EIFFAGE

Public limited company with a capital of €369,085,864

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

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

Interim Financial Report
for the six months ended 30 June 2014
(Article L. 451-1-2 III of the Monetary and Financial Code
and Articles 222-4 et seq. of the AMF General Regulations)

We present to you the interim financial report for the six months ended 30 June 2014 prepared in accordance with the provisions of Article L. 451-1-2 III of the French Monetary and Financial Code (*Code Monétaire et Financier*) and Articles 222-4 et seq. of the General Regulations of the French Financial Markets Regulator (*Autorité des Marchés Financiers – AMF*).

This report has been disseminated in accordance with the provisions of Article 221-3 of the AMF General Regulations. It is available notably on the Company's website at www.eiffage.com

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I. Certification by the person responsible for the document

I certify that, to the best of my knowledge, the condensed consolidated financial statements for the six months ended 30 June 2014 have been drawn up in accordance with applicable accounting standards and present a true and fair view of the assets, financial situation and results of Eiffage SA and all the companies included in the consolidation scope, and that the Management Report for the period then ended provides a true and fair view of significant events during this period and their impact on the financial statements and of transactions with related parties, and contains a description of the main risks and uncertainties for the remaining six months of the financial year.

27 August 2014

Pierre Berger

Director - Chairman and Chief Executive Officer

II. Interim Management Report

ACTIVITY

Consolidated sales in the first half of 2014 were stable at €6.5bn (-0.2%).

At the Contracting Activities in France, sales declined by 1%, as activity in the second quarter was affected negatively by the traditionally weaker level of activity in the immediate aftermath of municipal elections. At the Construction division, sales increased by 4.4%, with particularly buoyant performances in France (where the marketing of new housing units remained dynamic) and also in the rest of Europe, chiefly in Poland. At the Public Works division, sales declined by 1.1%, down slightly in France, but up in the rest of Europe, despite persistently weak orders from the public sector in Spain. At the Energy division, sales declined by 8.5%, especially in France, reflecting notably the more stringent policy for the selection of new orders. On the other hand, activity turned around in the rest of Europe, thanks to a sharp recovery in orders from the private sector in Spain and dynamic orders in Germany. Thanks to the very strong growth in Europe further to the successful integration of the Smulders Group, the Metal division recorded a 5.0% increase in sales despite a much lower level of activity in France compared with the first half of 2013 when sales were buoyed by work on the Ofon offshore platform and on several major façade projects, which have since been delivered.

In the Concessions, revenue contributed by APRR is up 2.8%, fuelled by a 2.0% increase in total traffic. Overall, concessions recorded solid 3.4% growth.

SALES FOR THE FIRST HALF OF 2014

In millions of euros	**1st half 2013**	**1st half 2014**	**% change** Reported	**% change** Like-for-like
CONSTRUCTION	1,696	1,770	+4.4%	+4.5%
Of which Property	*257*	*281*		
PUBLIC WORKS	1,806	1,787	-1.1%	-1.1%
ENERGY	1,550	1,418	-8.5%	-7.5%
METAL	401	421	+5.0%	-20.2%
Sub-total Contracting Activities	5,453	5,396	-1.0%	-2.5%
CONCESSIONS (excluding IFRIC 12)	1,074	1,115	+3.8%	+3.4%
TOTAL GROUP (excluding IFRIC 12)	**6,527**	**6,511**	**-0.2%**	**-1.7%**
Of which:				
. France	5,554	5,424	-2.3%	-2.3%
. Rest of Europe	844	979	+16.0%	+4.3%
. Rest of world	129	108	-16.3%	-16.3%
Construction revenue of Concessions (IFRIC 12)	114	119	n/m	

RESULTS

Operating profit on ordinary activities increased by 7.3% to €556m thereby lifting the operating margin to 8.5% from 7.9% in the first half of 2013. Although sales declined by 1.0%, the operating margin of the Contracting activities improved thanks to the strict contract selectivity in place, the tight control on overheads and the mastering of the execution of major ongoing projects.

At the Construction division, the operating margin held at a high level (4.0% compared with 4.2% in the first half of 2013). The operating margin improved at the Energy division to 3.2% (compared with 2.8% in the first half of 2013) and continued to turn around at the Public Works division to reach -2.0% (compared with -2.2%). Finally, the operating margin reduced to 2.8% at the Metal division with the completion of some major projects.

At the Concessions activities, the operating margin increased by 150 bps to 42.7% thanks to traffic holding up at the motorway concessions and to the tight management of operating expenditure.

Despite the expected increase in finance costs (increase in the cost of the Eiffarie swaps since July 2013), the growth of the operating profit on ordinary activities paved the way for another sharp rise in net profit, up 17.2% to €68m in the first half of 2014.

FINANCIAL SITUATION

Net debt (excluding the fair value of the CNA loan and swaps) reached €12.6bn at 30 June 2014, down €595m compared with 30 June 2013 and stable compared with 1 January 2014, despite the seasonal increase in the working capital requirements of the Contracting activities (€431m compared with €639m in the first half of 2013).

The transfer of the lease for the Sud Francilien hospital to a public sector entity led to a €332m reduction in debt and settled all the disputes between the parties.

Most of the Group's net debt is held by the Concessions, without recourse against Eiffage and for an amount of €12bn. Net debt held by the Holding and Contracting activities came to €607m compared with €911m at 30 June 2013.

Eiffage SA has continued to increase its liquidity and diversify its sources of financing, signing a new private placement for €100m and ramping up its commercial paper programme.

The Group's liquidity, which reaches its low water mark at this time of the year, increases significantly to reach nearly €1.5bn (up from €700m at 30 June 2013), comprising net available cash of €791m and an undrawn credit line of €700m maturing in December 2015.

As for APRR, it realised two new bond issues of €500m each, at historically low rates, with 6-year bonds offering a fixed coupon of 2.25% and 5-year bonds offering a variable coupon with a 0.75% margin.

2014 OUTLOOK

With the signature in the first half of 2014 of several carefully selected major projects (notably the first lots awarded in connection with the Grand Paris development programmes and with the overhaul of EDF's fleet of nuclear power stations), the order book stands at the high level of €12.3bn, representing nearly 12.4 months of activity.

The Group expects a slight increase in sales in the year ending 31 December 2014, another improvement in operating profit on ordinary activities and in net profit along with a decrease in net debt.

MAIN RISKS – TRANSACTIONS WITH RELATED PARTIES

Risks to which the Group is exposed are disclosed on pages 222 to 224 of the Eiffage SA Reference Document registered under no. D.14-0211. At the date of this financial report, there has been no modification in the nature of these risks or in the attendant uncertainties that might have a significant impact on the Group's activities and results in the second half of 2014. The assessment of the Group's exposure to financial covenants at 30 June 2014 is detailed hereunder in Note 10 to the interim financial statements.

Transactions with related parties are disclosed in Note 15.

III. Condensed consolidated financial statements
for the six months ended 30 June 2014

Consolidated statement of financial position at 30 June 2014

Assets

In millions of euros	30 June 2014	31 December 2013
Non-current assets		
Property, plant and equipment	1,446	1,474
Investment property	6	6
Concession intangible assets	12,243	12,415
Goodwill	2,850	2,849
Other intangible assets	170	172
Investments in associates	99	107
Non-current financial assets	1,517	1,647
Deferred tax assets	308	303
Total non-current assets	**18,639**	**18,973**
Current assets		
Inventories	599	556
Trade and other receivables	4,378	4,151
Current tax assets	4	5
Current financial assets	11	15
Other current assets	1,468	1,496
Cash and cash equivalents	2,673	2,097
Assets classified as held for sale	50	83
Total current assets	**9,183**	**8,403**
Total assets	**27,822**	**27,376**

Equity and liabilities

In millions of euros	30 June 2014	31 December 2013
Equity		
Share capital	369	358
Consolidated reserves	2,673	2,429
All other comprehensive income items	(331)	(340)
Profit for the period	68	257
Equity attributable to the owners of the company	**2,779**	**2,704**
Non-controlling interests	25	4
Total equity	**2,804**	**2,708**
Non-current liabilities		
Borrowings	13,230	13,261
Deferred tax liabilities	1,063	1,063
Non-current provisions	562	529
Other non-current liabilities	56	52
Total non-current liabilities	**14,911**	**14,905**
Current liabilities		
Trade and other payables	2,898	3,169
Loans and other borrowings	1,305	1,184
Non-current borrowings due within one year	1,587	1,091
Current income tax liabilities	20	74
Current provisions	468	475
Other liabilities	3,809	3,716
Liabilities directly associated with assets classified as held for sale	20	54
Total current liabilities	**10,107**	**9,763**
Total equity and liabilities	**27,822**	**27,376**

Consolidated income statement for the six months ended 30 June 2014

In millions of euros	30 June 2014	30 June 2013
Revenue from continuing operations	**6,597**	**6,578**
Other operating income	2	2
Raw materials and consumables used	(1,170)	(1,233)
Employee benefits expense	(1,699)	(1,701)
Other operating expenses	(2,650)	(2,622)
Taxes (other than income tax)	(197)	(184)
Depreciation and amortisation	(425)	(418)
Net decrease (increase) in provisions	(15)	9
Change in inventories of finished goods and work in progress	54	22
Other operating income on ordinary activities	59	65
Operating profit on ordinary activities	**556**	**518**
Other expenses from operations	(28)	(30)
Operating profit	**528**	**488**
Income from cash and cash equivalents	19	18
Finance costs	(392)	(368)
Net finance costs	**(373)**	**(350)**
Other financial expenses	(15)	(12)
Share of loss (profit) of associates	(4)	3
Income tax	(40)	(45)
Profit for the period	**96**	**84**
Attributable to:		
- Equity holders of the parent company	68	58
- Non-controlling interests	28	26
Earnings per share attributable to the owners of the company (in euros)		
Basic	0.78	0.68
Diluted	0.76	0.66

Consolidated comprehensive income statement for the six months ended 30 June 2014

In millions of euros	30 June 2014	30 June 2013
Profit for the period	**96**	**84**
Items that will not be reclassified subsequently to profit or loss		
Actuarial gains and losses on employee benefits	(20)	(1)
Tax on items that will not be reclassified to profit or loss	7	-
Share of gains and losses of associates that will not be reclassified subsequently to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss		
Translation differences	(1)	(3)
Re-measurement of derivative hedging instruments	32	202
Tax on items that are or may be reclassified subsequently to profit or loss	(14)	(71)
Share of gains and losses of associates that are or may be reclassified subsequently to profit or loss	1	11
Other items of comprehensive income	**5**	**138**
Comprehensive income for the year	**101**	**222**
Attributable to:		
- Equity holders of the parent company	77	150
- Non-controlling interests	24	72

Consolidated statement of changes in equity for the six months ended 30 June 2014

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

In millions of euros	Share capital	Share premium	Reserves	Currency translation difference	Financial instruments	Employee benefits	Attributable to owners of the company	Non-controlling interests	Total
Equity at 1 January 2014	**358**	**249**	**2,437**	**7**	**(327)**	**(20)**	**2,704**	**4**	**2,708**
Capital increase/reduction	11	92	-	-	-	-	103	-	103
Treasury shares	-	-	2	-	-	-	2	-	2
Share-based payments	-	-	2	-	-	-	2	-	2
Dividends	-	-	(108)	-	-	-	(108)	(2)	(110)
Acquisitions and other changes in non-controlling interests	-	-	(1)	-	-	-	(1)	(2)	(3)
Transactions with shareholders	**11**	**92**	**(105)**	**-**	**-**	**-**	**(2)**	**(4)**	**(6)**
Profit for the period	-	-	68	-	-	-	68	28	96
Other comprehensive income items	-	-	-	-	21	(12)	9	(3)	6
Comprehensive income	**-**	**-**	**68**	**-**	**21**	**(12)**	**77**	**25**	**102**
Equity at 30 June 2014	**369**	**341**	**2,400**	**7**	**(306)**	**(32)**	**2,779**	**25**	**2,804**

Consolidated statement of cash flows for the six months ended 30 June 2014

In millions of euros	30 June 2014	30 June 2013
Cash and cash equivalents at the beginning of the year	**1,844**	**1,829**
Effect of foreign exchange rate changes	-	(2)
Restated cash and cash equivalents at the beginning of the year	**1,844**	**1,827**
Profit for the year	96	84
Profit (loss) of associates	4	(3)
Dividends from associates	6	8
Depreciation, amortisation and net increase (decrease) in provisions	389	378
Other non-cash items	5	(9)
Gain or loss on disposals	(14)	(7)
Cash-flows from (used in) operations before interest and taxes	**486**	**451**
Net interest expense	367	345
Interest paid	(488)	(504)
Income tax	40	45
Income tax paid	(105)	(106)
Changes in working capital requirement	(431)	(639)
Net cash from (used in) operating activities (I)	**(131)**	**(408)**
Intangible assets	(13)	(25)
Concession intangible assets	(99)	(110)
Property, plant and equipment	(70)	(57)
Investments	(204)	(221)
Total purchases of non-current assets	**(386)**	**(413)**
Proceeds from disposal of non-current assets (1)	359	16
Cash and cash equivalents of entities bought or sold	(5)	(9)
Net cash from (used in) investing activities (II)	**(32)**	**(406)**
Dividends paid to shareholders	(110)	(107)
Capital increase	103	60
Purchase and sale of non-controlling interests	(7)	-
Repurchase and resale of treasury shares	2	(3)
Repayments of borrowings (1)	(796)	(460)
New borrowings (2)	1,496	595
Net cash from (used in) financing activities (III)	**688**	**85**
Net increase (decrease) in cash and cash equivalents (I + II + III)	**525**	**(729)**
Cash and cash equivalents at the end of the period	**2,369**	**1,098**

(1) In the first half of 2014, these lines reflect the de-recognition of the non-current assets and loan in respect of the Sud-Francilien hospital following the termination of the long-term lease.

(2) Includes the refinancing of the debt of the Eiffarie Group for €1,000m in the first half of 2014.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2014

(in millions of euros unless otherwise indicated)

1. General information

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

The interim consolidated financial statements for the six months ended 30 June 2014 were approved by the Board of Directors on 27 August 2014.

The consolidated financial statements for the year ended 31 December 2013 are available on demand from the registered office of Eiffage SA. They are also available on its website at www.eiffage.com.

Significant events in the first half of 2014

In the first half of 2014, Eiffage SA staged a capital increase reserved for the Group's employees in France and abroad, which resulted in the issue of 2,832,836 shares of €4 each. Following this increase, the share capital of Eiffage SA amounted to €369,085,864.

2. Seasonal nature of the activities

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

The seasonal natural of the activities also led to an increase in net cash used in operating activities in the first six months of the year.

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

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

The condensed interim financial statements to 30 June 2014 were prepared in accordance with IAS 34, "Interim Financial Reporting". The statements do not contain all the information required in the complete annual financial statements and must be read in conjunction with the consolidated financial statements for the year ended 31 December 2013.

The same accounting methods were applied as in 2013, except for standards, amendments and interpretations adopted by the European Union for which application was compulsory for accounting periods beginning on or after 1 January 2014, notably:

- IFRS 10, "Consolidated Financial Statements";
- IFRS 11, "Joint Arrangements";
- IFRS 12, "Disclosure of Interests in Other Entities";
- Amendment to IAS 27, "Separate Financial Statements";
- Amendment to IAS 28, "Investments in Associates and Joint Ventures";
- Amendment to IAS 32, "Offsetting Financial Assets and Financial Liabilities";
- Amendment to IAS 36, "Recoverable Amount Disclosures for Non-financial Assets"; and
- Amendment to IAS 39, "Novation of Derivatives and Continuation of Hedge Accounting".

These new standards, amendments and interpretations did not have a material impact on the Group's interim financial statements and, accordingly, the reported 2013 comparatives were not restated.

The Group is in the process of assessing the potential impact on its financial statements of the standards, amendments and interpretations published as at 30 June 2014 but applicable in accounting periods beginning on or after 1 January 2015, notably:

- IFRS 15, "Revenue from Contracts with Customers";

- Amendments to IAS 16 and IAS 38 clarifying acceptable methods of depreciation and amortisation;
- Amendment to IFRS 11, “Accounting for Acquisitions of Interests in Joint Operations”;
- Amendment to IAS 19, “Defined Benefit Plans: Employee Contributions”; and
- IFRIC 21, “Levies”.

4. Significant accounting estimates and judgements

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

The estimates and assumptions concern essentially:

- the stage of completion of construction contracts and the measurement of the profit on completion (trade receivables on the asset side of the statement of financial position, 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); and
- the recoverability of deferred tax assets.

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

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

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

5. Segment reporting

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

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

5.1 First half of 2014

Information by business segment

	Construction	Public Works	Energy	Metal	Concessions and Utilities Management	Holding	Eliminations	Total
Income statement								
Revenue from continuing operations	1,758	1,819	1,319	396	1,288	17	-	6,597
Inter-segment sales	15	22	96	32	1	58	(224)	-
Total	**1,773**	**1,841**	**1,415**	**428**	**1,289**	**75**	**(224)**	**6,597**
Operating profit on ordinary activities	70	(35)	45	12	476	(12)	-	556
Operating profit	58	(42)	38	11	478	(15)	-	528

Information by geographical area

	France	Rest of world
Revenue from continuing operations	5,532	1,065

5.2 First half of 2013

Information by business segment

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

Information by geographical area

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

6. Changes in the consolidation scope

Changes in consolidation scope had the following impacts on the interim financial statements to 30 June 2014, reflecting:

- the first-time consolidation in the first half of 2014 of three companies, which are not material, by the Energy division; and
- the contribution made in the first half of 2014 by companies consolidated for the first time in the second half of 2013 (mainly Smulders Group at the Metal division), offset by the contributions no longer made by companies which were deconsolidated at the end of 2013, namely Hanvol (Annemasse hospital) and H'ennez (Rennes hospital), and at the start of 2014, namely Centor 36 (Châteauroux police headquarters).

On the statement of financial position:

- Non-current assets — no impact
- Current assets — €31m decrease
- Non-current liabilities — no impact
- Current liabilities — €32m decrease

On the income statement:

- Sales — €94m increase
- Operating profit — €1m increase
- Net finance cost — €4m increase
- Net profit — €4m increase

The cost of these acquisitions was neutral when reasoning net of disposals.

7. Change in investments in associates

At 1 January 2014	107
Loss for the period	(4)
Dividends distributed	(6)
Change in capital	-
Change in fair value of financial instruments	1
Other	1
At 30 June 2014	**99**

8. Deferred taxes

	30 June 2014	31 December 2013
Deferred tax assets	308	303
Deferred tax liabilities	1,063	1,063
Net deferred tax liabilities	**755**	**760**

9. Share capital

The capital is composed of 92,271,466 fully paid-up shares of €4 each, all ranking pari passu. Changes in the number of shares in issue are analysed in the table below:

	Total number of shares	Of which treasury shares	Free float
At 1 January 2014	89,438,630	(2,133,641)	87,304,989
Capital increase reserved for employees	2,832,836		2,832,836
Purchases, sales, and allotments	-	97,838	97,838
At 30 June 2014	**92,271,466**	**(2,035,803)**	**90,235,663**

In the first half of 2014, in connection with plans for the allocation of options, the Group purchased 90,479 of its own shares and allotted 214,700 shares.
As part of the liquidity agreement, Eiffage purchased 1,203,923 of its own shares and sold 1,177,540 shares.

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

In the first half of 2013, in connection with plans for the allocation of options, the Group purchased 165,720 of its own shares and allotted 16,150 shares.
As part of the liquidity agreement, Eiffage purchased 881,147 of its own shares and sold 923,202.

10. Analysis of financial assets and liabilities

	Less than 1 year	1 year and over	Total
Financial assets: cash and cash equivalents			
Marketable securities	1,056	-	1,056
Cash at bank and in hand	1,617	-	1,617
Sub-total – financial assets	**2,673**	**-**	**2,673**
Financial liabilities			
Loans	1,587	13,230	14,817
Current portion of loans and other borrowings	1,305	-	1,305
Sub-total – financial liabilities	**2,892**	**13,230**	**16,122**
Net debt			**13,449**

Under the Credit Agreement amounting to €2,764.7m initially and maturing in February 2017 arranged by Eiffarie in February 2012 to refinance the loan entered into in 2006 for the acquisition of the APRR group and which matured in February 2013, the company has undertaken to comply with a certain number of financial ratios at the level of the Eiffarie group, defined contractually as follows:

- *Consolidated debt coverage ratio* (terms that correspond to specific contractual definitions) equal to or less than 8.11 at 30 June 2014; and
- *Consolidated interest coverage ratio* (terms that correspond to specific contractual definitions) equal to or more than 1.40 at 30 June 2014.

These ratios came to 6.00 and 2.04, respectively, on 30 June 2014.

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

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

This ratio came to 2.83 on 30 June 2014.

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

In addition, Eiffarie (with regard to the lenders party to the above debt agreement) and APRR (with regard to the Caisse Nationale des Autoroutes, the European Investment Bank and lending banks) have undertaken to comply with the following two ratios at the level of the APRR group:

- *Net debt/EBITDA* of less than 7; and
- *EBITDA/net finance cost* of more than 2.2.

These two ratios came to 4.5 and 4.4, respectively, on 30 June 2014.

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

VP2, the parent company of Compagnie Eiffage du Viaduc de Millau, has undertaken with regard to the lenders for the financing totalling €573m arranged in July 2007, to comply with a number of ratios calculated on 25 May and 25 November of each year by reference to a financial model and applying definitions specific to the financing agreement:

- *Annual debt service ratio* calculated for the year preceding the date of calculation and for each of the next five years, equal to or more than 1.05;
- *Debt coverage ratio* calculated over the terms of the loans, equal to or more than 1.15; and
- *Debt coverage ratio* calculated over the term of the concession, equal to or more than 1.25.

VP2 complied with all of these ratios when they were last calculated for the first half of 2014, with values of between 1.17 and 1.79 for the first ratio and of 1.37 and 1.82, respectively, for the second and third ratios.

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

In connection with the debt agreement signed for the concession covering the design, construction, operation, maintenance and repair of the Pau-Langon A65 motorway, A'liénor has undertaken to comply with the financial ratios indicated below:

- *20:80 capital ratio*, requiring at least 20% of equity for 80% of long-term loans;
- *Debt service coverage ratio for historical debt* (terms that correspond to specific contractual definitions) equal to or more than 1 on each interest payment date; and
- *Forecast debt service coverage ratio* (terms that correspond to specific contractual definitions) equal to or more than 1 on each interest payment date.

When these ratios were last calculated for the second quarter of 2014, the first ratio came to 23.17/76.83 and the two other ratios to 1.00.

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

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

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

When these ratios were calculated on 30 June 2014, they came to 9.78, 8.96 and 8.99, respectively.

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

Eiffly 54 is a company specifically incorporated to finance, design, demolish and reconstruct the Jean Zay secondary school at Jarny, in addition to which it will perform part of the repairs and maintenance. In connection with a long-term credit agreement dated 11 February 2011, Eiffly 54 undertook with regard to the lenders to comply with the ratios indicated below, as from the date when phase 1 of the project was delivered on 10 October 2013 and subsequently on 30 June and 31 December every year:

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

When these ratios were calculated on 30 June 2014, they came to 1.42, 1.35 and 1.99, respectively.

Non-compliance with any one of these ratios on three consecutive observation dates would be treated as an event of default and trigger the early repayment of all of the debt of Eiffly 54.

The trade receivables securitisation programme for a maximum amount of €400m was being used to its full amount at 30 June 2014. The availability of this facility is not subject to compliance with any financial ratios.

11. Cash and cash equivalents

Cash and cash equivalents comprise:

		30 June 2014	**30 June 2013**
Assets			
Marketable securities (1)		1,056	472
Cash at bank and in hand (1)		1,617	1,026
	(I)	**2,673**	**1,498**
Liabilities			
Bank overdrafts	(II)	304	400
Cash and cash equivalents at period end (see cash flow statement)	**(I – II)**	**2,369**	**1,098**

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

12. Borrowings

	At 1 January	Changes in consolidation scope	Other movements	Change in fair value of financial instruments	Increases	Decreases	At 30 June
Non-current loans and portion of non-current loans maturing in less than one year (1)	**14,352**	**(7)**	**-**	**(31)**	**1,353**	**(850)**	**14,817**
Bank overdrafts	253	-	-	-	51	-	304
Other loans and financial liabilities	931	(10)	1	-	193	(114)	1,001
Other borrowings	**1,184**	**(10)**	**1**	**-**	**244**	**(114)**	**1,305**
(1) Impact of change in loans recognised in accordance with IAS 17, "Leases"					50	(55)	

13. Provisions

	At 1 January	Changes in consolidation scope and currency translation differences	Additions	Utilisation	Reversal	Other	At 30 June
Provisions for maintaining in Condition infrastructures held under concessions [(1)]	249	-	14	(9)	-	-	254
Provisions for retirement benefits	248	-	11	(5)	-	20[(2)]	274
Provisions for long-service awards	29	-	2	-	-	-	31
Other non-current provisions	3	-	-	-	-	-	3
Non-current provisions	**529**	**-**	**27**	**(14)**	**-**	**20**	**562**
Provisions for maintaining in Condition infrastructures held under concessions	38	-	-	-	-	-	38
Provisions for losses at completion	23	-	23	(17)	-	-	29
Provisions for restructuring	13	-	2	(3)	(1)	-	11
Provisions for property risks	2	-	-	(1)	-	-	1
Provisions for guarantees given	115	-	18	(15)	(15)	-	103
Provisions for disputes and penalties	68	1	4	(7)	(1)	(2)	63
Provisions for retirement benefits	15	-	-	-	-	-	15
Provisions for long-service awards	3	-	-	-	-	-	3
Provisions for other liabilities	198	-	36	(24)	(5)	-	205
Current provisions	**475**	**1**	**83**	**(67)**	**(22)**	**(2)**	**468**

(1) Additions in provisions include a discounting effect for €5m.

(2) Actual difference for the period.

Each of the current provisions above represents the aggregate of various disputes linked mainly to construction contracts that, taken individually, are not material. The maturity of these provisions, linked to the operating cycle, is less than one year as a rule. No reimbursements are expected.

14. Hedging instruments

Interest rate hedging instruments are used to reduce the exposure of variable rate loans to changes in interest rates.
These instruments are documented as to the hedging relationship and its effectiveness.

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

15. Transactions with related parties

There are no related parties such as defined by IAS 24, “Related Party Disclosures”, except for participating interests in associates. Transactions with these companies are on an arm's length basis.

16. Income tax expense

Income tax expense is recognised on the basis of the best estimate of the average tax rate expected over the financial year as a whole. This average tax rate takes into account the Group’s geographical diversification.

17. Disputes, arbitration and other commitments

In the ordinary course of its activities, the Group is involved in various disputes. The matters referred to below have, when appropriate, given rise to provisions considered as adequate in the light of current circumstances.

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

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

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

A workout agreement settling all the various issues relating to the long-term lease for the Sud-Francilien hospital was signed during the first half of 2014. Further to this agreement, the transfer of ownership of the facility and, accordingly, the assumption of the related debt were recognised in the interim financial statements to 30 June 2014. Maintenance services will be transferred gradually by 30 September 2015.

Concerning the Pierre Mauroy stadium in Lille, a conciliation procedure was initiated at end-2013 between the Eiffage subsidiary operating the stadium and Lille Métropole to resolve various disputes over the stadium's commissioning. This procedure is ongoing.

Discussions with the French and Spanish authorities to restore the long-term financial equilibrium of the concession for the high-speed rail line between France and Spain operated by TP Ferro are ongoing.

IV. Statutory Auditors' Report

In fulfilment of the assignment entrusted to us by the Shareholders' General Meeting and in application of Article L.451-1-2 III of the Monetary and Financial Code (*Code Monétaire et Financier*) we have performed:

- A limited audit of the condensed interim consolidated financial statements of Eiffage SA for the period 1 January 2014 to 30 June 2014 as appended to this report; and
- A verification of the information disclosed in the interim management report for this same period.

The condensed interim consolidated financial statements have been prepared under the responsibility of the Board of Directors. It is our responsibility, based on our limited audit, to report to you our conclusions on these financial statements.

I. Conclusion reached regarding the financial statements

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

Based on our limited audit, we have not identified any significant anomalies of a nature such as to bring into question the compliance of the condensed interim consolidated financial statements with IAS 34, "Interim Financial Reporting", part of the International Financial Reporting Standards adopted by the European Union.

II. Specific verifications

We also verified the information disclosed in the interim management report relating to the condensed interim consolidated financial statements that were the object of our limited audit. We have no comment to make as to the true and fair view of this information and its consistency with the condensed interim consolidated financial statements.

Neuilly-sur-Seine and Paris La Défense, 27 August 2014

The Statutory Auditors

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