28 August 2013

PRESS RELEASE

Continued profit growth
Order book maintained at a high level

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- Order book: €12.5bn (+2.7% over 6 months)
- APRR traffic: +0.2%
- Sales: €6,527m (-1.3%)
- Operating profit on ordinary activities: €518m (+3.8%). Operating margin: 7.9 %
- Net profit (group share): €58m (+13.7%)
- Financial net debt: €13.2bn (up €281m over 12 months)

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The Board of Directors of Eiffage met on 28 August 2013 to approve the financial statements for the first half of 2013. The statutory auditors performed a limited review of these financial statements.

ACTIVITY

Consolidated sales in the first half of 2013 came to €6.5bn, down year-on-year by 1.3%.
At the Contracting activities, after a sharp decline in the first quarter, sales recovered in the second quarter, but were down by 2.2% in the first half of 2013. At the Construction branch, activity held at a high level in the Ile-de-France region, but conditions were more difficult in the provinces, so that sales were down 7.8%. In Europe, activity held up, notably in the Benelux. The Public Works branch recorded a 2.4% increase, fuelled mainly by activity in France (up 5.2% thanks to the Bretagne-Pays de la Loire high-speed rail line project gearing up). The Energy branch recorded a 0.5% increase thanks to international operations in Europe and further afield, more than offsetting the slight decrease in France (down 0.5%). The Metal branch recorded a 6.1% decrease in the first half of 2013, with Industrial Services and Metallic Construction in France posting the most pronounced declines.
At the Concessions branch, revenue contributed by APRR increased by 1.9%, on a 0.2% rise in traffic. Overall, Concessions recorded solid growth of 3% in the first half of 2013.

RESULTS

Operating profit on ordinary activities increased by 3.8% in the first half of 2013, driving the operating margin improvement to 7.9% from 7.5% in the first half of 2012.
The operating margin of Contracting activities was stable at 1.6%, despite sales having declined due to the far more unfavourable weather conditions than in the first half of 2012. At the Construction branch, which unusually posted the most pronounced dip in volumes, the operating margin put up a good resistance at 4.2%. The operating margin improved slightly to 2.8% at the Energy branch and recovered from -2.7% in the first half of 2012 to -2.2% in the first half of 2013 at the Public Works branch. Finally, the operating margin improved to 3.5% at the Metal branch.
At the Concessions branch, the operating margin remained high at 41.2% thanks to traffic holding up at the motorway concessions and to the tight management of operating expenses.
The increase in the operating profit on ordinary activities along with a decrease in net finance costs paved the way for a sharp increase in net profit, up 13.7% to €58m in the first half of 2013.

FINANCIAL SITUATION

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

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

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

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

2013 OUTLOOK

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