade receivables.

A chart summarising securitisation transactions is prepared monthly for each Division by the Group's Cash Management department.

## **7.1.4. Internal control procedures**

The internal control procedures serve as guidelines for all managers. They identify the main issues that need to be controlled in order to assess the materiality and probability of risks relating to the following:

- Assumption of risky projects;
- Selectivity of projects;
- Reliability of clients;
- Contractual commitments;
- Contractual follow-up;
- Debt collection;
- Accuracy of budgets;
- Cost overruns;
- Prevention of disputes and legal litigation.

They define the main checks and controls, while keeping constraints and formal requirements to a minimum.

They are designed to increase individual accountability and encourage managers at all levels to remain constantly vigilant.

Each Division defines its own internal control procedures on the basis of the common themes listed above, focusing on potential risks inherent in its activities. To this end each Division has appointed internal control officers and defined precisely their duties.

The General Delegation Risks and Controls is responsible for coordinating the Divisions' work in this area.

Control processes range from comprehensive reviews of control points or substantive tests of these performed on a sample basis, to compliance tests of the procedures.

The results of controls are examined at regular meetings organised at the various levels within each Division.

### 7.1.5. Prevention of fraud

Specific recommendations relating to the application of bank reconciliation procedures and the use of payment instruments are communicated at regular intervals to all of the Group's operating entities. A reminder of these recommendations is provided systematically during each audit.

Secure electronic payment systems have been rolled out at all group entities with the aim of limiting the use of cheques and thereby minimising the possibility of fraud.

The functional link within the Group's financial and control units has been strengthened to facilitate warnings as regards possible cases of fraud. Regular meetings are held by the administrative and financial managers at division level under the responsibility of the general secretariats. The division's general secretariats in turn meet twice a year under the coordination of the Group's Finance Director. These measures are aimed notably at raising awareness of fraud prevention, and have resulted notably in broader internal disclosure of proven cases of fraud and ways of preventing their occurrence.

### 7.1.6. Preventive audits of entities or procedures

Specific audits are organised by the Divisions' General Management (General Secretariat) or the Group's Internal Audit Department.

On these occasions, the Internal Audit Department assesses the measures implemented to ensure:

- Security of assets;
- Quality of information;
- Compliance with directives;
- Optimum use of resources at the audited entities.

It makes recommendations with a view to improving procedures, ensures they are acted upon and, lastly, controls and assesses the consequences of the recommendations.

The findings of the statutory auditors' reports are examined by each Division's General Management (Secrétariat Général) and the Internal Audit Department.

## 7.2. CONCESSION ACTIVITY

The APRR group's activities are organised around a set of procedures and principles that underpin its business processes.

### Financial management and reporting

In accordance with the regulations, the Group has been preparing its financial statements according to International Financial Reporting Standards (IFRS) since 1 January 2005. Note that APRR and its subsidiaries prepare their company financial statements in accordance with generally accepted accounting principles in France.

The accounting methods applied and the presentation of the company financial statements are identical for both APRR and AREA. The same statutory auditors audit the EIFFAGE group financial statements and those of the APRR group. The APRR group Finance department supervises the production of accounting data and payment decisions.

The group's investment programme is reviewed twice a year in May and October and compared to the commitments given by APRR and AREA under the various concession agreements set out for the period from 2004 to 2008 in the contracting agreements.

Cash positions are monitored through monthly reports and budgets prepared by the various APRR and AREA entities and at the consolidated level as well as using specific reports during budget reviews and at the accounting cut-off date.

Management of the financial liabilities of APRR and its holding company EIFFARIE is carried out by the financial liabilities and cash management department common to both APRR and EIFFARIE, under the supervision of EIFFAGE's Finance Department. This department is responsible for arranging the financing needed for the Group's activities, monitoring the banking obligations/covenants attached to its various credit facilities, monitoring interest rate risk exposure and issuing recommendations for limiting this risk.

### Management information systems:

APRR's information system comprises ERP software for management, finance and sales applications, a human resources management software package and specific, internally developed software for managing tolls and traffic.

The architecture of the toll and traffic systems is highly decentralised so as to avoid any risk of operating disruptions in the event of a problem. The toll gates and plazas are each independent of each other, and the channelling of information from the toll gates is asynchronous so as to prevent impact from a breakdown at some other point in the information system.

Following the decision taken in 2007, AREA migrated to APRR's ERP system at the start of 2008, while the two entities now use the same human resources management software package.

### Control of contracts

Pursuant to the riders to APRR's and AREA's concession agreements drawn up at the time of the privatisation, works contracts with a value of more than €2 million excluding tax and contracts for the supply of goods and services with a value of more than €240,000 are governed by Decree 2005-1742 of 30 December 2005

establishing the rules applicable to contracts granted by the adjudicating powers referred to in Article 3 of Ordinance 2005-649 of 6 June 2005 relating to contracts granted by certain public or private entities not governed by the French public contracts code (Code des Marchés Publics). Under these regulations, such contracts must be publicised and offered for tender at European level.

When EIFFAGE acquired the French State's shareholding in APRR in February 2006, it undertook by its own volition not to increase its share of the works subcontracted by APRR during a period of three years.

APRR and AREA each have a Contract Award Commission that functions in accordance with Article 6 of the book of specifications attached to their respective service concession agreements.

This Contract Award Commission is responsible for defining the internal regulations for negotiating and performing contracts as well as with issuing opinions on the allocation of public works, supply and service agreements that exceed the thresholds described above.

Each year the Contract Award Commission prepares a report on its activities during the previous year.

France has set up a national commission (*Commission Nationale des Marchés des Sociétés Concessionnaires d'Autoroutes et d'Ouvrages d'Art*) tasked with ensuring compliance with public procurement procedures. This commission addressed a series of opinions and observations in December 2008 that were discussed during a meeting held in January 2009 and by which APRR and AREA will abide.

### Internal audit

APRR's internal auditors carried out 17 audit assignments relating to operational, functional, IT and operating activities in 2008. The principles and methods applied are consistent with those applied by the EIFFAGE group's Audit Department.

## 8 RESPONSIBILITY FOR INTERNAL CONTROL

The people and departments involved in the Group's internal control process, of which the principles have been described in this report, can be divided into four main categories:

- Each Division's General Management and the central departments are responsible for defining, monitoring and updating upstream checks and controls underpinning the internal control system;
- The following have responsibility for the warning systems:
  - Regional Administrative Managers, for their region;
  - Division Management Controllers, who process the information received from the regions and subsidiaries, carry out consistency checks, inform their General Management and the Regional Administrative Managers of any negative changes in various parameters, and from time to time work with the Regional Managers in liaison with the Head Office (accounts – cash management); in addition, one-off, area-specific audits are performed at the subsidiaries by the head offices' central departments;
  - Division Internal Controllers;

- The Central Cash Management departments (Divisions and EIFFAGE), who are responsible for monitoring the cash position;

■ Audits are requested by General Management and carried out by the Internal Audit Department in accordance with a timetable defined each year. The timetable is submitted to the Audit Committee, which will make recommendations. Additional audits may also be decided during the year;

■ Special measures are implemented whenever new companies are acquired, in particular if they do not immediately join an existing regional structure.

## 9 FORMALISATION OF RISK MANAGEMENT PROCEDURES

### 9.1. WORKS ACTIVITY

#### 9.1.1. Formalisation of risk management procedures

The constant focus on improving risk management within a highly decentralised group that is constantly growing through the acquisition and creation of new subsidiaries in France and the rest of Europe requires that existing internal procedures be adapted regularly.

To this end, after updating the database documenting existing internal control procedures within the Group, the Internal Audit Department has gone on to define areas for improving the formalisation of internal control procedures.

Following on from this work, the Divisions' head offices have undertaken work to formalise their procedures and in some cases obtain certification.

A working group coordinated by the Internal Audit Department was set up to map the main risks to which EIFFAGE is exposed in the course of its operations. This working group, which comprises the operational managers from each division as well as the administrative and finance managers, met regularly in 2004 and produced a report listing and classifying around 40 main risks common to all divisions by reference to their nature, their severity and their frequency. Of these, some ten risks were highlighted as being of major importance.

In 2005, this working group formulated and forwarded to all divisions a series of recommendations for improving the following internal control processes:

- Analysis of the detailed results of the assessment of internal control performed by each Division's General Management;
- Visit by the General Management team of each Regional Management unit at least once a year to review the internal control procedures in place, drawing upon assessments produced by each Regional Management, in addition to a meeting with each Regional Management when action plans are defined at the start of the year;
- Exchange of information between the Divisions' head offices regarding procedures and certification processes put in motion;
- Definition of the assignments entrusted to Regional Managers at each division, including the review of internal control at each subsidiary within their remit, through an analysis of the annual internal control assessment.

In 2006, following on from the previous recommendations, the divisions took the following measures to strengthen internal control:

- **Communication** by General Management of the findings and recommendations of the audits carried out by the Internal Audit Department;
- **Steering** through more frequent site visits by General Management for control purposes and by appointing a person at each division to take responsibility for coordinating internal control at subsidiaries and, in particular, the corrective action arising from the audits and assessments;
- **Control mechanism** through the allocation of one person per region dedicated to the analysis and verification of self-assessment with regard to internal control.

In 2007, each division appointed an Internal Controller charged with:

- Defining internal control priorities based on the risk analyses performed by the division.
- Assisting operational managers in arranging proper risk coverage within their area of responsibility;
- Assessing the implementation of action plans decided as a result of internal audits.

The work of the Internal Controllers is coordinated by and gives rise to quarterly reporting to the Internal Audit Department.

### 9.1.2. Risk management

Having worked on a mapping of risks in 2004, the Group focused in 2005 on putting into place a risk management process:

- Functional and operational "risk holders" were designated at each Division and entrusted with analysing each of the risks identified (causes and consequences) and with formalising the best practices or procedures to be applied to prevent and/or hedge each risk exposure;
- The resulting analyses were validated and the results of this work were communicated in 2006 to all the divisions, Regional Managements and operational units in a single Group document, analysing and mapping the 40 largest risks identified.

This document, sent to the staff at functional entities as well as those at operational units, was updated in 2007 based on the results of the reviews carried out by the risk holder groups.

### 9.1.3. Internal control self-assessment

The inventory of existing internal control procedures and the identification of the main risks common to all of the Group's divisions led to the design of a first grid formalising internal control procedures within the Group. This grid was reviewed by the Group's General Management before being communicated to the various hierarchical levels concerned at the periodical meetings bringing together Regional Division Directors and at the annual meetings of managers of subsidiaries.

This grid features 90 internal control check points classified according to the nature of the process, specifies their frequency, and identifies the hierarchical level concerned (project, subsidiary, region, division and/or group).

Concurrently, the rules of professional conduct are communicated at regular intervals to the main executives to remind them of the professional practices and ethical standards demanded by the Group. This is timed to coincide with the work carried out by these executives to formalise internal control procedures for which they are responsible.

Based on the inventory of existing procedures, the mapping of risks and the first internal control grid, the Group has embarked on a process of self-assessment for its works activity using detailed questionnaires common to all divisions, with the objective of covering all identified risks and all internal control procedures implemented to manage these risks. These questionnaires – which are updated regularly by the Internal Audit Department – are broken down by process, sub-process and risk factor and allocated to the various hierarchical levels concerned by these risk factors (subsidiary, region, division and/or group) so as to determine as precisely as possible how internal control procedures within the Group are being applied in practice.

The questionnaires are structured in the form of a database accessible to all managers in such a way as to permit comparisons between managers and to provide all hierarchical levels, right up to the Group's General Management, with an overview of internal control procedures actually being implemented within the Group.

The 2008 self-assessment process was launched in October at all group entities in France and in the rest of Europe. The participation rate was 90% for the Group taken as a whole.

This self-evaluation consisted of 500 questions covering the main identified risks. It took the form of seven questionnaires covering seven processes and 102 sub-processes together with a specific questionnaire relating to property development activities.

The analysis of the 2008 self-evaluation campaign compared with that of 2007 revealed a compliance rate ranging from 65% in order intake to 88% in the area of prevention and the environment. As has been highlighted in the past, these results reflect the responsibility assumed by operating staff with regard to the risks generated by their activity. At end-2008, a comprehensive review of the questionnaires was undertaken in coordination with the divisions' functional and operational departments. The intention is to adapt these questionnaires to risks identified in connection with new external and internal regulations as well changes in the Group's various business lines and organisation.

### 9.1.4. Environmental risks

In 2006, EIFFAGE created a Sustainable Development department that reports directly to the Chairman and Managing Director. As part of its function, this department reviewed the mapping of non-financial risks, notably environmental risks, at the group level. It asked each division to draw up a list of these risks accompanied by a timetable for compliance and a budget. This work continued in 2007 and by end-2008 the Group's French subsidiaries were nearly fully compliant as regards environmental risks.

Compliance indicators are monitored via a specific reporting system called Enablon. Used since 2003, this system underwent a major overhaul in 2008 to make it more user-friendly, streamline the reporting process and encourage its appropriation by contributors in all divisions. The Sustainable Development department selected PricewaterhouseCoopers Audit to review the processes

for the production of environmental and social information within the Group as well as a selection of pertinent indicators covering these two areas. PricewaterhouseCoopers Audit is carrying out this assignment at 14 sites (head offices and regional offices in France) at all five of the Group's divisions. The audit got under way at the start of 2009.

Although the construction sector is not subject to the regulations relating to carbon dioxide quotas except at the Bocahut quarry operated by EIFFAGE TRAVAUX PUBLICS, which has been allocated a carbon emissions quota the Group is fully aware that it operates directly in sectors that are highly sensitive in terms of greenhouse gas emissions. In these conditions, carbon balance statements were finalised for the Group's French subsidiaries at the start of 2008 to obtain a proper estimate of the Group's exposure to any future tax obligations and to define an action plan to mitigate this risk.

Moreover, for the third year running, the Group called upon BMJ Ratings to assess its progress in defining and implementing its approach to sustainable development. EIFFAGE was assigned a triple-A corporate social responsibility rating (stable outlook), which is one of the highest ratings in Europe for all sectors of activity. Helped by BMJ Ratings, the group is making constant efforts to improve its approach to sustainable development. The agency performed a critical review of the Group's sustainable development action plan in November and December 2008 with a view to optimising the measures taken in this area in 2009.

## 9.2. CONCESSION ACTIVITY

### 9.2.1. Formalisation of internal control procedures

The activity of APRR is structured around a series of procedures underpinning the company processes.

In 2008, Internal Audit continued to assess internal control for key processes in the areas of administration, accounting and finance by reference to the internal control standards defined in 2006.

### 9.2.2. Risk management

After risk mapping was completed in 2004 and 2005, APRR group went on to set up and structure an organisation dedicated to risk management in 2006.

This is aimed at identifying, assessing, processing and monitoring the different types of risk exposures within APRR: operational, financial, strategic, human, regulatory and reputational.

Risk management is based on a structured procedure that has been approved by the General Management and is documented in the APRR Group risk management policy guidelines.

2007 was marked by the effective application of the risk management policy defined in 2006. In particular, Group risk mapping was updated.

A self-evaluation procedure was launched in 2008 that was coordinated by the Internal Audit Department. The managers of each entity in the APRR group answered a questionnaire to assess the level of internal control by process. All 27 APRR districts were thus assessed through 107 questions, as were the eight AREA toll stations (78 questions), six AREA maintenance centres (81 questions), and the AREA traffic centre (59 questions).

## 10 WORK OF THE INTERNAL AUDIT DEPARTMENT IN 2008

In accordance with the programme proposed by the Internal Audit Department and approved by the Chairman at the start of the year, 21 audit assignments were carried out in 2008, excluding APRR. Audit work focused in particular on recently acquired European subsidiaries, with seven audit assignments of activities outside France.

All audit assignments that gave rise to feedback and reports containing recommendations for improving internal control procedures were communicated to the management concerned. Each audited entity prepared an action plan based on these recommendations, and follow-up audits have been scheduled in 2009 to monitor progress implementing these action plans. Thirteen follow-up audits were carried out in 2008 to complete assignments begun in 2007.

The review of the work of the Internal Audit Department and the steering of internal control as well as the objectives and audit plan for 2009 were presented to the Audit Committee at its last meeting of 2008 and the committee issued recommendations in respect of the resources and the audit programme for 2009.

In 2007, the Internal Audit Departments of EIFFAGE and APRR obtained IFACI professional certification for their activities. *Institut Français de l'Audit et du Contrôle Internes (IFACI)* is a member of the International Audit Authority (IAA). The follow-up audit conducted by IFACI in 2008 resulted in the reaffirmation of this certification for both entities.

## 11 CONCLUSION

The gradual move to a greater formalisation of procedures, which is consistent with changes in the legal and regulatory framework, is being implemented by EIFFAGE's General Management in such a way as to preserve the flexibility, responsiveness and sense of responsibility and entrepreneurship that it considers essential to the Group's strength and success.

The steady expansion of EIFFAGE's business portfolio, notably since the acquisition of APRR, the inclusion of the Concession activity as a fully fledged business line and the Group's strong development outside France are being integrated gradually within the scope of Group internal control.

The efforts to heighten awareness of risk at all management levels continued with the fifth consecutive programme of questionnaires and self-evaluation and the broad circulation of the manual of best practices, which has been updated.

Furthermore, the Sustainable Development department is now represented at all levels of the organisation.

2008 was marked by a strengthening of management and controls within the EIFFAGE Group, with:

- The appointment of a Deputy Managing Director, with the supervision of the operational divisions and functional departments now being shared with the Chairman and Managing Director;
- The creation of the General Delegation Risks and Controls to which the Internal Audit department, the Management Control department and General Secretariat Europe now answer; and
- The development of internal control through the formalisation of the assignments performed by the divisions' internal auditors.



## STATUTORY AUDITORS' REPORT

### on the chairman's report

Report prepared by the auditors pursuant to Article L.225-235 of the French Commercial Code, on the report by the Chairman of the Board of Directors of EIFFAGE for the year ended 31 December 2008

To the Shareholders,

As the Statutory Auditors of EIFFAGE SA and as required by Article L.225-235 of the French Commercial Code, we present to you our report on the report prepared by the Chairman of your Company for the year ended 31 December 2008 in accordance with the provisions of Article L.225-37 of the French Commercial Code.

The Chairman is required to prepare and submit for approval by the Board of Directors a report describing the internal control and risk management procedures implemented by the Company and providing the other information required by Article L.225-37 of the French Commercial Code relating notably to the system of corporate governance.

It is our duty to:

- inform you of any observations we may have on the information contained in the Chairman's report on internal control procedures relating to the preparation and processing of accounting and financial information; and
- attest that the report contains the other information required by Article L.225-37 of the French Commercial Code, bearing in mind we are not required to verify the truth and fairness of this other information.

We performed our work in accordance with the auditing standards applicable in France.

### INFORMATION CONCERNING THE INTERNAL PROCEDURES RELATING TO THE PREPARATION AND PROCESSING OF ACCOUNTING AND FINANCIAL INFORMATION

Auditing standards require that we perform such procedures as will establish the truth and fairness of the information given in the Chairman's Report on internal control procedures relating to the preparation and processing of accounting and financial information. These procedures consist notably in:

- becoming acquainted with the internal control procedures relating to the preparation and processing of accounting and financial information underpinning the information disclosed in the Chairman's Report, and with the existing documentation;
- becoming acquainted with the work undertaken to draw up this information and the existing documentation;
- determining if any major deficiencies in the internal control procedures relating to the preparation and processing of accounting and financial information identified as part of our audit were properly disclosed in the Chairman's Report.

On the basis of this work, we have no observation to make concerning the information provided relating to the internal control procedures applied by the Company for the preparation and processing of accounting and financial information as contained in the report prepared by the Chairman of the Board of Directors, in compliance with the requirements of Article L.225-37 of the French Commercial Code.

### OTHER INFORMATION

We certify that the Chairman's Report contains all the other information required by Article L.225-37 of the French Commercial Code.

Paris La Défense and Neuilly-sur-Seine, 1 April 2009.

The Statutory Auditors

**KPMG Audit**

Department of KPMG SA

Philippe Mathis

Partner

**PricewaterhouseCoopers Audit**

Yan Ricaud

Partner

# RESOLUTIONS

## Ordinary and extraordinary General meeting of shareholders of 22 april 2009

### ORDINARY RESOLUTIONS

#### FIRST RESOLUTION

##### *(Approval of the company financial statements)*

The General Meeting, voting in accordance with the quorum and majority conditions applying to ordinary general meetings, having heard the report by the Board of Directors on the Company's activities in the 2008 financial year and the Statutory Auditors' Report on the financial statements for the year, approves the 2008 financial statements as presented to it, showing a net profit of €388 million, and the transactions reflected in such financial statements or summarised in such reports.

#### SECOND RESOLUTION

##### *(Approval of the consolidated financial statements)*

The General Meeting, voting in accordance with the quorum and majority conditions applying to ordinary general meetings, having heard the report by the Board of Directors on the Group's activities in 2008 and the Statutory Auditors' Report on the consolidated financial statements for the year, approves the 2008 consolidated financial statements as presented to it, showing a net profit (Group share) of €301 million, and the transactions reflected in such financial statements or summarised in such reports.

Accordingly, the General Meeting gives the members of the Board of Directors final discharge for their management over the 2008 financial year.

#### THIRD RESOLUTION

##### *(Allocation of net profit)*

The General Meeting, voting in accordance with the quorum and majority conditions applying to ordinary general meetings, having heard the report by the Board of Directors and the Statutory Auditors' Report on the financial statements for the financial year, records that the net profit available for distribution for the year amounts to €387,582,020.68, and approves the allocation of net profit proposed by the Board of Directors.

It accordingly resolves as follows:

Net profit for the year	€387,582,020.68
Increased by the amount brought forward from the previous year	€2,366,444,322.65
Giving a total of	€2,754,026,343.33
Shall be allocated as follows:	
■ Distribution of a €1.20 dividend to each of the 90,000,000 shares	€108,000,000.00
■ Carry forward to the next year	€2,646,026,343.33
<b>TOTAL</b>	<b>€2,754,026,343.33</b>

Accordingly, a total net dividend is set at €1.20 per share, which will be paid on 30 April 2009. The entire dividend declared is eligible for the 40% exemption referred to in Article 158-3-2 of the General Tax Code (*Code général des impôts*), and for the optional fixed-rate dividend tax (*prélèvement forfaitaire libératoire*) introduced by Article 10 of the 2008 Finance Act, provided shareholders are entitled thereto.

If the Company holds any of its own shares in treasury on the date the dividend is to be paid, the dividends that would otherwise have been paid on these shares shall be credited to unappropriated earnings carried forward.

It is also resolved that the funds in the legal reserve over and above 10% of the share capital, i.e., €640,000.00, will be transferred to the ordinary reserve account.

As required by law, the shareholders are reminded that the following dividends were distributed per share for the previous three years:

<b>2005</b>	
Number of shares	44,894,788
Dividend per share	€1.50
Income eligible for the exemption allowed under Article 158-3-2 of the Tax Code	€67,342,182
Income not eligible for the exemption allowed under Article 158-3-2 of the Tax Code	-
<b>2006</b>	
Number of shares	93,172,338*
Dividend per share	€1.00
Income eligible for the exemption allowed under Article 158-3-2 of the Tax Code	€93,172,338
Income not eligible for the exemption allowed under Article 158-3-2 of the Tax Code	-
<b>2007</b>	
Number of shares	93,183,342
Dividend per share	€1.20
Income eligible for the exemption allowed under Article 158-3-2 of the Tax Code	€111,820,010.40
Income not eligible for the exemption allowed under Article 158-3-2 of the Tax Code	-

\* The nominal value of shares was halved and the number of shares was accordingly doubled, by resolution of the Extraordinary General Meeting of 19 April 2006.

#### FOURTH RESOLUTION

##### *(Approval of the agreements governed by Article L. 225-38 of the French Commercial Code)*

The General Meeting, voting in accordance with the quorum and majority conditions applying to ordinary general meetings, having heard the Statutory Auditors' special report on the transactions governed by Article L. 225-38 of the French Commercial Code (*Code de commerce*), approves the report and the transactions referred to therein.

#### FIFTH RESOLUTION

##### *(Autorisation donnée au Conseil d'Administration à l'effet d'acquérir des actions de la Société)*

The General Meeting, voting in accordance with the quorum and majority conditions applying to ordinary general meetings, having taken note of the report by the Board of Directors, and in accordance with Article L. 225-209 of the Commercial Code, Book II, Title IV of the General Regulations of the AMF (*l'Autorité des Marchés Financiers* - France's financial services supervisory authority) and European Commission regulation 2273/2003 of 22 December 2003, authorises the Board of Directors to buy Company shares or instruct the Company to buy them, within a limit of a number of shares representing 10% of the share capital on the date the shares are bought. It is specified, however, that the maximum number of treasury shares held after such purchases may not exceed 10% of the capital.

# financial

## RESOLUTIONS

The General Meeting resolves that the shares may be purchased, sold or transferred for the following purposes, in compliance with the aforementioned laws and regulations and the market practices allowed by the AMF:

- to implement any Company stock option purchase plan, within the framework of Articles L. 225-177 et seq. of the Commercial Code, and to enter into any hedging transaction in connection with this purpose;
- to allocate bonus shares to employees or corporate officers of the Company, within the framework of Article L. 225-197-1 et seq. of the Commercial Code, and to enter into any coverage transaction in connection with this purpose;
- to allocate shares as part of any Company Investment Plan (*Plan d'Épargne d'Entreprise*) in accordance with the conditions laid down by law, in particular Articles L. 3332-1 et seq. of the Employment Code (*Code du travail*), or as part of a profit-sharing scheme, and enter into any coverage transaction in connection with this purpose;
- to keep the shares and subsequently deliver them as payment or in exchange, within the framework of any external growth operation, subject to the proviso that shares kept for this purpose shall not exceed 5% of the share capital;
- to cancel the shares pursuant to an authorisation to cancel given to the Board of Directors by an Extraordinary General Meeting;
- to provide coverage for securities conferring the right to receive Company shares, within the framework of prevailing laws and regulations;
- to maintain liquidity or boost the market for the shares through the intermediary of an independent investment services provider, within the framework of a liquidity contract and in compliance with a code of conduct recognised by the AMF;
- or to carry out any other practice allowed or recognised subsequently by law or the AMF, or to serve any other purpose that complies with the applicable regulations.

The General Meeting resolves to set the maximum price at which the Company may buy back shares at €60 per share. As a result, the total amount of purchases may not exceed €540 million.

The shares may be purchased, sold or transferred at any time, in accordance with the applicable regulations and the aforementioned purposes, and in compliance with the rules set out in the AMF Regulations on market trading conditions and timing, in one or more than one transaction, on a regulated market or over-the-counter, by any means including through public offerings or the use of options, derivatives or securities, including during any takeover bid or exchange offer made by the Company or for the Company's shares.

This authorisation is given for eighteen months from the date of this General Meeting. It cancels and supersedes the fraction not used of the authorisation previously given under the fifth resolution of the General Meeting held on 25 June 2008.

As required by the applicable regulations, the Company shall inform the AMF of all purchases, sales and transfers made and, more generally, shall carry out all the necessary formalities and make all necessary filings.

Accordingly, the General Meeting gives full powers to the Board of Directors, which shall be able to delegate such powers in accordance with Article L. 225-209, paragraph 3 of the Commercial Code, to decide to make use of this authorisation and determine the associated terms and conditions, and in particular to adjust the aforementioned purchase price in the event of any transactions that affect the Company's equity, share capital or the nominal value of the shares, to trade on the financial markets, make all necessary filings with the AMF, complete any and all other formalities, and generally do whatever is necessary.

The Board of Directors shall inform the General Meeting of all such transactions, in accordance with the applicable regulations.

### SIXTH RESOLUTION (Renewal of a director's appointment)

The General Meeting, voting in accordance with the quorum and majority conditions applying to ordinary general meetings and on a motion by the Board of Directors, records that the term of office as Director of Ms Béatrice Brénéol expires on the date of this Meeting and renews her appointment for a term of three years, to expire at the close of the ordinary general meeting to be held in 2012 to vote on the financial statements for the financial year ended 31 December 2011.

### SEVENTH RESOLUTION (Renewal of a director's appointment)

The General Meeting, voting in accordance with the quorum and majority conditions applying to ordinary general meetings and on a motion by the Board of Directors, records that the term of office as Director of Mr Bruno Flichy expires on the date of this Meeting and renews his appointment for a term of three years, to expire at the close of the ordinary general meeting to be held in 2012 to vote on the financial statements for the financial year ended 31 December 2011.

### EIGHTH RESOLUTION (Appointment of a director)

The General Meeting, voting in accordance with the quorum and majority conditions applying to ordinary general meetings and on a motion by the Board of Directors, appoints Ms Anne Duthilleul as Director for a term of three years, to expire at the close of the ordinary general meeting to be held in 2012 to vote on the financial statements for the financial year ended 31 December 2011.

### NINTH RESOLUTION (Appointment of a director)

The General Meeting, voting in accordance with the quorum and majority conditions applying to ordinary general meetings and on a motion by the Board of Directors, appoints Mr Demetrio Ullastres as Director for a term of three years, to expire at the close of the ordinary general meeting to be held in 2012 to vote on the financial statements for the financial year ended 31 December 2011.

## EXTRAORDINARY RESOLUTIONS

### TENTH RESOLUTION

*(Authorisation given to the Board of Directors to cancel treasury shares)*

The Extraordinary General Meeting, voting in accordance with the quorum and majority conditions applying to extraordinary general meetings, having taken note of the report by the Board of Directors and the Statutory Auditors' special report, and in application of Article L. 225-209 of the Commercial Code:

- Authorises the Board of Directors to cancel all or some of the shares acquired pursuant to the authorisation given by virtue of the fifth resolution of this General Meeting, or any earlier or later similar authorisations, within a limit of 10% of the capital per twenty-four month period, in other words, a maximum of 9,000,000 shares, and to reduce the Company's share capital in proportion to the nominal value of the shares acquired, in one or more transactions;
- Resolves that any positive difference between the purchase price of the shares acquired and their nominal value shall be recorded in the existing share premium accounts or reserves;
- Resolves that in the event of a capital increase, the maximum number of shares that may be cancelled shall be adjusted by applying a coefficient corresponding to the difference between the number of shares comprising the share capital before the capital increase and that after it;
- Grants the Board of Directors full powers, with the right to sub-delegate to the Managing Director, in order to carry out such capital reduction or reductions, record completion of the capital reduction or reductions, amend the Articles of Association accordingly, and complete all reporting, publication and other formalities as necessary.

This authorisation is given for a period of twenty-four months as from the date of this General Meeting.

### ELEVENTH RESOLUTION

*(Authorisation given to the Board of Directors to allocate stock purchase options to Group employees and corporate officers)*

The Extraordinary General Meeting, voting in accordance with the quorum and majority requirements for extraordinary general meetings, having taken note of the report by the Board of Directors and the Statutory Auditors' special report, and in accordance with Articles L. 225-179 et seq. of the Commercial Code:

- Authorises the Board of Directors to grant, on one or more occasions, designated employees and corporate officers of the Company or companies and groupings affiliated to it under the conditions referred to in Article L. 225-180 of the Commercial Code, stock options entitling their holders to purchase existing Company shares that have been bought back under the terms and conditions laid down by law.

The purchase price of the shares shall be set on the day the options are granted by the Board of Directors, in accordance with the applicable legal and regulatory provisions, but may not be less than the average of the prices listed on the Paris Bourse on the 20 trading days prior to the date the options are granted. The price may only be modified if the Company carries out one of the financial transactions or corporate actions provided by law during the option exercise period. In that case, the Board of Directors shall adjust the number and price of the shares concerned by the options, in accordance with the regulations, to take into account the consequences of the transaction. In such an event it may also temporarily suspend the right to exercise the options until completion of the transaction, if it considers this necessary.

The total number of options that will be granted by the Board of Directors by virtue of this authorisation may not result in the purchase of more than 1,000,000 shares. The options may be exercised during a ten-year period from the date they are granted, although the Board of Directors may reduce this time period.

This authorisation shall remain valid for thirty-eight months from the date of this General Meeting.

- Grants the Board of Directors full powers, within the limits defined above:
  - to determine the characteristics of the options, define the terms and conditions under which they will be granted and designate the beneficiaries thereof,
  - to set the option exercise period,
  - to define the terms and conditions under which the price and number of shares may be adjusted to take account of any financial transactions carried out by the Company,
  - all of the above in compliance with the applicable laws and regulations at the time the options are granted.

In the event of a capital increase, the maximum number of shares that may be purchased shall be adjusted by the application of a coefficient corresponding to the difference between the number of securities comprising the capital before the capital increase and that after it.

As required by the applicable legal and regulatory provisions, the Board of Directors shall report to each annual general meeting on the transactions carried out pursuant to this resolution.

### TWELFTH RESOLUTION – POWERS

*(Powers for formalities)*

The Extraordinary General Meeting grants full powers to the Chairman of the Board of Directors, any representative or representatives of his, or the bearer of a copy of or excerpt from these resolutions, in order to carry out all filings and publication or other formalities as required by law.

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## CORPORATE GOVERNANCE

The report by the Chairman of the Board of Directors on the preparation and organisation of the Board's work and on internal control can be found on page 156 of this document.

### BOARD OF DIRECTORS

As at 31 March 2009, the Board of Directors was composed of the following eight members:

	First appointment	Current term of office	Age	Appointments and Compensation Committee	Audit Committee	Strategy Committee	Number of shares held
<b>Chairman and Managing Director</b>							
Jean-François ROVERATO	22/01/87	2007-2010	64	-	-	Member	200 <sup>(1)</sup>
<b>Directors</b>							
Béatrice BRÉNÉOL	23/04/03	2006-2009	56	-	-	-	600
Jean-Louis CHARLES	25/06/08	2008-2011	48	-	Member	-	100
Bruno FLICHY	24/04/02	2006-2009	70	-	Chairman	Member	3,500
Jean-Claude KERBOEUF	28/03/07	2007-2010	69	-	Member	-	100
Dominique MARCEL	25/06/08	2008-2011	53	-	-	Chairman	100
Serge MICHEL	18/04/96	2008-2011	82	Chairman	-	-	1,806
Alain QUINET	25/06/08	2008-2011	47	Member	-	-	100

(1) Taking into account his interests in EIFFAGE 2000, FCPE EIFFAGE 2011 and EIFFAIME, Mr Roverato holds, directly and indirectly, 1.53% of EIFFAGE's capital.

Each Director is required to hold at least one share in the company, although the Internal Regulations recommend that they each hold 100.

The criteria applied to determine whether a Director is independent are those recommended in the AFEP MEDEF report; once a year, the Board reviews whether the Directors meet such criteria. Mr Bruno Flichy is an independent director.

Appointments to the Board submitted for approval to the General Meeting are decided by the Board of Directors based on proposals made by the Appointments and Compensation Committee, or proposals made by the Board of the SICAVAS employee investment vehicle as regards the Director representing employee shareholders.

The terms of office of Ms Béatrice Brénéol and Mr Bruno Flichy are due to expire at the close of the General Meeting to be held on 22 April 2009. The shareholders will be asked to renew their appointments for three years.

The General Meeting of 22 April 2009 will also be asked to enlarge the Board by appointing two new members, who will be independent directors, for a term of three years: Ms Anne Duthilleul, Chair of Erap and Mr Demetrio Ullastres, Chairman of Abertis Airports.

The main function and the other functions and offices held by Board members in other companies currently and during the past five years are detailed in the table below:

Board Member Main Function	Other offices held at the date of this document	Other offices held (excluding EIFFAGE subsidiaries) over the past five years, now expired
<b>Jean-François ROVERATO</b> Chairman and Managing Director of EIFFAGE	Chairman and Managing Director of APRR Chairman of: - AREA - EIFFARIE (SAS) - FINANCIERE EIFFARIE (SAS)	Permanent representative of EIFFAGE SA on the board of Cofiroute
<b>Béatrice BRÉNÉOL</b> Director representing employee-shareholders	- Chairman of the Board of Directors of SICAV d'Actionnariat Salarié EIFFAGE 2000 - Member of the Supervisory Board of FCPE EIFFAGE 2011	None

Board Member Main Function	Other offices held at the date of this document	Other offices held (excluding EIFFAGE subsidiaries) over the past five years, now expired
<b>Jean-Louis CHARLES</b> Head of Financing and Investments, Groupama SA	Director of: – Finama Private Equity – Rampart Insurance Cie Permanent representative of: – Gan Assurances Vie in Assu Vie – Gan Prévoyance in Groupama AM – Groupama Investissements in Groupama Immobilier – Groupama SA in: • Astorg Actions Europe • Banque Finama • Compagnie Foncière Parisienne • SILIC Member of the Supervisory Board of: – Réunima	Deputy Chairman of the Supervisory Board of: – Finama Private Equity Member of the Supervisory Board of: – Locindus Permanent representative of Sopart in: – Ameri-Gan – Actions Techno Monde – Euro Gan – France Gan – Gan Court Terme – Gan Rendement – Monde Gan – Groupama Japon Stock – Monde Gan – Securi-Gan
<b>Bruno FLICHY</b> Honorary Chairman and Member of the Board of Directors, Crédit Du Nord	Director of: – Aviva Participations – Dexia Banque (Belgium) – L'Association Ecole-Sainte-Geneviève – Aviva France Chairman of l'Association du Grand Montreuil	Member of the Supervisory Board of Aviva France Member of the French Cartel Office (Conseil de la Concurrence)
<b>Jean-Claude KERBOEUF</b>	Chairman of EIFFAIME (SAS)	
<b>Dominique MARCEL</b> Chairman of the Management Board, la Compagnie des Alpes	Director of: – Grévin et Compagnie – Société du Grand Théâtre des Champs Elysées Permanent representative of la Compagnie des Alpes: – on the Board of la Compagnie du Mont Blanc Manager of: – CDC DI (Germany) Chairman of: – Compagnie des Alpes Domaines Skiabiles (SAS)	Chairman and CEO of: – CDC Entreprises Capital Investissement – CDC Infrastructure – Financière Transdev Chairman of: – BAC Participations (SA) – CDC Holding Finance (SA) – Groupe Bature Cap Atrium (SASU) Director of: – Accor – C3D – CDC Entreprises – CDC Entreprises Portefeuille – CNP Assurances – Compagnie Financière Eulia – Dexia Belgique – Dexia Crédit Local – Icade – Société Forestière de la CDC Chairman of the Supervisory Board of: – Compagnie des Alpes Deputy Chairman of the Supervisory Board of: – Dexia Crédit Local Member of the Supervisory Board of: – Accord – CDC Entreprises Holding – CDC Ixis – CNCE – CNP Assurances – Crédit Foncier de France – Ixis CIB – IXIS AM – Société Nationale Immobilière

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## CORPORATE GOVERNANCE

Board Member Main Function	Other offices held at the date of this document	Other offices held (excluding EIFFAGE subsidiaries) over the past five years, now expired
<p><b>Serge MICHEL</b> Chairman of Soficot</p>	<p>Director of:</p> <ul style="list-style-type: none"> <li>- Infonet Services</li> <li>- Veolia Environnement</li> <li>- LCC</li> <li>- SARP Industries</li> <li>- Orsay Finance 1</li> </ul> <p>Chairman of:</p> <ul style="list-style-type: none"> <li>- Groupe Epicure</li> <li>- Société Gastronomique de l'Etoile</li> <li>- CIAM</li> <li>- Carré des Champs Elysées</li> </ul> <p>Member of the Supervisory Board of :</p> <ul style="list-style-type: none"> <li>- Compagnie des Eaux de Paris,</li> <li>- Compagnie des Eaux de Trouville, Deauville et Normandie</li> <li>- Eolfi</li> </ul> <p>Permanent representative of:</p> <ul style="list-style-type: none"> <li>- CEPH on the Board of Sedibex</li> <li>- EDRIF on the Supervisory Board of Veolia Eau</li> </ul>	<p>Director of:</p> <ul style="list-style-type: none"> <li>- Vinci</li> <li>- DB Logistique</li> <li>- FCC SA</li> <li>- FCC Construcción SA</li> <li>- Cementos Portland</li> <li>- Vinci Construction</li> </ul> <p>Chairman of the Supervisory Board of Segex</p>
<p><b>Alain QUINET</b> Head of Finance and Strategy, Caisse des Dépôts Member of the Group Management Committee</p>	<p>Chairman and CEO of:</p> <ul style="list-style-type: none"> <li>- CDC Entreprises Capital Investissement</li> <li>- Financière Transdev</li> </ul> <p>Chairman of:</p> <ul style="list-style-type: none"> <li>- CDC Infrastructure</li> </ul> <p>Director of:</p> <ul style="list-style-type: none"> <li>- Accor</li> <li>- CNP Assurances</li> <li>- Dexia</li> <li>- Icade</li> <li>- Société Forestière de la Caisse des Dépôts</li> </ul> <p>Member of the Supervisory Board of:</p> <ul style="list-style-type: none"> <li>- Compagnie des Alpes</li> <li>- Compagnie Nationale du Rhône</li> </ul> <p>Permanent representative of:</p> <ul style="list-style-type: none"> <li>- CDC on the Board of CDC International</li> <li>- CDC on the Board of Fonds Stratégique d'Investissement</li> <li>- Financière Transdev on the Board of Transdev</li> <li>- CDC on the Supervisory Board of Compagnie Nationale du Rhône</li> </ul>	<p>Director of:</p> <ul style="list-style-type: none"> <li>- Dexia Crédit Local</li> <li>- RFF</li> </ul> <p>Member of the Supervisory Board of:</p> <ul style="list-style-type: none"> <li>- Electricité Réseau Distribution France</li> </ul>

## SPECIFIC INFORMATION ON THE CORPORATE OFFICERS

There are no family ties between the Company's corporate officers. For the performance of their duties, the members of the Board of Directors and General Management have elected domicile at the Company's registered office, 163 Quai du Docteur Dervaux, 92600 Asnières-sur-Seine.

As at the date of preparing this document, the Company is not aware that any of the members of the Board of Directors have been convicted for fraud or associated with a bankruptcy, seizure of assets or liquidation, been the object of any charge or official public sanctions ordered by a corporate body or regulatory authority, or have been prevented by a court from acting as a member of a management, governing or supervisory body or from taking part in the management or running of the business of any issuer, over the last five years.

## CONFLICTS OF INTEREST INVOLVING DIRECTORS

As at the date of preparing this document, the Company is not aware that any conflict of interest has been identified between the duties of the members of the Board of Directors in their capacity as corporate officers of EIFFAGE and their private interests or other duties. The Board's Internal Regulations expressly provide that each Director must inform the Chairman of the Board of any conflict of interest and must agree not to take part in the voting on any related resolutions.

No arrangements or agreements have been entered into with any of the main shareholders, clients or suppliers by virtue of which any of the Directors has been identified as being in such a situation.

The Directors are not bound by any restrictions regarding the transfer of their interests in EIFFAGE at the end of their office.

## SPECIAL AGREEMENTS

Those agreements, regulated or otherwise, entered into by EIFFAGE with companies having the same Directors, concern everyday business and standard transactions between companies belonging to a same group. The new agreements entered into since the end of the 2008 financial year are of a similar nature. The Statutory Auditors report on the regulated agreements in their special report (page 155). On 10 December 2008 the Board approved a regulated agreement entered into by Soficot and EIFFAGE.

## FUNCTIONING OF THE BOARD OF DIRECTORS

At the close of the General Meeting of 25 June 2008, the Board of Directors comprised eight Directors; one-third of the Board members are renewed each year. The usual term of office is three years.

The functions of Chairman and Managing Director were merged by virtue of a decision of the Board and in accordance with the provisions of the company's Articles of Association. The Chairman and Managing Director is assisted by a Deputy Managing Director. A description of the functional organisation of the Group and the cor-

responding delegations of authority is included in the Chairman's report on the preparation and organisation of the Board's work and on internal control, on pages 157 to 160 of this reference document.

The Board is assisted by three special committees: the Audit Committee, the Appointments and Compensation Committee and the Strategy Committee.

The Board and its committees each have Internal Regulations, containing rules concerning, inter alia, the frequency of meetings, their main purpose, and the information to be presented at meetings.

The Board's Regulations also contain rules relating to attendance, confidentiality, the procedure for dealing with conflicts of interests, share ownership and trading by Directors in Company securities. They also list the decisions and commitments that require prior approval from the Board.

The Board met seven times in 2008. At its last meeting it reviewed its work over the past year. The attendance rate was 92% in 2008, compared to 97% in 2007 and 93% in 2006.

## Board Committees

At its meeting of 17 December 1997, the Board of Directors set up two specialised committees to perform preparatory work and to offer advice and make recommendations. None of the Group's executives sit on these committees.

■ **The Appointments and Compensation Committee**, previously the Compensation Committee, makes proposals regarding the nomination of, and fixed and variable remuneration to be paid to, the Chairman of the Board of Directors, the Managing Director and the Vice-Presidents, if any.

Lists detailing plans to allot share purchase and subscription options or bonus shares are submitted to it before being presented to the Board of Directors.

It examines applications and makes proposals to the Board of Directors regarding the re-appointment or appointment of Board members, in particular independent Directors.

This Committee, which was renewed in 2008, consists of two Directors: Mr Alain Quinet and Mr Serge Michel, who is the chairman.

The Committee held two meetings during the year, to discuss remuneration and to determine whether the Directors meet the independence criteria specified in the AFEP MEDEF report. It also examined the proposals to allot bonus shares and share options which were presented to the Board in April, May and December 2008.

■ **The Audit Committee** examines, before they are presented to the Board of Directors, the company and consolidated financial statements the internal procedures for compiling and checking accounting information, and the terms and conditions of any audits by external auditors.

It oversees the procedure for selecting and re-appointing Statutory Auditors, and makes recommendations regarding their appointment.



It periodically reviews the Group's policies on audits and internal control.

The Audit Committee was reformed after the General Meeting of 25 June 2008, and its current members are Messrs Jean-Claude Kerboeuf, Jean-Louis Charles and Bruno Flichy, who is the chairman. Mr Bruno Flichy is an independent Director.

The Audit Committee met four times in 2008. The attendance rate was 83%. These meetings were devoted essentially to examining, prior to their presentation to the Board of Directors, the accounting methods and internal control procedures and the half-year and annual financial statements. At the meetings presentations were made by the Statutory Auditors and the Group's finance, accounting and audit departments.

At its 8 September 2004 meeting, the Board of Directors created a Strategy Committee.

■ **The Strategy Committee** reviews the Group's periodic management documents, budgets and forecasts. The Committee is also informed of any major internal restructuring projects, and examines plans for mergers or acquisitions.

In 2008 the Committee was composed of Messrs Bruno Flichy, Jean-François Roverato and Dominique Marcel, who was appointed to the committee with effect from 25 June 2008, and has served as its chairman since that date. Mr Bruno Flichy is an independent Director.

The Strategy Committee met six times in 2008, the attendance rate being 93%.

### INTERNAL CONTROL

The Group's Internal Control Department assesses and oversees the internal control function in line with the five factors defined in the COSO report, under the supervision of the Central Risks and Controls Department.

[See Report by the Chairman of the Board of Directors on Internal Control, pages 156 to 165.]

### Projects

Over 90% of the Group's business concerns small, short-term projects (or contracts). The individuals in charge of each project or contract therefore need to have the necessary authority and powers.

The decentralisation of responsibilities within the Group is achieved through a network of modestly-sized subsidiaries and agencies, thus facilitating monitoring and minimising risks.

The Internal Control function is organised on the basis of the separation of roles and responsibilities between five different levels: project, agency or subsidiary, regional management, division management, and Group holding company.

The organisation of large projects is adapted and certain hierarchical levels between the project and the division's general management may be eliminated. In these cases, specific functional and control resources will be allocated to the project, in light of its size.

In compliance with the principle of subsidiarity, decisions are made at the lowest possible level. Controls are performed on an ex-post basis.

### Concessions Activities

The Group's Concessions activities are essentially carried out within the APRR Group, which has its own Internal Control organisation tailored to its specific business of managing motorway networks.

## CORPORATE OFFICERS' REMUNERATION AND BENEFITS

### Remuneration

On 10 December 2008 EIFFAGE's Board of Directors resolved to follow the recommendations issued by the French business confederations, the AFEP and the MEDEF, concerning the remuneration of corporate officers. Mr Jean-François Roverato, the Chairman and Managing Director, is EIFFAGE's only executive officer. The remuneration he received in 2007 did not include a variable element. In 2008 the variable element of the remuneration paid to the Chairman and Managing Director was based on the consolidated net profit and the consolidated free cash flow, each of which, in accordance with the recommendations of the Appointments and Compensation Committee, accounted for 50% of this variable element. Following the necessary calculations, and on the basis of a proposal by Mr Jean-François Roverato, his remuneration was reduced to €1,600,000 (see below).

The Group does not offer its executive officers or other employees any "golden hello" or "golden handshake" scheme or any complementary retirement schemes.

### Shares and stock purchase options

No corporate officers hold stock options under any stock option plan for new or existing shares introduced by EIFFAGE SA, and there are no stock option plans in place in any of the other Group companies.

In 2006 Mr Jean-François Roverato received 120,000 EIFFAGE bonus shares, following a decision by the Board of Directors acting pursuant to the authorisation granted by the General Meeting of 20 April 2005.

### Board Fees

The EIFFAGE General Meeting of 19 April 2006 decided to raise the total board fees paid each year to €500,000, with effect from 2006.

Total board fees are allocated as follows:

- Each Board member receives the same amount, in addition to which those who sit on Board committees receive specific fees, which are doubled for the committee chairman;
- Attendance at Board and committee meetings is taken into account when determining the amount of fees paid.

None of the Group's subsidiaries distribute board fees.

## Tables summarising remuneration received by executive officers and other corporate officers

Table 1 - Table summarising remuneration, stock options and shares received by each executive officer

In euros	2007	2008
<b>Jean-François ROVERATO, Chairman and Managing Director</b>		
Remuneration payable for the financial year (detail in table 2)	1,809,620	1,634,790
Value of options granted during the year	None	None
Value of shares allocated during the year	None	None
<b>TOTAL</b>	<b>1,809,620</b>	<b>1,634,790</b>

Table 2 - Table summarising remuneration received by each executive officer

In euros	2007		2008	
	Owed	Paid	Owed	Paid
<b>Jean-François ROVERATO, Chairman and Managing Director</b>				
Fixed	1,776,000	1,776,000 <sup>(1)</sup>	900,000	1,776,000 <sup>(1)</sup>
Variable	-	-	700,000	-
Exceptional	-	-	-	-
Board fees	30,000	30,000	30,000	30,000
Benefits in kind (company car)	3,620	3,620	4,790	4,790
<b>TOTAL</b>	<b>1,809,620</b>	<b>1,809,620</b>	<b>1,634,790</b>	<b>1,810,790</b>

(1) Of which, € 876,000 paid as fixed remuneration owed in the previous year.

Table 3 - Table showing board fees

Directors	Fees paid for 2007 (paid in 2008)	Fees paid for 2008 (to be paid in 2009)
<i>In euros</i>		
Béatrice BRÉNEÓL	30,000	30,000
Jean-Louis CHARLES	-	24,645
Bruno FLICHY	75,000	75,000
Benoît HEITZ	36,000	-
Jean-Claude KERBOEUF	32,250	45,000
Aimery LANGLOIS-MEURINNE	34,875	12,320
Dominique MARCEL	-	23,395
Serge MICHEL	60,000	60,000
Véronique MORALI	6,750	-
Alain QUINET	-	20,355
Jean-François ROVERATO	30,000	30,000
Amaury de SEZE	45,000	16,070
Jean-Paul VETTER	12,750	-
<b>TOTAL</b>	<b>362,625</b>	<b>336,785</b>

Table 4 - Bonus shares that became available during the financial year (1) for each executive officer

Executive officer	Date of Plan	Number of shares that became available in 2008 <sup>(1)</sup>	Conditions for acquisition	Year of allocation
Jean-François ROVERATO	April 2006	120,000	n.a. <sup>(2)</sup>	2006

(1) At the end of the two-year vesting period, creating an obligation to keep the shares for a further two years.

(2) Award made prior to the AFEP-MEDEF recommendations, by virtue of an authorisation granted by the General Meeting of 20 April 2005.

**Table 5 - Employment contracts, specific pension plans, severance pay and non-competition clauses**

Executive officers	Employment contract		Complementary pension plan		Severance pay or other payment or possible payment upon departure or change of function		Compensation under a non-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	Non
Jean-François ROVERATO Chairman-Managing Director First appointed in 1987 Current term of office expires in 2010	X <sup>(1)</sup>			X		X		X

*(1) Employment contract suspended until current term of office expires.*

### EXECUTIVE OFFICERS' LOANS AND GUARANTEES

None.

### EMPLOYEE PROFIT-SHARING

Most EIFFAGE Group companies have discretionary employee profit-sharing plans. These plans, which are governed by the Decree of 21 October 1986 on employee profit-sharing, underline the Group's desire for employees to be closely involved in the development of the company they work for and, when the company prospers, that they receive part of the profit for the year in excess of a predetermined level.

In addition to the above, many companies have mandatory employee profit-sharing plans under the conditions laid down by law. These are applied on an individual company basis. A collective agreement has not been negotiated at Group level.

Employee investment funds (Plans d'Épargne Entreprise) have existed in each Group company for many years. Amounts due in respect of the various employee profit-sharing plans may be invested, at the employee's discretion, in investment funds or Group employee ownership vehicles, namely SICAVAS EIFFAGE 2000 (the open-end employee investment trust). Company investment funds have also been set up in the form of Fonds Communs de Placement d'Entreprise (FCPE) to enable employees to subscribe for shares available under capital increases reserved for them (see Shareholder Structure and Voting Rights below).

Amounts paid out by the Group under the various employee profit-sharing plans amounted to €135 million in respect of 2008, compared to €143 in respect of 2007 and €125 million in respect of 2006. Over the last five years, a total of €574 million has been paid out in this way.

### SHARE PURCHASE OPTION PLANS - BONUS SHARE PLANS

■ The Extraordinary General Meeting of 26 June 2001 authorised the Board of Directors to grant to the Group's employees and officers options entitling holders to purchase existing EIFFAGE shares. The maximum number of shares that could be purchased was set at 350,000. This was later increased to 2,333,328 shares to reflect subsequent bonus issues and the division of the nominal value. Full advantage has been taken of this authorisation by the Board of Directors.

■ The Ordinary and Extraordinary General Meeting of 21 April 2004 authorised the Board of Directors to grant to the Group's employees and officers options entitling holders to purchase existing EIFFAGE shares. The maximum number of shares that could be purchased was set at 700,000. This was later increased to 2,100,000 shares to reflect subsequent bonus issues and the division of the nominal value. Full advantage has been taken of this authorisation by the Board of Directors.

■ The Ordinary and Extraordinary General Meeting of 25 June 2008 authorised the Board of Directors to grant to the Group's employees and officers options entitling holders to purchase existing EIFFAGE shares. The maximum number of shares that could be purchased was set at 1,000,000. At its meeting on 10 December 2008 the Board of Directors decided to use part of this authorisation and grant 993,600 stock options.

The table below gives details of the allocation of share subscription and purchase options:

	2001 Plan	2004 Plan	2004 Plan	2005 Plan	2007 Plan	2008 Plan
Type of Plan	Purchase	Purchase	Purchase	Purchase	Purchase	Purchase
Date of Board resolution allocating the options	26.06.2001	21.04.2004	10.12.2004	14.12.2005	13.06.2007	10.12.2008
Number of shares that can be purchased <sup>(1)</sup>	2,109,932	1,233,600	372,000	134,000	105,600	993,600
Of which:						
– by corporate officers <sup>(2)</sup>	60,000	36,000	-	-	-	-
– by the 10 employees allocated the most options	188,328	168,000	189,000	20,000	17,000	60,000
Options can be exercised until	26.06.2008	21.04.2011	10.12.2011	14.12.2012	13.06.2014	10.03.2013
Purchase price (average of prices on 20 previous trading days)	€11.84	€20.67	€25.50	€36.25	€101.50	€32.30
Number of shares purchased as at 31.12.2008	2,105,132	1,100,603	16,300	-	-	-
Options cancelled in 2008	4,800	4,700	33,000	5,600	5,200	2,500
Outstanding options as at 31.12.2008	0	128,297	322,700	128,400	100,400	991,100

(1) Adjusted to reflect options cancelled as at 1 January 2008.

(2) The beneficiaries of the 2001 and 2004 plans are no longer Group officers or employees.

N.B.: all figures have been adjusted to take into account bonus share issues and the division of the par value of shares since the plans' creation.

#### Other information on share subscription and purchase options:

- Options granted to each corporate officer over the year: none;
- Options exercised by each corporate officer over the year: none;
- Options granted over the year by EIFFAGE to the ten Group employees who are not corporate officers who received the most options: 60,000;
- Total number of options held for EIFFAGE shares exercised over the year by the 11 Group employees who are not corporate officers who exercised the most options: 174,000 at a weighted average exercise price of €21.09.

The Ordinary and Extraordinary General Meeting of 20 April 2005 authorised the Board of Directors to grant Group employees and corporate officers a maximum of 750,000 existing EIFFAGE shares as a bonus issue. This authorisation was used for a total of 705,390 shares and expired on 20 June 2008.

The table below shows how the Board made use of this authorisation:

Date Board resolved to make bonus issue	20 April 2005	19 April 2006	28 June 2006	18 April 2007	16 April 2008	15 May 2008
Number of bonus shares issued	231,000	220,000	20,000	108,100	113,590	12,700
Of which:						
– to corporate officers	75,000	120,000	-	5,000	-	-
– to 10 employees receiving the most shares	51,800	39,960	20,000	56,250	25,650	12,700
Vesting period expires on	21 April 2007	20 April 2008	29 June 2008	19 April 2009	17 April 2010	16 May 2010
Lock-in period after acquisition	2 years	2 years	2 years	2 years	2 years	2 years

The beneficiaries will be definitively entitled to the shares at the end of a two-year vesting period, subject to satisfaction of attendance criteria and, in some cases, performance-related criteria.

The Ordinary and Extraordinary General Meeting of 25 June 2008 authorised the Board of Directors to grant Group employees and corporate officers a maximum of 1,000,000 existing EIFFAGE shares as a bonus issue. This authorisation was granted for 38 months and the Board had not made use of the authorisation as at the date of this document.

# financial

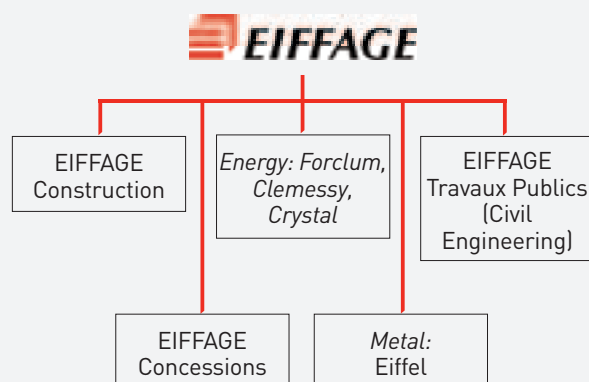
## GENERAL INFORMATION

### HISTORICAL BACKGROUND AND ORGANISATION <sup>(1)</sup>

EIFFAGE Group, whose origins date back to the mid-19th century and the formation of FOUGEROLLE, was born of the 1992 alliance between FOUGEROLLE and SAE. The parent company changed its name to EIFFAGE in 1993. EIFFAGE is Europe's eighth largest construction group after Vinci (France), Bouygues (France), Hochtief (Germany), ACS (Spain), Skanska (Sweden), Ferrovial (Spain) and FCC (Spain).

EIFFAGE is organised into five divisions – Construction, Civil Engineering, Energy, Metal and Concessions – which are organised into operational branches reporting directly to the Group's holding company:

### ORGANISATION CHART



■ **EIFFAGE Construction** is France's third largest builder after Vinci Construction and Bouygues Construction. It has a pre-eminent position in the French building market, in addition to which it is one of the country's leading property developers through EIFFAGE IMMOBILIER.

■ **EIFFAGE Travaux Publics** is the third largest road constructor in France after Colas (Bouygues group) and Eurovia (Vinci group), and is a market leader in civil engineering and earthworks.

■ **The Energy division** consists of the FORCLUM entities and, since December 2008, CLEMESSY and CRYSTAL, which together form one of the leading French groups in the sector (its main competitors are Vinci Energies, Spie SA, Cegelec and Ineo).

■ **The Metal division** was strengthened in 2008 when EIFFEL acquired the mechanical engineering and industrial maintenance activities previously held by FORCLUM. EIFFEL is one of the leaders in the French market. Its main competitors are Baudin-Chateauneuf and Boccard.

■ In infrastructure **concessions** EIFFAGE controls APRR through its subsidiary EIFFARIE with an 81.48% holding. APRR operates France's second largest motorway concession (2,234 km). EIFFAGE also controls CEVM, the company that holds the concession for the Millau Viaduct, through a subsidiary held jointly with the Caisse Des Dépôts. It holds 36% of NORSCUT, which operates 155 km of

motorways in Portugal, and 32.9% of the Marseille-based company TUNNEL PRADO CARENAGE. TP FERRO (50% of which is held by EIFFAGE) completed work on the high-speed rail (TGV) link from Perpignan to Figueras in February 2009. EIFFAGE also holds a 65% interest in A'LIÉNOR, which was awarded the concession for the Pau-Langon A65 motorway link, the delivery of which is scheduled for the end of 2010.

EIFFAGE operates in two ways: first, through subsidiaries belonging to each of the divisions, which constitute a permanent, decentralised presence, and second, through a more temporary presence when working on large projects throughout France and abroad.

As regards the Group's permanent presence, and apart from France where it has one of the densest and most deeply-rooted local networks in the industry, EIFFAGE operates in the rest of Europe, mainly in Belgium where it is one of the leading builders, Spain, Germany, Poland, Portugal, Luxembourg, Italy and the Czech Republic, where it began operations in 2007. Operationally, the European subsidiaries are attached to the corresponding Group division.

The Group has a small number of operations outside of Europe, essentially in Africa (Algeria and Senegal).

A complete list of subsidiaries attached to each division together with the Group's interest in these companies is provided on pages 139 to 141. Regulated agreements between Group companies are detailed in the Special Report by the Statutory Auditors, which can be found on page 155.

### PARENT-SUBSIDIARY RELATIONS

EIFFAGE, as the Group's parent company, provides its divisions with services through a dedicated management structure wholly-owned by EIFFAGE, organised into the following departments:

- Group Executive Management
- Financial and Cash Management
- Group Accounting and Accounts Consolidation
- Communication
- Central Risks and Controls
- Human Resources
- Information Systems
- Sustainable Development

The other functional tasks are performed within each division, for their own account. The parent company management structure is remunerated by payment of a fee calculated on the basis of each division's sales. Fees totalled €57 million in 2008, €49 million in 2007 and €39 million in 2006.

### NAME AND REGISTERED OFFICE

EIFFAGE  
163 quai du Docteur-Dervaux,  
92600 Asnières-sur-Seine.

### LEGAL FORM AND APPLICABLE LEGISLATION

*Société Anonyme* (public limited company) governed by French law.

(1) Rankings given above were extracted from the 2008 edition of *Moniteur du Bâtiment et des Travaux Publics* or are based on internal sources

## DURATION

The Company was incorporated on 12 June 1920. It will remain in existence until 31 December 2090 unless it is dissolved before then or its period of incorporation is extended.

## CORPORATE PURPOSE

(Article 3 of the Articles of Association)

The Company's purpose, directly or indirectly, in France and in all other countries, is:

- Execution of any operations related to and undertakings involved in public or private civil engineering works or the construction of buildings;
- The acquisition, utilisation and sale of all processes, patents and licences;
- The study, construction, purchase, operation and sale of all plants and quarries;
- The manufacture, use and sale of all products necessary to achieve its corporate purpose;
- All industrial, commercial, financial and property (personal and real) transactions related directly or indirectly to its corporate purpose or similar or related purposes;
- The involvement in any undertakings, economic interest groupings or companies in France or abroad, whether existing or to be created, related directly or indirectly to its corporate purpose or similar or related purposes, notably undertakings, economic interest groupings or companies likely to facilitate or promote the Company's corporate purpose, by any means whatsoever, notably via asset contributions, subscriptions to or the purchase of shares or other ownership interests, mergers, joint ventures, partnerships, groupings or alliances.

## COMPANY REGISTRATION

The Company is registered with the Nanterre Trade and Companies Registry under number B 709 802 094. Its APE code is 7010 Z.

## COMPANY REPORTS AND DOCUMENTS

The Memorandum and Articles of Association and other mandatory documents are available from the registered office:

163 quai du Docteur-Dervaux,  
92600 Asnières-sur-Seine.

Reference documents and regulated information are available from the registered office and the Company's website

[www.eiffage.com](http://www.eiffage.com)

## FINANCIAL YEAR

The financial year starts on 1 January and ends on 31 December.

## APPROPRIATION OF PROFIT

(Article 32 of the Articles of Association)

The net profit is appropriated in the following manner:

- at least 5% of the net profit is transferred to the legal reserve after deduction of any losses carried forward, in accordance with legal requirements, until the legal reserve represents one-tenth of the share capital.
- an interim dividend is distributed to the shareholders that represents 6% of the outstanding paid-in capital out of the remaining profit, plus any unappropriated earnings and any amounts drawn from available reserves as may be decided by the General Meeting, without any shortfall arising in one year leading to the payment of an additional dividend in the subsequent year(s). The Ordinary General Meeting may decide to appropriate what amounts it deems reasonable out of any balance then remaining, either by carrying such amounts forward or transferring them to one or more optional, ordinary or extraordinary reserves, for or without a designated purpose. A super dividend is distributed to shareholders out of any amount remaining after that.

The General Meeting may offer shareholders the choice, for all or part of the amount being distributed, between payment of the dividend in cash and payment in shares. This option may also be offered in respect of any interim dividend.

## GENERAL MEETINGS

(Articles 29 and 30 of the Articles of Association)

All shareholders are entitled to attend Ordinary and Extraordinary General Meetings, regardless of the number of shares they own, provided all called-up capital relating to their shares has been paid in.

Each shareholder has as many votes as the number of shares held or represented, subject to legal requirements.

General Meetings are convened and held in accordance with the provisions laid down by law.

The rules governing attendance at General Meetings are those laid down by law.

## IDENTITY OF SHAREHOLDERS

(Article 9 of the Articles of Association)

The Company may, at any time and in accordance with the terms and conditions laid down in the applicable legislation and regulations, request that the identity of holders of securities conferring an immediate or future right to vote at the General Meetings be disclosed.

### STATUTORY THRESHOLDS

[Article 9 of the Articles of Association]

Pursuant to the decision taken by the Extraordinary General Meeting of 26 June 2001, any shareholder holding more than 1% of the capital or voting rights, or any multiple thereof, must disclose this situation to the company on passing these thresholds.

Article 9 of the Memorandum and Articles of Association, which contains this obligation, is reproduced below:

*"Article 9:*

*The shares, which must be fully paid in, shall be registered shares or bearer shares, as the shareholder wishes.*

*Shares shall be recorded in accounts under the terms and conditions laid down in the relevant laws and regulations.*

*The Company may, at any time and in accordance with the terms and conditions laid down in the applicable legislation and regulations, request that the identity of holders of securities conferring an immediate or future right to vote at the General Meetings be disclosed.*

*Any individual or legal entity, acting singly or in concert, who/which directly or indirectly holds 1% of the capital or voting rights, or any multiple thereof, must disclose this situation to the Company in a letter sent by recorded delivery (signed for), stating the number of shares held, within fifteen days of crossing any of these thresholds.*

*In the event a shareholder fails to comply with the disclosure requirements laid down in paragraph four of this article, those shares over and above the threshold that should have been disclosed shall be stripped of their voting rights at General Meetings if non-disclosure is recorded by a General Meeting and if one or more shareholders individually or collectively holding 5% or more of the capital request(s) this measure at said General Meeting. These votes shall not have voting rights at any General Meeting for a further two years after the crossing of the threshold has been duly and properly disclosed.*

*Shareholders must also inform the Company, by the deadlines and under the conditions specified in paragraph four above, whenever their holding falls below any of the thresholds referred to in said paragraph."*

### BOARD OF DIRECTORS

[Articles 17 to 21 and 23 to 26 of the Articles of Association]

The Company is governed by a Board consisting of at least three and no more than fifteen members. The Board of Directors also includes one Director appointed by those employees who are members of the Supervisory Board of an FCPE investment fund and of the Board of Directors of the SICAVAS that holds Company shares.

Directors are appointed for a term of three years. Article 18 of the Memorandum and Articles of Association provides for the partial renewal of the members of the Board every year.

No more than one-third of the members of the Board of Directors may be aged over 70.

The Board of Directors defines the Company's policies and oversees their implementation. It meets as often as the Company's needs require. The Board of Directors shall elect one of its members as Chairman for a term which will not exceed his term of office as a Director. The Chairman of the Board of Directors shall represent the Board of Directors. He shall organise and supervise its work and report thereon to the General Meeting.

The age limit for the Chairman is 65. If the incumbent chairman reaches the age of 65 the Board of Directors may extend his appointment for a maximum period of three years.

### GENERAL MANAGEMENT

[Articles 22 and 27 of the Articles of Association]

The general management of the Company shall be either the responsibility of the Chairman of the Board of Directors or that of another individual appointed by the Board of Directors and given the title of Managing Director. The Board of Directors shall decide which method of general management it wishes to implement and for what duration. The Board of Directors, voting on a proposal by the Managing Director, may appoint one or more individuals to assist him, who shall be given the title of Vice-President.

The age limit for the Managing Director and Vice-Presidents is 65. If the Managing Director or a Vice-President reaches the age of 65 the Board of Directors may extend his appointment for a maximum period of three years.

The Managing Director shall have the broadest powers to act in all circumstances in the name of the Company, within the limits of the corporate purpose and subject to any powers that the law expressly reserves for the General Meetings and the Board of Directors.

### SHARE CAPITAL

#### AMOUNT

At 31 December 2008, the share capital amounted to €366,333,368, divided into 91,583,342 shares with a nominal value of €4 each. It was reduced to 90,000,000 shares on 1 March 2009 by virtue of a decision of the Board of Directors to cancel 1,583,342 shares, pursuant to the authorisation granted by the General Meeting of 25 June 2008. Information on securities giving access to the capital and on the shareholders is provided below.

#### AUTHORISATIONS TO INCREASE THE CAPITAL

The Ordinary and Extraordinary General Meeting of Shareholders of 25 June 2008 authorised the Company's Board of Directors to increase the share capital by the issue of shares, sundry transferable securities or share subscription warrants with preferential subscription rights for the shareholders. The total issue shall not exceed €150 million in terms of nominal capital (37,500,000 shares) or €1.5 billion in terms of transferable securities representing debt securities. This authorisation will remain valid for twenty-six months, and has not yet been used.

## TABLE SUMMARISING CURRENTLY VALID AUTHORISATIONS TO INCREASE THE CAPITAL

	Date of EGM	Authorisation expiry date	Authorised amount (nominal capital)	Increases in previous years	Increases in this financial year	Amount available at end of financial year
<i>In euros</i>						
Delegation of authority to increase the capital while maintaining preferential subscription rights	25.06.2008	24.08.2010	€150 M	-	-	€150 M
Authorisation to increase the amount of an issue if oversubscribed	25.06.2008	24.08.2010	15% of the initial issue, subject to €150 M maximum			15% of the initial issue, subject to €150 M maximum
Authorisation to increase the capital with the waiver of preferential subscription rights, in favour of members of a PEE company investment plan	25.06.2008	24.08.2010	€15 M	-	-	€15 M
Delegation of authority to increase capital in order to remunerate a contribution of shares or securities	25.06.2008	24.08.2010	10% of the capital	-	-	10% of the capital

## SECURITIES GIVING ACCESS TO THE CAPITAL

No securities have been issued that give access to the capital.

## CHANGES IN THE CAPITAL

Year	Nature of the transaction	Increase in capital		Share premium / Reserves	Total capital	Number of shares
		Number of shares	Nominal value			
01.01.04						14,711,974
2004	Exercise of share subscription options	69,315	554,520	2,209,379	118,250,312	14,781,289
	Capitalisation of reserves and bonus issue	14,781,289	118,250,312	-118,250,312	236,500,624	29,562,578
	Exercise of share subscription options	214,795	1,718,360	3,700,719	238,218,984	29,777,373
2005	Exercise of share subscription options	106,323	850,584	1,800,226	239,069,568	29,883,696
	Capitalisation of reserves and bonus issue	14,941,848	119,534,784	-119,534,784	358,604,352	44,825,544
	Exercise of share subscription options	69,244	553,952	560,581	359,158,304	44,894,788
2006	Exercise of share subscription	40,270	322,160	378,538	-	44,935,058
	Options	44,935,058	-	-	359,480,464	89,870,116
	Nominal value halved	3,294,510	13,178,040	146,605,695	372,658,504	93,164,626
	Reserved capital increase	7,712	30,848	36,246	372,689,352	93,172,338
2007	Exercise of share subscription options	11,004	44,016	51,719	372,733,368	93,183,342
2008	Cancellation of shares	-1,600,000	-6,400,000	-60,262,412	366,333,368	91,583,342



### OWNERSHIP OF CAPITAL AND VOTING RIGHTS

There are no provisions in the Memorandum and Articles of Association limiting voting rights.

The following table shows changes in share ownership over the last three years:

Known shareholders	As at 31.12.2006		As at 31.12.2007		As at 31.12.2008		
	Number of shares	% held	Number of shares	% held	Number of shares	% held	% voting rights <sup>(1)</sup>
Employee shareholders:							
- EIFFAGE 2000	16,172,247	17.4	14,458,962	15.5	15,134,325	16.5	17.0
- FCPE EIFFAGE 2011	3,294,510	3.5	3,063,680	3.3	2,875,760	3.1	3.2
- FCPE Secur+	628,006	0.7	573,267	0.6	539,820	0.6	0.6
- Held directly	1,570,061	1.7	747,900	0.8	728,929	0.8	0.8
Caisse des Dépôts	7,930,019	8.5	7,930,019	8.5	18,137,857	19.8	20.4
Eiffaime	3,636,783	3.9	4,834,454	5.2	7,448,854	8.1	8.4
Groupama	2,701,099	3.0	2,701,099	2.9	5,601,489	6.1	6.3
Sacyr Vallehermoso	29,934,550	32.1	31,047,259	33.3	-	-	-
Shares held in treasury	2,395,398	2.6	531,158	0.6	2,544,473	2.8	-
Free float	24,909,665	26.6	27,295,544	29.3	38,571,835	42.2	43.3
<b>TOTAL</b>	<b>93,172,338</b>	<b>100%</b>	<b>93,183,342</b>	<b>100%</b>	<b>91,583,342</b>	<b>100%</b>	<b>100%</b>

(1) Actual voting rights.

EIFFAGE group employees hold EIFFAGE shares through the SICAVAS EIFFAGE 2000 investment fund. The capital increase reserved for employees that was carried out in December 2006 was subscribed via an FCPE-type investment fund called EIFFAGE 2011. The FCPE called Secur+, which held APRR securities, sold them to purchase EIFFAGE shares.

As at 31 December 2008, EIFFAIME, which was formed by Group managers, held 8.1% of the capital.

CNP (Compagnie Nationale à Portefeuille - Groupe Frère) sold all its shares in October 2006, but subsequently acquired just over 1% of the capital in March 2008 and currently holds 1.44%.

Sacyr Vallehermoso held 33.33% of the capital as at 31 December 2007, but sold its entire interest on 17 April 2008.

Following this operation the Company received declarations relating to the crossing of statutory ownership thresholds from Caisse des Dépôts, which had increased its holding to 19.8% of the capital, and Groupama, which holds 6.1%.

In view of the declarations received by EIFFAGE relating to the crossing of the ownership thresholds set by the Articles of Association, the shareholders who hold more than 1% of the capital as at 31 December 2008 other than those listed in the above table or mentioned above are: Natixis, Geneval, BNP Paribas, Crédit Mutuel, CNP Assurances, AGF, AXA, Grupo Rayet, Gecina and DNCA.

To the Board of Directors' knowledge, no other shareholder directly or indirectly controls more than 1% of the capital either singly or in concert.

### OTHER INFORMATION THAT MAY BE RELEVANT IN THE EVENT OF A PUBLIC OFFERING

■ The capital ownership structure and all direct or indirect shareholders known to the Company are set out above, together with all relevant information;

- The Articles of Association do not place any restrictions on the exercise of voting rights, other than that voting rights may be stripped if the shareholder fails to declare the crossing of an ownership threshold;
- The Company is not aware of any agreements or other arrangements between shareholders;
- No shares or securities give their holders any special controlling rights;
- The voting rights attached to shares held by employees through the SICAVAS EIFFAGE 2000 investment fund and the EIFFAGE 2011 and SECUR+ FCPE funds are all exercised at General Meetings by the authorised representatives appointed by the Board of Directors of the SICAVAS and the Supervisory Boards of the FCPEs;
- The rules governing the appointment and dismissal of the members of the Board of Directors are the rules laid down by law and those set out in Articles 17 of 20 of the Articles of Association;
- Powers currently delegated to the Board of Directors are described in the management report (share buy-back programme, page 98) and in the table summarising authorisations to increase the capital, page 181;
- The Company's Memorandum and Articles of Association are amended in accordance with the applicable laws and regulations;
- The credit facilities described on page 102 of this document (in the chapter "liquidity risks") may be cancelled in the event of a change to the control of the Company;
- No specific agreements provide for the payment of compensation to corporate officers when they leave office.

### OTHER INFORMATION

#### PLEDGE OF SHARES

The Company has not been advised that any of its shares have been pledged as collateral.

## TRADING IN THE COMPANY'S OWN SHARES

In 2008 EIFFAGE exercised options to purchase 1,614,000 Company shares and purchased 3,384,098 shares on a cash basis pursuant to the authorisation given by the General Meeting of 25 June 2008. 1,384,783 shares were transferred to employees when bonus options to purchase shares, awarded in 2006, were exercised. By virtue of the powers granted it by the General Meeting of 25 June 2008, on 1 October 2008 the Board cancelled 1,600,000 shares

previously acquired. As a result, at the end of the financial year EIFFAGE held 2,544,473 of its own shares (2.78% of the share capital), purchased at an average price of €61.92 (nominal value: €4).

## SHARE LISTING

The EIFFAGE SA shares are listed on Euronext Paris.

## SHARE PRICES AND TRADING VOLUMES

	High (in euros)	Low (in euros)	Number of shares	Amount (in millions of euros)
<b>2007</b>				
September	88.10	70.14	4,275,668	337.70
October	80.00	75.00	2,616,471	203.94
November	78.75	71.18	4,649,226	356.83
December	77.50	65.26	2,288,182	168.38
<b>2008</b>				
January	69.28	47.65	7,705,025	439.82
February	63.19	56.16	3,236,869	194.21
March	62.55	55.20	3,815,137	223.73
April	62.49	57.10	4,844,036	287.38
May	59.55	55.00	3,368,383	193.18
June	56.00	42.11	4,244,367	205.30
July	44.45	38.62	4,234,642	176.97
August	47.29	39.01	2,752,533	120.39
September	45.71	35.54	3,913,164	158.15
October	39.71	24.19	4,883,844	151.61
November	35.70	27.58	4,074,939	124.91
December	37.77	32.48	3,555,712	126.24
<b>2009</b>				
January	40.24	33.53	2,525,527	93.82
February	38.87	27.93	2,469,093	86.31

Source: Euronext.

## DIVIDENDS

Year for which dividends were distributed	Total dividend (in euros)	Number of shares on which dividend was paid	Payment per share (in euros)		
			Net	Tax credit	Total
2003	34,131,780	14,711,974	2.32	1.16	3.48
2004	44,666,060	29,777,373	1.50	0.50*	2.00*
2005	67,342,182	44,894,788	1.50	-	1.50
2006	93,172,338	93,172,338	1.00	-	1.00
2007	111,820,010	93,183,342	1.20	-	1.20
2008	108,000,000	90,000,000	1.20	-	1.20

\* Only on the €1 interim dividend paid in 2004, as the special dividend tax credit was abolished in 2005.

As laid down by law, the shareholders have five years to claim dividends as from the date of their payment, after which period any unclaimed dividends are paid to the French Treasury.

## STATUTORY AUDITORS

### PRIMARY STATUTORY AUDITORS

#### KPMG SA

1 cours Valmy – 92923 Paris la Défense Cedex

Member of the Compagnie Régionale de Versailles

represented by Mr Philippe Mathis

First appointed by the Ordinary General Meeting of 21 June 1977

Appointment last renewed by the Ordinary General Meeting of 18 April 2007

Term of office expires at the close of the Ordinary General Meeting held to approve the financial statements for the year to 31 December 2012

#### PricewaterhouseCoopers Audit

63 rue de Villiers – 92200 Neuilly-sur-Seine

Member of the Compagnie Régionale de Versailles

represented by Mr Yan Ricaud

First appointed by the Ordinary General Meeting of 25 April 2001

Appointment last renewed by the Ordinary General Meeting of 18 April 2007

Term of office expires at the close of the Ordinary General Meeting held to approve the financial statements for the year to 31 December 2012

### DEPUTY STATUTORY AUDITORS

#### Mr Bernard Paulet

1 cours Valmy – 92923 Paris la Défense Cedex

First appointed by the Ordinary General Meeting of 20 April 2005

Appointment last renewed by the Ordinary General Meeting of 18 April 2007

Term of office expires at the close of the Ordinary General Meeting held to approve the financial statements for the year to 31 December 2012

#### Mr Yves Nicolas

63 rue de Villiers – 92200 Neuilly-sur-Seine

First appointed by the Ordinary General Meeting of 21 April 2004

Appointment last renewed by the Ordinary General Meeting of 18 April 2007

Term of office expires at the close of the Ordinary General Meeting held to approve the financial statements for the year to 31 December 2012

A table showing fees paid in 2008 and 2007 to the auditors who certified the consolidated financial statements can be found in the notes to the financial statements, on pages 136 and 137.

## PERSON RESPONSIBLE FOR INFORMATION

Mr Max Roche, Chief Finance Officer

163 quai du Docteur-Dervaux – 92600 Asnières-sur-Seine

Tel: +33 (0)1 41 32 80 00

## APPENDED INFORMATION

(Documents available to the public)

During the period of validity of this reference document the Memorandum and Articles of Associations, the Auditors' reports and the financial statements for the past three financial years, together with all the reports, correspondence and other documents and financial records concerning the Company and its subsidiaries in connection with the past three financial years, any valuations or statements prepared by experts, when such documents are provided for by law, and any other document provided for by law may be consulted at the Company's registered office.

Pursuant to Article 28 of European Regulation 809/2004, the following information is deemed to form part of this reference document:

- the consolidated financial statements and the reports of the Statutory Auditors on such consolidated financial statements as at 31 December 2007, appearing respectively on pages 94 to 126 and 127 of the French version of the reference document no. D.08 – 0246 filed with the AMF on 15 April 2008;
- the consolidated financial statements and the reports of the Statutory Auditors on such consolidated financial statements as at 31 December 2006, appearing respectively on pages 70 to 101 and 102 of the French version of the reference document no. D. 07 – 0269 filed with the AMF on 3 April 2007.

## OTHER DOCUMENTS

The following documents have been included in this reference document and thus do not need to be published separately, in accordance with the AMF's General Regulations:

- Annual financial report: the company financial statements for the financial year ended 31 December 2008 can be found on pages 143 to 153 of this reference document. The consolidated financial statements for the financial year ended 31 December 2008 can be found on pages 104 to 141 of this reference document. The management report required by virtue of Article 222-3-3 of the AMF's General Regulations can be found on pages 92 to 99 of this reference document. The declaration by the individuals accepting responsibility for the annual financial report can be found on page 185 of this reference document.

The report by the Statutory Auditors on the consolidated financial statements can be found on page 142 of this reference document, and the report by the Statutory Auditors on the company financial statements can be found on page 154 of this reference document.

- Fees paid to each of the Statutory Auditors and to members of their networks: pages 136 and 137 of this reference document.

## **CERTIFICATION BY THE PERSON RESPONSIBLE FOR THE REFERENCE DOCUMENT**

I certify that, to the best of my knowledge and as far as I can reasonably ascertain, the information provided in this reference document is accurate and no information has been omitted that might alter the interpretation hereof.

I certify that, to the best of my knowledge, the financial statements were prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, financial situation and results of the Company and all the other companies consolidated by it, and that the management report reproduced on page 92 gives a true and fair account of the state of business, results and financial situation of the Company and all the other companies consolidated by it, together with a description of the main risks and uncertainties to which they are exposed.

The Statutory Auditors have provided me with a "sign off document", in which they state that they have verified the information on the financial situation and financial statements included in this reference document and have read the entire document.

Asnières-sur-Seine, 2<sup>nd</sup> April 2009

Jean-François Roverato  
Chairman and Managing Director

## CROSS-REFERENCE TABLE

To assist readers of this Reference Document, the cross-reference table below indicates the pages on which can be found the main information required by EC Regulation 809/2004 of 29 April 2004 implementing EC Directive 2003/71 of the European Parliament and Council.

<b>INFORMATION</b>	<b>Reference document</b>
	<b>pages</b>
<b>1. CERTIFICATIONS</b>	
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